



STEEL CITY SECURITIES LIMITED



29th **Annual Report** **2022-23**



CORPORATE OFFICE BUILDING



STEEL CITY SECURITIES LIMITED

**(CIN: L67120AP1995PLC019521)
VISAKHAPATNAM**

29th ANNUAL GENERAL MEETING

to be held on
27th September, 2023 at 11:15 A.M.

Registered Office:

"Steel City Heights", # 50-81-18,
Main Road, Seethammapeta,
Visakhapatnam – 530016
Phone : 0891- 2563581, Fax: 0891- 2563585
E-mail : investorrelations@steelcitynettrade.com,
ramu.n@steelcitynettrade.com
Website : www.steelcitynettrade.com



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COMPANY INFORMATION

BOARD OF DIRECTORS:

1. **K. Satyanarayana**
Executive Chairman
2. **Satish Kumar Arya**
Managing Director & CEO
3. **T. V. Srikanth**
Director (IT)
4. **G. V. Vandana**
Non – Executive Director
5. **G. Satya Rama Prasad**
Independent Director
6. **B. Krishna Rao**
Independent Director
7. **G. Vijaya Kumar**
Independent Director
8. **E. Sridhar**
Independent Director

CHIEF FINANCIAL OFFICER

N. Ramu

COMPANY SECRETARY & COMPLIANCE OFFICER

M. Srividya

STATUTORY AUDITORS

M/S. Rao & Kumar
Chartered Accountants

SECRETARIAL AUDITORS:

M/S. ASN Associates
Company Secretaries

REGISTRAR & TRANSFER AGENT

Bigshare Services Private Limited

BANKERS TO THE COMPANY

HDFC Bank Limited

Karnataka Bank Limited

Karur Vysya Bank Limited



COMPOSITION OF BOARD COMMITTEES

Members of Audit Committee

SI No	Name of the Member	Designation
1.	G. Satya Rama Prasad	Chairman, Non-Executive Independent Director
2.	B. Krishna Rao	Member, Non-Executive Independent Director
3.	E. Sridhar	Member, Non-Executive Independent Director
4.	G.V. Vandana	Member, Non-Executive Director

Members of Nomination and Remuneration Committee

SI No	Name of the Member	Designation
1.	G. Satya Rama Prasad	Chairman, Non-Executive Independent Director
2.	G. Vijaya Kumar	Member, Non-Executive Independent Director
3.	B. Krishna Rao	Member, Non-Executive Independent Director

Members of Stakeholder Relationship Committee

SI No	Name of the Member	Designation
1.	B. Krishna Rao	Chairman, Non-Executive Independent Director
2.	Satish Kumar Arya	Member, Managing Director
3.	G. Vijaya Kumar	Member, Non-Executive Independent Director
4.	T. V. Srikanth	Member, Director (IT)

Members of Corporate Social Responsibility (CSR) Committee

SI No	Name of the Member	Designation
1.	K. Satyanarayana	Chairman, Executive Chairman
2.	Satish Kumar Arya	Member, Managing Director
3.	G. Satya Rama Prasad	Member, Non- Executive Independent Director

Members of Internal Complaints Committee

SI No	Name of the Member	Designation
1.	G. V. Vandana	Chairman, Non- Executive Director
2.	Satish Kumar Arya	Member, Managing Director
3.	M. Srividya	Member, Company Secretary



Our Team



K. Satyanarayana
Executive Chairman



Satish Kumar Arya
Managing Director & CEO



T.V. Srikanth
Director (IT)



G.V. Vandana
Non-Executive Director



Our Team



G. Satya Rama Prasad
Independent Director



G. Vijaya Kumar
Independent Director



E. Sridhar
Independent Director



B. Krishna Rao
Independent Director



N. Ramu
Chief Financial Officer



M. Srividya
Company Secretary & Compliance Officer



Message From the Chairman

Dear Shareholders,

It gives me immense pleasure to present before you the 29th Annual Report of our Company. We all feel proud about relentless journey of more than two-and-half decades and leading as a most trusted Financial and E- Governance Services Company in the Financial Markets PAN India.

Indian economy proved to be remarkably resilient in FY2023 with GDP growth of 7.2% and continues to remain one of the fastest growing economy due to the strong macroeconomic fundamentals. Global economy faced uncertainty due to geopolitical tensions. This led to significant disruption in global supply chain and consequently high inflation across the world. Several central banks including RBI were quick to react to this alarming situation and hiked interest rates to curb inflation. The proactive steps taken by RBI effectively curbed inflationary pressure and paved the way for a more stable economic environment.

India's capital markets have the potential to reach the levels of participation and market capitalisation of the U.S. in the upcoming decades. The market capitalisation of the U.S. today is twice that of its GDP, and retail participation stands at 65% in FY23. As against this, India's current market capitalisation and GDP are almost the same and retail participation is at a low of 8.1%. Making modest assumptions about India's growth over the next two decades, and assuming India's capital markets will resemble the U.S., India's demat accounts are poised to grow multifold from the existing 12 million.

Having been a part of this industry for a long time, we have been analysing the growth of Indian capital markets. We have witnessed quantum changes over the last 30 years. First, the Indian stock market has seen a significant expansion in both depth and size. Secondly, the government's focus on innovation has transformed the economy. A few years ago, there was no framework to enable startups. Today, we are the third-largest startup ecosystem in the world. Thirdly and most importantly, the financialisation of household savings has been gaining momentum in India. A telling sign of the trend is that the assets of managed investments have skyrocketed in the last few years, reaching 57% of India's GDP in FY23.

The last five years have also seen Indian retail investors come into their own, with the number of demat accounts in the country soaring to 12 million in FY23. Crucially, digital revolution is driving democratisation of investing at an unprecedented rate. Thanks to the technology-driven information revolution, retail investors now have access to a level playing field, enabling them to make educated decisions by sharing ideas and opinions on the internet. Much has happened in the investment landscape, yet the industry has barely scratched the surface, in terms of the potential in different categories and the growth of such assets in developed countries.



Steel City Securities Limited

Despite of various market headwinds, we have continued to deliver sustainable performance by earning a revenue of Rs. 5,881 lakhs by earning a profit after tax of Rs. 1,125 lakhs. We proudly inform you that continuing the tradition of wealth maximization of Shareholders, your Company has declared an Interim Dividend @20% and proposed a final Dividend @10% making a total of 30% of Dividend during the F.Y. 2022-23.

On the brighter side, I would like to proudly announce that the Company has completed the construction of the Five storied own building and shifted its operations and the registered office of the Company to the newly constructed building. India's digital stack has empowered millions to enter the investing fold, giving them an opportunity to capitalise on India's growth story. India stands at the cusp of a major transition in terms of growth in personal incomes, transforming tastes, and a willingness to seek avenues of wealth creation.

Advances in technology, increasing the smart phone penetration and increasing digitization at systematic level are expected to lead more retail investors to adopt and consume financial services through Online. We have also launched new version of Mobile app (Steel City SMART) Plus. We strongly believe significant growth of business transactions through our mobile app will grow day by day. We have completely digitalized the on-boarding process (Quick KYC) whereby clients can open SCSL Demat & Trading accounts instantly and will also help to onboard new client's quickly and hassle free.

We have plans to broaden and deepen geographical presence and expand distribution networks in the Northern and Western market of India and plan to reach to over 45000+ E-Governance centers by FY 24. We are focusing on augmenting the product line under the E-Governance segment with emphasis on NPS promotion and also leveraging the TIN centers for distribution of third party products i.e., Mutual funds, insurance schemes, Loans, credit cards, IPO's etc.

We would like to thank all our esteemed Shareholders, Bankers, Auditors, Business Partners, Customers and Employees for their continuous and dedicated support in realizing our vision and goals. I would like to extend my gratitude to our Board of Directors for their continuous able guidance and support. We will not leave any corner untouched, which will help in improving the growth of our Company. We are totally committed to put our hard and best efforts to maximize the wealth of our stakeholders.

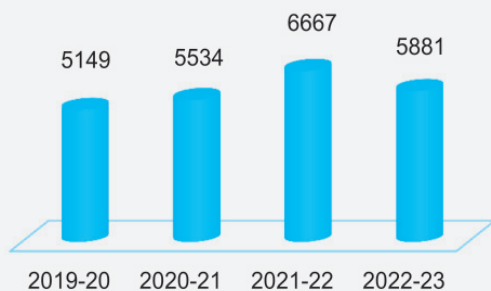
With Best Wishes to all.

K. Satyanarayana
Executive Chairman

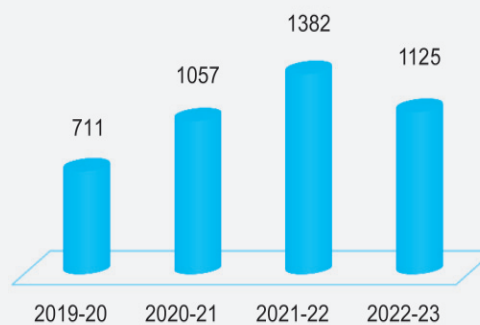


PERFORMANCE AT A GLANCE

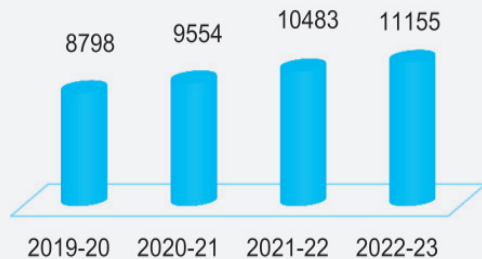
Revenues (lakhs)



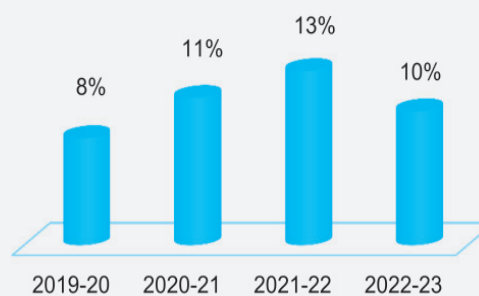
Profit after Tax (lakhs)



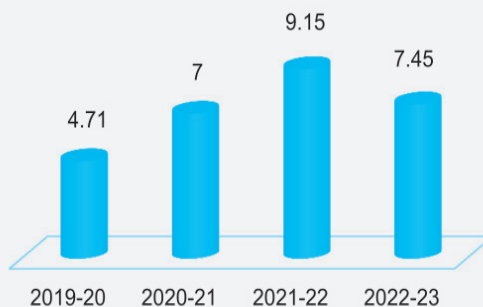
Net worth (lakhs)



Return on Equity



Earning Per Share

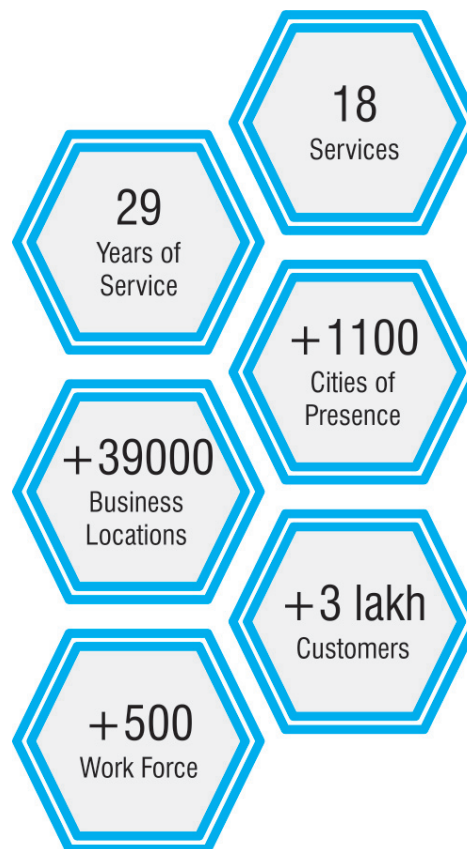




BUSINESS OVERVIEW

Steel City Securities Limited ('Steel City' / 'Our Company') is incorporated in 1995 which is a leading retail stock broker in Southern India with leadership position in e-governance services. Head quartered in Visakhapatnam, today 'Steel City' provides whole range of financial services to its clients through a well-established network of branches. We are pioneers in introducing the "Franchisee model" to extend business potential in urban and rural areas PAN India. The brand is epitome of "confidence as strong as steel" further strengthened by its ISO 27001:2013 certification

The company is having business operations in 36 states & union territories across India. It has a diversified business portfolio covering Capital Market services, e-Governance services, Investment advisory in the form of distribution of Mutual Funds, Bonds, credit cards, IPOs & Corporate Fixed Deposits, Currency Trading, Commodity Broking, Insurance Distribution & NBFC services.



Our Services

The business verticals & Services offered by the company are enumerated as below:

Steel City Securities Limited

- ❖ Online & Mobile App based Capital & Commodity market trading
- ❖ Online Currency Trading and Mutual Funds
- ❖ NSDL & CDSL Depository Services
- ❖ Investment Advisory on Mutual Funds, Bonds, FDR's

Steel City Commodities Private Limited

IRDA registered Life, Non-Life and Health Insurance Distributor



Steel City Securities Limited

- ❖ TIN facilitation center (FC) and PAN Centre
- ❖ POP for NPS
- ❖ NSDL-licensed National Insurance Repository (NIR)
- ❖ GST* Suvidha Kendra

NBFC (Steel City Financial Services Private Limited)

- ❖ Housing Loans
- ❖ Project Loan financing



Capital Market Services:

'Steel City' is the member & provides trading platform of NSE, BSE, MCX, NCDEX & MSE for stock, derivatives, commodity and currency segment.

It has an online E-Broking portal along with a Mobile application named "Steel City Smart Plus" through which the Company provides online trading platform to its clients supported by investment advice and equity research. 'Steel City' is a Depository Participant of NSDL & CDSL since 2002.

Insurance:

Steel City Commodities Private Limited provides distribution of life, non-life and health insurance products of all the leading insurance Companies.

It holds approval from IRDA to conduct the said insurance business it is authorized distributor of insurance policies of ICICI prudential, SBI life, Star Health, Care Health, United India Insurance Company Limited and Life Insurance Corporation.

Non-Banking Financial Services:

'Steel City' through one of its Group Company viz; Steel City Financial Services Private Limited (a non-systematically important non deposit accepting Non-Banking Finance Company) provides NBFC services like project loan financing and housing loans to its clients.

E-Governance:

E-Governance products served by 'Steel City' include PAN, TAN, E-TDS, AIR, SFT & Form 24G

'Steel City' has been appointed as a TIN-FC (Tax Information Network – Facilitation Centre) of NSDL e-Governance.

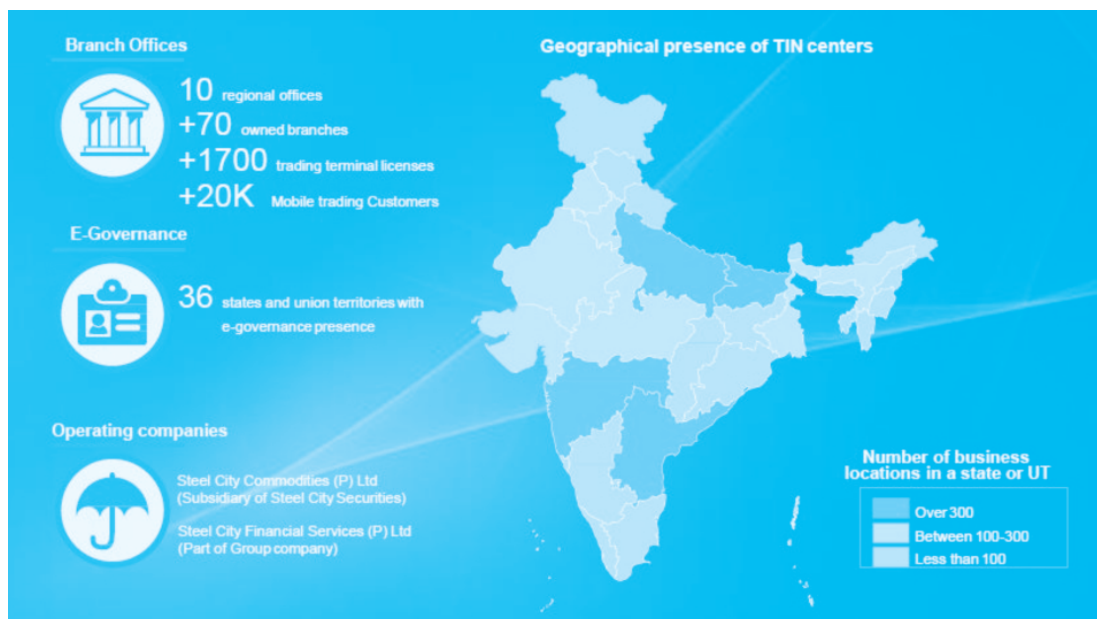
'Steel City' has been recognized as Point of Presence (POP) by PFRDA (Pension Fund Regulatory & Development Authority, Government of India) for NPS Services.

'Steel City' is an approved entity for National Insurance Repository (NIR) wherein insurance policies are held in electronic form in a single E-Insurance Account.

'Steel City' is one of the competent broking outfits who has been recognized and authorized to provide above e-governance services by the respective Regulators.

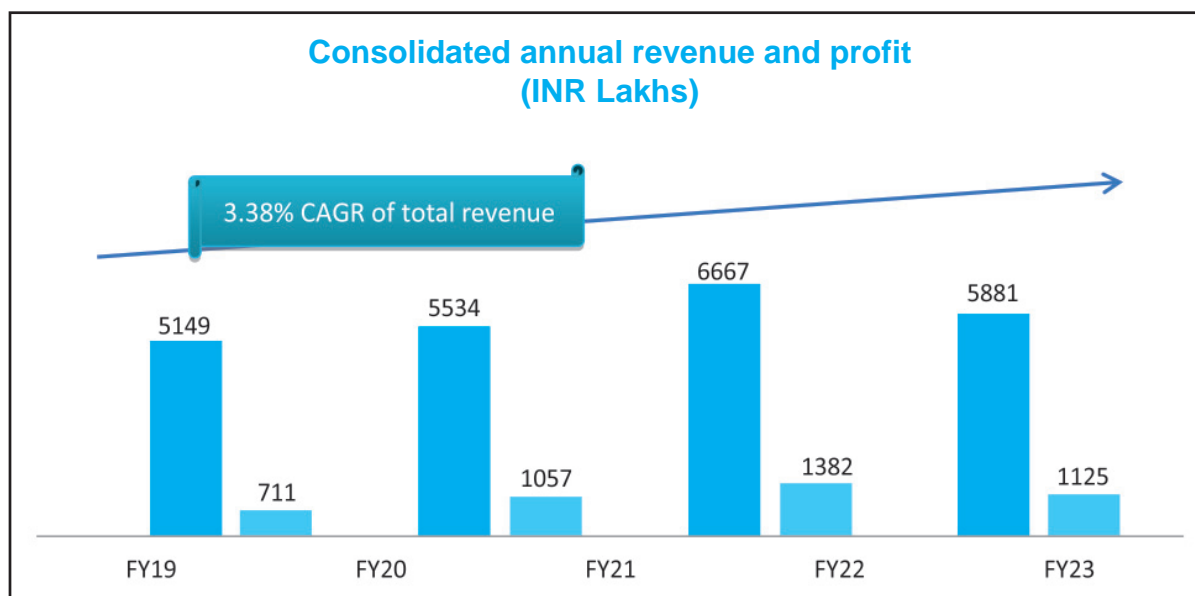


Our Presence



Financial Highlights

FY23 witnessed a year-on-year growth in e-governance centers. During FY23 the revenue stood at Rs. 5881 lakhs while net profit after tax stood at Rs. 1125 lakhs. Continuing the tradition of shareholder's wealth maximization, the company paid a dividend (30% in FY2022-23).



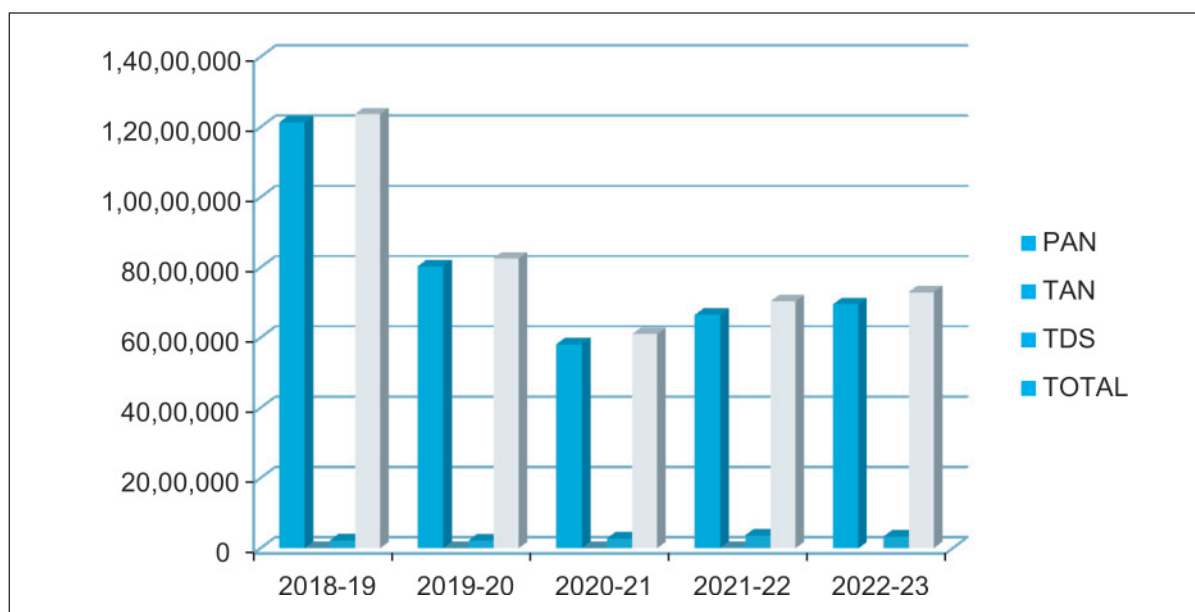


TIN-FC YEARLY PERFORMANCE (Statistical data)

	PAN	TAN	TDS	TOTAL
2018-19	1,21,34,177	13,082	2,18,594	1,23,65,853
2019-20	80,33,961	8,551	2,13,998	82,56,510
2020-21	58,11,276	11,689	2,74,556	60,97,521
2021-22	66,46,234	16,387	3,65,632	70,28,253
2022-23	69,46,964	17,268	3,30,226	72,94,458
Total	4,29,31,159	56,657	12,35,000	4,42,22,816

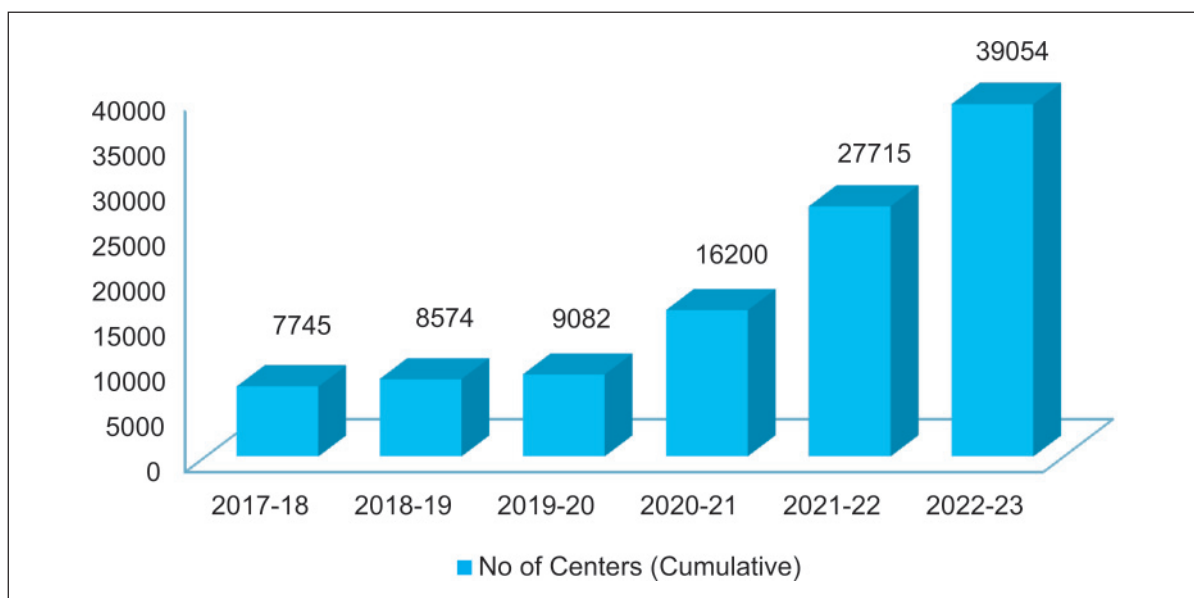
(Numbers till 31st March 2023)

TIN-FC YEARLY PERFORMANCE (Graph)



TIN-FC BRANCH EXPANSION NETWORK (Statistical Data)

Period	No of Centers (Cumulative)
2017-18	7745
2018-19	8574
2019-20	9082
2020-21	16249
2021-22	27715
2022-23	39054



Infrastructure

Company has registered office at Visakhapatnam covering area of about 15000 sq.ft. The Company has completed the construction of its new owned Registered and Head office and has shifted its operations during the year. We also have 2 owned offices covering an area of about 4500 sq.ft. located at Secunderabad, and Ongole. Besides this 67 other branch offices are operated through leased premises admeasuring about 55,000 Sq.ft. area. All the other centers of authorized set ups covers an average area of about 400-1000 sq.ft. per centre.

Technology is an integral part of the financial industry. We at steel city securities limited strives to provide best in class service by providing the top notch technology Platforms for our customers. 'Steel City' has countrywide connectivity via broadband based trading terminals installed to access and trade in all segment like Capital market, Futures & Options & Commodity and Currency Trading.

In order to catch up with disruptive technology trend, our company developed mobile trading app for online trading. The company ensures prompt enhancement of its core application like trading platform, trading back office etc.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Twenty Ninth Annual General Meeting** of the Members of Steel City Securities Limited will be held on Wednesday, the 27th day of September, 2023 at 11:15 A.M at the Registered Office of the Company at situated at "Steel City Heights", # 50-81-18, Main Road, Seethammampeta, Visakhapatnam -530016.

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements(both Standalone & Consolidated Financial Statements) consisting of Statement of Profit & Loss and Cash Flow Statement for the Financial Year ended 31st March, 2023 and the Balance Sheet of the Company as on that date, Schedules and Notes thereon together with the Reports of the Board of Directors and Auditors thereon.

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Financial Statements (both Standalone & Consolidated Financial Statements) of the Company for the Financial year ended 31st March 2023, consisting of Balance Sheet as at 31st March, 2023, Statement of Profit and Loss and Cash flow Statement for the year ended 31st March, 2023 together with the notes to Financial Statements and the Reports of the Board of Directors and Auditors including Annexure thereof laid before this meeting , be and are hereby considered and adopted."

2. To confirm the 1st and 2nd Interim Dividend on Equity Shares and to declare Final Dividend for the Financial Year 2022-23.

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT 1st Interim Dividend @ 10% i.e., Re. 1.00 /- (Rupee One Only) per Equity Share of the Company declared by the Board of Directors of the Company at its meeting held on 13th day of October, 2022, be and is hereby confirmed."

"RESOLVED THAT 2nd Interim Dividend @ 10% i.e., Re. 1.00 /- (Rupee One Only) per Equity Share of the Company declared by the Board of Directors of the Company at its meeting held on 8th February, 2023 be and is hereby confirmed."

"FURTHER RESOLVED THAT a Final Dividend @ 10 % i.e., Re. 1.00/- (Rupee One Only) per Equity Share of the Company for the Financial Year 2022-23, as recommended by the Board of Directors be and is hereby declared and approved."

3. To re-appoint Sri. T. V. Srikanth (DIN:07992172) as Director of the Company whose office is liable to retire by rotation and being eligible, offers himself for re-appointment.

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED that Sri. T. V. Srikanth (DIN:07992172), who retires as Director pursuant



to the provisions of Section 152 of the Companies Act, 2013, be and is hereby re-appointed as a Director of the Company."

4. APPOINTMENT OF AUDITORS:

To appoint M/s. Rao & Kumar, Chartered Accountants, Visakhapatnam (FRN: 03089S) as Statutory Auditors of the Company for a period of Four (4) Years from the Financial year 2023-24.

To consider and if thought fit, to pass the following Resolution with or without modification(s) as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Sections 139, 142 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. Rao & Kumar, Chartered Accountants (Registration No: 03089S), be and is hereby appointed as the Statutory Auditors of the Company commencing from the conclusion of this Annual General Meeting till the conclusion of Thirty Third Annual General Meeting at a remuneration to be fixed by the Audit Committee and/or Board of Directors of the Company, in addition to the re-imbursement of applicable taxes and actual out of pocket and travelling expenses incurred in connection with the audit and billed progressively."

Regd. Office:

"Steel City Heights", #50-81-18
Main Road, Seethammapeta,
Visakhapatnam – 530 016
Andhra Pradesh
Place: Visakhapatnam
Date: 18-08-2023

**By Order of the Board of Directors
For Steel City Securities Limited**

**(K. Satyanarayana)
Executive Chairman
(DIN: 00045387)**



NOTES:

1. Pursuant to Section 105 of the Act and Rule 19 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time), a member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote, instead of himself / herself and the proxy need not be a Member of the Company. A Proxy so appointed shall not have right to speak at the meeting. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.

A Proxy submitted on behalf of a Company, Trust or Society must be supported by an appropriate Resolution or Authority as applicable. A person can act as a Proxy on behalf of Members not exceeding Fifty (50) and holding in aggregate not more than 10% (Ten percent) of the total Share Capital of the Company carrying voting rights. In case, a Proxy is proposed to be appointed by a Shareholder holding more than 10% (Ten percent) of the total Share Capital of the Company carrying Voting rights, then such Proxy shall not act as Proxy for any other person or Shareholder.

Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020, December 14, 2021 the Company is providing facility of Remote e-voting (E-voting from a place other than venue of the Meeting) and E-voting during AGM, to its Members in respect of the businesses to be transacted at the AGM.

For this purpose, necessary arrangements have been made by the Company with Big share Services Private Limited to facilitate Remote e-voting and E-voting during AGM. The instructions for the process to be followed for Remote e-voting and E-voting during AGM is forming part of this Notice.

2. Members / Proxies shall bring attendance slips filled in and duly signed for attending the meeting.
3. Documents referred to in the Notice are open for inspection at the Registered Office of the Company during working hours on all working days till the date of Annual General Meeting and also at the place of the Meeting at the scheduled time of the Annual General Meeting.
4. Pursuant to section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 21/09/2023 to 26/09/2023 (both days inclusive) to determine the list of Shareholders who are eligible to receive the Final Dividend that is going to be declared at the Annual General Meeting.
5. In compliance with the MCA circulars and SEBI circular, Notice of the AGM along with the Annual Report for FY 2022-23 will be sent to those Members whose name appear in the register of members / beneficial owners maintained by the depositories as on benpos date i.e., 25/08/2023 members may note that the notice and Annual Report for FY 2022-23 will also be available on the website of the company i.e., www.steelcitynettrade.com and also on the website of the stock exchange i.e., National stock exchange of India limited at www.nseindia.com.



6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
7. Members are requested to send their queries, if any, in writing at least 10 days in advance of the date of the Meeting to the Company at its Registered Office.
8. Shareholders desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
9. Registrar and Share Transfer Agent: M/s. Bigshare Services Private Limited have been appointed by the Company as Registrar and Share Transfer Agent. Hence, Depository Participants/ Shareholders / Investors of the Company are advised to send all documents / correspondence such as requests for Dematerialization of Shares, Transfer of Shares, Change of Address , Registration of e- mail id, Change of Bank Mandate / NEACS , and other Shares related documents.
10. Green Initiative: As a responsible Corporate Citizen, your Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India. We strongly urge you to support this 'Green Initiative' by opting for electronic mode of communication and making the world a cleaner, greener and healthier place to live. The Members who have not registered their e- mail address are requested to register their e-mail id's with the Company, Registrar and Share Transfer Agent or Depository Participant as the case may be.
11. The Board of Directors has appointed Sri. Surendra Kuchipudi, Practicing Company Secretary (CP No.12732) and failing him Sri. Satyanarayana. A, Practicing Company Secretary (CP No.2354) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
12. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
13. The Members attending the AGM should note that those who are entitled to vote but have not exercised their right to vote by Remote e-voting, may vote during the AGM through E-voting for all businesses specified in the accompanying Notice. The Members who have exercised their right to vote by Remote e-voting may attend the AGM but shall not vote at the AGM.
14. Members can avail the facility of nomination in respect of the Equity Shares held by them in physical form pursuant to the provisions of Section 72 of the Act read with rules thereunder. Members desiring to avail this facility may send their nomination in Form SH-13 duly filled in to the Registrar & Share Transfer Agent ("RTA") of the Company i.e. Bigshare Services Private Limited.



Further, members desirous of cancelling / varying nomination pursuant to the provisions of the Act are requested to send their requests in Form SH -14 to RTA of the Company. These forms will be made available on request.

15. The Members who still hold share certificate(s) in physical form are advised to dematerialise their shareholding to avail the benefits of dematerialization, which include easy liquidity, since trading is permitted in dematerialised form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries. Further, effective from April 01, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in a dematerialized form with a depository except in case of transmission or transposition of securities as per the Listing Regulations. Therefore, the Members who still hold share certificate(s) in physical form are advised to dematerialize their shareholding at the earliest.

16. Unclaimed Dividend

Pursuant to the provisions of Section 124 and 125 of the Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends which remain unclaimed / unpaid for a period of 7 years are required to be transferred to Investor Education and Protection Fund ("IEPF").

The Company requests the Members to claim the unclaimed dividends within the prescribed period. The details of the unclaimed dividends are available on the website of the Company at www.steelcitynettrade.com and MCA at www.iepf.gov.in. The Members can contact Bigshare Services Private Limited for claiming the unclaimed dividends standing to the credit in their account.

17. SEBI has mandated the registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, to send duly signed letter including Folio No., Bank Account Details(account number, 9 digit MICR code and 11 digit IFSC), e-mail IDs and mobile number along with self-attested copy of PAN Card and original cancelled cheque to RTA / Company through e-mail at investorrelations@steelcitynettrade.com

The original cancelled cheque should bear the name of the Member. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.

18. Details under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), with the Stock Exchanges in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, the Director have furnished the requisite declarations for their appointment/ re-appointment.



INSTRUCTIONS FOR REMOTE E-VOTING AND E-VOTING DURING AGM :

The remote e-voting period begins on Sunday, the 24th day of September, 2023 at 9:00 A.M. and ends on Tuesday, the 26th Day of September, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by Bigshare for voting thereafter.

- i. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- ii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- iii. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



Pursuant to above said SEBI Circular, Login method for e-Voting is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of BIGSHARE the e-Voting service provider and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. BIGSHARE, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-voting period.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.



Type of shareholders	Login Method
	<p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be redirected to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30



2. Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

You are requested to launch the URL on internet browser:
<https://ivote.bigshareonline.com>

Click on “**LOGIN**” button under the ‘**INVESTOR LOGIN**’ section to Login on E-Voting Platform.

Please enter you ‘**USER ID**’ (User id description is given below) and ‘**PASSWORD**’ which is shared separately on you register email id.

- o Shareholders holding shares in **CDSL demat account should enter 16 Digit Beneficiary ID** as user id.
- o Shareholders holding shares in **NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID** as user id.
- o Shareholders holding shares in **physical form should enter Event No + Folio Number** registered with the Company as user id.

Note If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).

Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

NOTE: If Shareholders are holding shares in demat form and have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- o If you have forgotten the password: Click on ‘**LOGIN**’ under ‘**INVESTOR LOGIN**’ tab and then Click on ‘**Forgot your password?**’
- o Enter “**User ID**” and “**Registered email ID**” Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on ‘**Reset**’.

(In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for shareholders on i-Vote E-voting portal:

- § After successful login, **Bigshare E-voting system** page will appear.
- § Click on “**VIEW EVENT DETAILS (CURRENT)**” under ‘**EVENTS**’ option on investor portal.
- § Select event for which you are desire to vote under the dropdown option.
- § Click on “**VOTE NOW**” option which is appearing on the right hand side top corner of the page.
- § Cast your vote by selecting an appropriate option “**IN FAVOUR**”, “**NOT IN FAVOUR**” or “**ABSTAIN**” and click on “**SUBMIT VOTE**”. A confirmation box will be displayed. Click



“OK” to confirm, else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote.

- § Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- § Shareholder can “CHANGE PASSWORD” or “VIEW/UPDATE PROFILE” under “PROFILE” option on investor portal.

3. Custodian registration process for i-Vote E-Voting Website:

- § You are requested to launch the URL on internet browser:
<https://ivote.bigshareonline.com>
- § Click on “REGISTER” under “CUSTODIAN LOGIN”, to register yourself on Bigshare i-Vote e-Voting Platform.
- § Enter all required details and submit.
- § After Successful registration, message will be displayed with “User id and password will be sent via email on your registered email id”.

NOTE: If Custodian have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- § If you have forgotten the password: Click on ‘LOGIN’ under ‘CUSTODIAN LOGIN’ tab and further Click on ‘Forgot your password?’
- § Enter “User ID” and “Registered email ID” Click on I AM NOT A ROBOT (CAPTCHA) option and click on ‘RESET’.

(In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for Custodian on i-Vote E-voting portal:

- § After successful login, Bigshare E-voting system page will appear.

Investor Mapping:

- § First you need to map the investor with your user ID under “DOCUMENTS” option on custodian portal.
 - o Click on “DOCUMENT TYPE” dropdown option and select document type power of attorney (POA).
 - o Click on upload document “CHOOSE FILE” and upload power of attorney (POA) or board resolution for respective investor and click on “UPLOAD”.

Note: The power of attorney (POA) or board resolution has to be named as the “InvestorID.pdf” (Mention Demat account number as Investor ID.)



- o Your investor is now mapped and you can check the file status on display.

Investor vote File Upload:

- § To cast your vote select “**VOTE FILE UPLOAD**” option from left hand side menu on custodian portal.
- § Select the Event under dropdown option.
- § Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on “**UPLOAD**”. Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- § Custodian can “**CHANGE PASSWORD**” or “**VIEW/UPDATE PROFILE**” under “**PROFILE**” option on custodian portal.

Helpdesk for queries regarding e-voting:

Login type	Helpdesk details
Shareholder's other than individual shareholders holding shares in Demat mode & Physical mode.	In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and i-Vote e-Voting module available at https://ivote.bigshareonline.com , under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT, PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2 ISSUED BY ICSI:

DIN	07992172
Name of the Director	Tentu Venkata Srikanth
Date of first appointment	24.11.2017
Date of Birth	29.07.1978
Qualification	M. Tech from IIT
Nature of expertise in specific	Having experience of more than 6 years in Capital Market operations
Directorship in the Boards of other Indian listed entities	NA
Membership/ Chairmanship in Committees of other Indian listed entities	NA



DIRECTORS' REPORT

To,

The Members,
STEEL CITY SECURITIES LIMITED
"Steel City Heights", # 50-81-18,
Main Road, Seethammapeta,
Visakhapatnam – 530016
Andhra Pradesh, India.

Your Directors have pleasure in presenting the Twenty- Ninth Annual Report on the business and operations of the Company along with the Audited Financial Statements for the Financial Year ended 31st March, 2023 and the Report of the Auditors thereon.

1. FINANCIAL PERFORMANCE AND REVIEW : (Standalone and Consolidated)

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Gross Income	5759.78	6624.78	5880.96	6667.37
Expenditure	4242.99	4735.97	4267.27	4752.60
Profit/ loss before Depreciation , Finance Costs, Exceptional Items & Taxation	1516.79	1888.81	1613.69	1914.77
Less: Depreciation	71.45	64.29	73.33	67.04
Profit/ loss after Depreciation and before Finance Costs, Exceptional Items & Taxation	1445.34	1824.52	1540.36	1847.73
Less: Finance Costs	58.35	49.28	61.34	49.28
Profit/ loss before Exceptional Items & Taxation	1386.99	1775.24	1479.02	1798.50
Add/ (Less): Exceptional Items	0.00	0.00	0.00	0.00
Profit/ loss before taxation	1386.99	1775.24	1479.02	1798.50
Less: Provision for Taxation				
For earlier years	6.97	28.05	29.95	28.33
For current year	347.00	467.42	353.02	476.46
Deferred Tax Liability	11.53	(12.89)	7.30	(16.16)
Net Profit after Taxation	1021.49	1292.67	1088.75	1309.82
Add: Share of Profit in Associate	-	-	32.16	72.06
Add: Other Comprehensive Income for the year	4.38	-	4.38	-
Profit after Tax after Share of Profit in Associate and Comprehensive Income	1025.87	1292.67	1125.28	1381.88
Less: Minority Interest	-	-	-	-



Profit for the Year	1025.87	1292.67	1125.28	1381.88
Basic (EPS)	6.79	8.56	7.45	9.15
Diluted (EPS)	6.79	8.56	7.45	9.15
Opening Balance of Retained Earnings	5197.16	4486.97	6530.16	5732.48
Closing Balance of Retained Earnings	5667.66	5197.16	7093.35	6530.16

2. AMOUNT TRANSFERRED TO RESERVES:

The Board of Directors proposes to transfer an amount of Rs. 102.15 Lakhs to General Reserve for the Financial Year 2022-23.

3. DIVIDEND:

The Board of Directors of the Company at their meeting held on the 13th day of October, 2022 has declared 1st Interim Dividend @ 10% for every Equity Share of Rs. 10/- each and has declared 2nd Interim Dividend @ 10% for every Equity Share of Rs.10/- each at their meeting held on 8th day of February, 2023 after considering the Provisional Financials of the Company. The Board further recommends a Final Dividend @ 10% for every Equity Share of Rs. 10/- each after taking into consideration the Financial position of the Company. On the whole the Company has declared a dividend of Rs. 3.00/- i.e., @30% for every Equity Share of Rs.10/- each for the Financial Year 2022-23.

4. STATE OF AFFAIRS OF THE COMPANY DURING THE YEAR:

i. Standalone:

During the year under review, the Company has recorded an Income of **Rs. 5759.78 Lakhs** as compared to the previous year amount of **Rs. 6624.78 Lakhs**. The Expenditure incurred before depreciation during the year was **Rs. 4242.99 Lakhs** as against the amount of **Rs. 4735.97 Lakhs** during the previous year. The depreciation and provision for taxes provided during the year were respectively **Rs. 71.45 Lakhs** and **Rs. 365.50 Lakhs** as compared to the depreciation and provision for taxes provided for the previous year were **Rs. 64.29 Lakhs** and **Rs. 482.58 Lakhs** respectively. Hence, the Company has earned a Net Profit of **Rs. 1025.87 Lakhs** as compared to the previous year amount of **Rs. 1292.67 Lakhs**. The Board has taken all necessary steps to expand its activities by establishing new Branches/Centers in other States and also by adding new services and products. The income from the segment of e-Governance also will certainly increase the business of the Company and has opened around 5000+ Franchises during the Financial Year 2022-23. The Company expects bright future in the years to come.

Consolidated:

During the year under review, the Company has recorded an Income of **Rs. 5,880.96 Lakhs** as compared to the previous year amount of **Rs. 6,667.37 Lakhs**. The Expenditure incurred before depreciation during the year was **Rs. 4267.27 Lakhs** as against the amount of **Rs. 4752.60 Lakhs** during the previous year. The depreciation and provision



for taxes provided during the year were respectively **Rs. 73.33 Lakhs** and **Rs. 390.27 Lakhs** as compared to the depreciation and provision for taxes provided for the previous year were **Rs. 67.04 Lakhs** and **Rs. 488.63 Lakhs** respectively. Hence, the Company has earned a Net Profit of **Rs. 1125.28 Lakhs** as compared to the previous year amount of **Rs. 1381.88 Lakhs**.

ii. CHANGE IN THE NATURE OF BUSINESS:

There is no change in the nature of Business of the Company during the Financial Year 2022-23.

iii. CHANGE IN ACCOUNTING POLICIES:

The financial statements for the F. Y. 2022-23 have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. The Balance Sheet, Statement of Profit and Loss (including other comprehensive income) and Statement of changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS.

iv. MATERIAL CHANGES AND COMMITMENTS OCCURRED SINCE THE END OF THE FINANCIAL YEAR TILL THE DATE OF THE REPORT:

After the Completion of the Financial Year 2022-23, the Company has received a Show Cause Notice from SEBI and no material orders were issued by the regulator in relation to the above mentioned Show Cause Notice.

v. MILESTONES ACHIEVED:

The Company has completed the construction of the New Owned Premises situated on the Main Road, Seethammapeta and shifted its operations and also the Registered Office of the Company to the newly constructed Own premises. Further, the constructed building was named as "Steel City Heights".

vi. DEPOSITORY SYSTEM:

The Equity Shares of the Company are compulsorily tradable in electronic form. As on March 31, 2023, out of the Company's total paid-up Equity Share Capital comprising of 1,51,07,095 Equity Shares, only 83,200 Equity Shares are in physical form and the remaining shares are in electronic form (demat form). In view of the numerous advantages offered by the Depository System, the Members holding shares in physical form are advised to avail the facility of dematerialization.

vii. GROWTH PROSPECTS FOR INDIAN CAPITAL MARKET IN 2023:

Capital markets in any country play a pivotal role in the growth of economy and meeting the country's socioeconomic goals. They are an important constituent of the financial system given their role in the financial intermediation process and capital formation of the country. The importance of capital markets cannot be under-emphasized for a



developing economy like India which needs significant amount of capital for development of strong infrastructure.

The Indian stock markets surprised investors in April with the BSE Sensex and the NIFTY 50 both rallying more than 6% as key indices saw robust pick up in stock prices helped by a strong corporate earnings season, and the Reserve Bank of India pulling the plug on consecutive rate hikes. Indices that showed blockbuster growth this month include realty, PSU banks, auto and small caps.

The stock markets in India had been under pressure with the foreign institutional investors (FIIs) becoming more cautious with investments in emerging markets since the last four months December 2022 onwards. Both the NIFTY and the Sensex bore the effects of subdued global market sentiment hurt by inflation woes and uncertainties in the banking sector as well as the impact of an ongoing war between Russia and Ukraine denting oil prices.

With the market sentiment seeing an uptick globally in April and a revival in FIIs buying in India, expectations of future investments strengthening the home currency, which could help to cool inflation further are being set by market experts.

5. CAPITAL AND DEBT STRUCTURE:

a. AUTHORISED SHARE CAPITAL:

The present Authorised Share Capital of the Company is Rs. 2,500 Lakhs.

b. ISSUED AND PAID - UP SHARE CAPITAL :

The present Issued and Paid-up Share Capital of the Company is Rs. 1510.71 Lakhs.

c. ISSUE OF EQUITY SHARES:

During the year the Company has not issued any Equity Shares.

d. BUY BACK OF SECURITIES:

The Company has not bought back any of its Securities during the year under review.

e. SWEAT EQUITY:

The Company has not issued any Sweat Equity Shares during the year under review.

f. BONUS SHARES:

No Bonus Shares were issued during the year under review.

g. EMPLOYEES STOCK OPTION PLAN:

The Company has not provided any Stock Option Scheme to the Employees.

h. ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS:

The Company has not issued any Equity Shares with differential Rights during the year.



i. PROVISION OF MONEY BY COMPANY FOR PURCHASE OF ITS OWN SHARES BY EMPLOYEES OR BY TRUSTEES FOR THE BENEFIT OF EMPLOYEES:

The Company has not provided any money for purchase of own Shares, by Employees or by Trustees for the benefits of Employees.

6. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

During the Financial Year 2022-23, the Company has transferred an amount of Rs.1.42 Lakhs to Investor Education and Protection Fund. Further, the Company is supposed to transfer an amount of Rs.1.68 Lakhs due and outstanding to be credited to investor education and protection fund. But, due to technical glitches in the MCA website the remittance could not be made with in the due date i.e. 23/03/2023. However, the Company has filed form No.IEPF-1 with in the due date. The delay in remittance is due to the conditions beyond the control of the Company.

7. TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the provisions of Section 124(6) Companies Act, 2013, the Company is required to transfer Shares of the Company relating to those Shareholders who haven't claimed Dividend for a period of 7(Seven) Consecutive years. Hence, as per the above provisions, the Company is not liable to transfer any shares to Investor Education and Protection Fund during the Financial year 2022-23.

8. MANAGEMENT:

(a) Change in the Composition of the Board of Directors:

During the year under review, the Shareholders have approved the following re-appointment(s) of Directors vide postal ballot notice dt: 13.01.2023:

- the reappointment of Sri. K. Satyanarayana as Whole time Director designated as Executive Chairman for a period of 5 years w.e.f. 01.04.2023
- the reappointment of Sri. Satish Kumar Arya as Managing Director & CEO for a period of 5 years w.e.f. 01.04.2023.
- the reappointment of Sri. T. V. Srikanth as Whole time Director designated as Director (IT) for a period of 5 years w.e.f. 01.04.2023

(b) Independent Directors:

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Sri Godithi Satya Rama Prasad; Sri. Bheri Krishna Rao; Sri. Geddam Vijaya Kumar; Sri. Emmidisetty Sridhar continue as Independent Directors of the Company.

All the Independent Directors have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as Independent Director during the year.



(c) Retirement by Rotation:

In terms of Section 152 of the Companies Act, 2013 Sri. T. V. Srikanth, Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offered himself for re-appointment.

The Board confirms that none of the Directors of the Company are disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and necessary declaration has been obtained from all the Directors in this regard.

(d) Key Managerial Personnel (KMP):

Pursuant to the provisions of Section 203 of the Act, which came into effect from April 1, 2014, the Board of Directors have approved the appointments of Sri Kamireddi Satyanarayana, Executive Chairman; Sri Satish Kumar Arya, Managing Director & CEO; Sri. T. V. Srikanth, Whole – Time Director designated as Director (IT) ; Sri Ramu Naraharasetti, Chief Financial Officer (CFO) and Smt. M. Srividya, Company Secretary continue to hold the office as KMP of the Company.

9. COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

The Company has formulated a policy on Director's appointment and Remuneration which is available on the website of the Company www.steelcitynettrade.com .

10. REMUNERATION OF MANAGING DIRECTOR / WHOLE TIME DIRECTOR FROM SUBSIDIARY COMPANY:

During the year under review, the Whole Time Director's or Managing Director of the Company did not receive / earn any remuneration from the Subsidiary Company.

11. DIRECTORS' RESPONSIBILITY STATEMENT:

Based on the framework of Internal Financial Controls and Compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of Internal Financial Controls over financial reporting by the Statutory Auditors and the reviews performed by the management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during the Financial Year 2022-23.

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

- a) In preparation of the Annual Accounts for the financial year ended 31st March 2023, the applicable Accounting Standards have been followed along with proper explanation to material departures;
- b) The Directors have selected Accounting Policies, consulted the Statutory Auditors 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 as at end of the financial year and of the profit or loss of the Company, for that period.



- c) The Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- d) The Directors have prepared the Annual Accounts of the company on a going concern basis;
- e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

12. PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT:

Our Company has One (1) Wholly Owned Subsidiary i.e., M/s. Steel City Commodities Private Limited and an Associate Company i.e, M/s. Steel City Financial Services Private Limited. The financial performance of both the Companies is enumerated below:

Steel City Commodities Private Limited:

Steel City Commodities Private Limited became Subsidiary of the Company in 2004 and Wholly Owned Subsidiary during the Financial Year 2018-19, is in the business of Corporate Insurance Agent and also into the business of Credit cards. During the Financial Year 2022-23, the Subsidiary has earned a Net Profit of Rs. 67.26 Lakhs as against the Net Profit of Rs. 17.15 Lakhs for the Financial Year 2021-22.

Steel City Financial Services Private Limited:

Steel City Financial Services Private Limited is an Associate Company of Steel City Securities Limited carrying on the business of Non-Banking Financial Services by providing Project finance loans, Housing Loans, Personal Loans etc., to its clients. During the Financial Year 2022-23, the Associate Company has earned a Net Profit of Rs. 88.89 Lakhs as against the Net Profit of Rs. 164.76 Lakhs for the Financial Year 2021-22.

13. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013.

The Company has always believed in providing a safe and harassment free workplace for every individual working in premises and always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

During the year ended 31st March, 2023, the Company has not received any complaint pertaining to sexual harassment.



14. ISO CERTIFICATION:

The Company holds ISO/ IEC 270001: 2013 Certification with the scope of the Information Security Management System from Pyramid Certifications LLP. The Company has been complying with the concerned procedure in this regard.

15. NUMBER OF MEETINGS OF THE BOARD:

During the F.Y. 2022-23, the Board of Directors met for 9 (Nine) times to discuss about the business and other important matters relating to the Company and the details of the meetings of the Board are mentioned in the Corporate Governance Report, which forms part of this report.

16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All contracts / arrangements / transactions entered by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis and are approved by the Audit Committee. During the year, the Company has advanced an amount of Rs. 1.5 Crores as term loan to its Wholly Owned Subsidiary, M/s. Steel City Commodities Private Limited.

These have been discussed in detail in the Notes to the Standalone Financial Statements in this Annual Report and also a report on related party transactions entered into by the Company is annexed as Annexure – 2 .

17. DEPOSITS:

The Company has not accepted any fixed deposits attracting the provisions of the Companies Act, 2013 and, as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

18. AUDITORS:

(a) Statutory Auditors:

At the Annual General Meeting held on the 30th day of July, 2022, M/s. Rao & Kumar, Chartered Accountants, Visakhapatnam (FRN: 003089S) were appointed as Statutory Auditors of the Company who shall hold office for a period of 1 year for the Financial Year 2022-23. Since the term of the Statutory Auditor is going to expire at the ensuing Annual General Meeting, the Board suggested that M/s. Rao & Kumar, Chartered Accountants, Visakhapatnam (FRN: 003089S) be appointed as Statutory Auditors of the Company for the second term for a period of 4 (four) years subject to the approval of the Shareholders at the ensuing Annual General Meeting.

(b) Internal Auditors:

M/s. Rao & Manoj Associates, Chartered Accountants, Visakhapatnam were appointed as the Internal Auditors of the Company for the Financial Year 2022-23, who are acting independently and also responsible for regulatory and legal requirements relating to operational processes and internal systems. As the Board is satisfied with the



performance of these Auditors, the Board Proposes to appoint them as Internal Auditors for the Financial Year 2023-24 also. These Auditors Report directly to the Chairman of the Board of Directors.

Sri. Y.S.N. Murthy, Chartered Accountant, Visakhapatnam was appointed as Internal Auditors of the Company for the Financial Year 2022-23, who are acting independently and also responsible for regulatory and legal requirements relating to D.P Operations and the Internal Audit relating to the POP operations of the Company under the Pension Fund Regulatory Authority of India of the company. As the Board is satisfied with the performance of these Auditors the Board Proposes to appoint him as Internal Auditors for the Financial Year 2023-24 also. These Auditors Report directly to the Chairman of the Board of Directors.

M/s. Ramamoorthy(N) & Co, Chartered Accountants, Visakhapatnam were appointed as Internal Auditors as per the Circular issued by Securities Exchange Board of India for the Financial Year 2022-23. As the Board is satisfied with the performance of these Auditors, the Board proposes to appoint them as Internal Auditors for a period of four (4) years commencing from the Financial Year 2023-24.

M/s. RK Sangu & Associates, Chartered Accountants, Visakhapatnam were appointed as GST Auditors of the Company for the Financial Year 2022-23 to conduct GST Audit of the Company. As the Board is satisfied with the performance of these Auditors the Board appoints them as GST Auditors for the Financial Year 2023-24 also.

Mr. Sanjay Ravindra Kumar Desai, Practising Company Secretary was appointed as Internal Auditor of the Company to audit the TIN –FC Operations of the Company for the Financial Year 2022-23. Since the Board is satisfied with the performance of this auditor, the Board proposes to appoint him as Internal Auditor for the Financial Year 2023-24 also.

(c) Systems Auditors:

M/s. Paras B Shah & Associates, Chartered Accountants, were appointed as the Systems Auditors of the company and also as per the NSE, BSE, MSEI, MCX and NCDEX Exchanges notified Rules & Regulation from time to time for the Year 2022-23. As the Board is satisfied with the performance of these Auditors, the Board Proposes to appoint them as Internal Auditors for a period of two (2) years commencing form the Financial Year 2023-24.

(d) Secretarial Auditors:

M/s. ASN Associates, Practicing Company Secretaries, Visakhapatnam were appointed as Secretarial Auditors of the Company as per provisions of Section 204 of the Companies Act, 2013 and Rules made there under for the Financial Year 2022-23. The Secretarial Audit Report for the Financial Year 2022-23 forms part of the Annual Report as Annexure-9 to the Board's Report. As the Board is satisfied with the performance of these Auditors, the Board Proposes to appoint them as Secretarial Auditors for the Financial Year 2023-24 also.



19. STATUTORY AUDITORS' REPORT:

Your standalone and consolidated financial statements of the Company have been prepared in accordance with Ind AS notified under Section 133 of the Act.

The Statutory Auditor's Report does not contain any qualifications, reservations, adverse remarks or disclaimers.

During the year under review, the Statutory Auditors of the Company have not reported any fraud to the Audit Committee of Directors as specified under Section 143 (12) of the Act.

20. CREDIT & GUARANTEE FACILITIES:

The Company has been availing secured loans, overdraft facilities and bank guarantee facilities from HDFC Bank Limited, Karur Vysya Bank Limited and Karnataka Bank Limited from time to time for the business requirements.

21. PARTICULARS REGARDING ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Your Company continues to explore all possible avenues to reduce energy consumption.

The particulars as prescribed under Sub – Section (3)(m) of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is enclosed as Annexure - 5 to the Board's Report.

22. COMPLIANCE WITH SECRETARIAL STANDARDS:

Your Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

23. MANAGEMENT DISCUSSION ANALYSIS:

Management Discussion & Analysis is given as Annexure - 10.

The Board has been continuing its efforts and taken the required steps in the following areas:

1. Industry Structure and Development
2. Growth Strategy.
3. Segment-Wise Performance
4. Internal Control Systems and their adequacy
5. Strengths, Weaknesses, Opportunities and Threats
6. Financial Performance with respect to Operational Performance
7. Material Developments in Human Resources / Industrial Relations
8. Strict Compliances
9. Talent Management, Leadership Development, and Talent Retention.
10. Learning and Development



24. CORPORATE GOVERNANCE:

Your Company has been complying with the principles of good Corporate Governance over the years. In compliance with Regulation 34 of the SEBI (LODR) Regulations 2015, a separate report on Corporate Governance forms an integral part of this report as Annexure – 3. The Auditor Certificate on Corporate Governance is also annexed along with the report on Corporate Governance.

Board diversity

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage.

25. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability. During the year, the Company has spent an amount of Rs. 27.09 Lakhs, which is to be mandatorily spent by the Company on CSR activities as per the provisions of Section 135 of the Companies Act, 2013.

Your Company's CSR Policy Statement and Annual Report on the CSR Activities undertaken during the Financial Year ended 31st March, 2023, in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this report as Annexure – 6.

26. ANNUAL RETURN:

Pursuant to Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended, the Annual Return is available on the Website of the Company on the following link : www.steelcitynettrade.com

27. INTERNAL FINANCIAL CONTROLS:

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

28. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There were no significant and material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future. However, the Company has received Three (3) Show Cause Notices from SEBI and no material orders were passed against the Company in respect of the said Show Cause Notices. The Company has opted for Settlement application in respect of the said Show Cause Notices and the proceedings are still pending with SEBI.



29. DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES AS PER SECTION 197(12) UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

The remuneration paid to the Directors is in accordance with the recommendations of Nomination and Remuneration Committee formulated in accordance with Section 178 of the Companies Act, 2013 and any other re-enactment(s) for the time being in force.

The Managing Director & Whole-Time Directors of your Company did not receive remuneration from any of the Subsidiaries of your Company.

Particulars of employees as required in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure - 7.

30. DECLARATION BY INDEPENDENT DIRECTORS:

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every Financial Year, gives a declaration that he meets the criteria of independence as provided under law. The same Declaration has been made by the Independent Directors of the Company.

31. VIGIL MECHANISM:

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior.

Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(9) of the Companies Act, 2013 to report the management instances of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics. The Vigil Mechanism provides a mechanism for employees of the Company to raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company and to report the same to the Chairman of the Audit Committee. Any incidents that are reported are investigated and suitable action taken in line with the Whistle Blower Policy. No person has been denied access to the Chairman of the Audit Committee of the Board of Directors. The Whistle Blower Policy is also available on your Company's website (www.steelcitynettrade.com).

32. RISK MANAGEMENT:

All the risks are discussed at the Senior Management Level at their meetings periodically to ensure that the risk mitigation plans are well thought out and implemented and adverse impact of risks is avoided or kept within manageable proportions. Further, the Board has been identifying the elements of the Risks which may threaten the existence of the Company from time to time.



33. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS PURSUANT TO SECTION 186 OF THE COMPANIES ACT, 2013:

The particulars of loans, guarantees and investments have been disclosed in the financial statements. However, during the year under review, your Company has granted an Inter Corporate Loan of Rs. 1.5 Crores to its wholly Owned Subsidiary M/s. Steel City Commodities Private Limited.

34. BOARD EVALUATION:

The annual evaluation process of the Board of Directors, individual Directors and Committees was conducted in accordance with the provisions of the Act and the Listing Regulations.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, etc.

The above criteria are broadly based on the Guidance note on Board Evaluation issued by the Securities Exchange Board of India on January 5, 2017.

The Board and the Nomination and Remuneration Committee reviewed the performance of the Individual Directors on the basis of the criteria such as the contribution of the Individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman as well as the Whole-Time Directors was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its Committees and Individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

The evaluation process endorsed the Board's confidence in the ethics standards of the Company, cohesiveness amongst the Board members, flexibility of the Board and management in navigating the various challenges faced from time to time and openness of the management in sharing strategic information with the Board.

35. INSURANCE:

All the assets of the Company wherever necessary and to the extent required have been adequately insured.

36. EMPLOYEE RELATIONS:

The relationship with the staff and workers continued to be cordial during the entire



year. The Directors wish to place on record their appreciation of the valuable work done and co-operation extended by them at all levels. Further, the Company is taking necessary steps to recruit the required personnel from time to time.

37. STATUTORY COMPLIANCES:

The Company has complied and continues to comply with all the applicable Regulations, Circulars and Guidelines issued by the MCA, Exchanges, SEBI, other Regulating Agencies, filings, etc.

38. GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Neither the Managing Director nor any of the Whole-Time Director of the Company receives any remuneration or commission from any of its subsidiary.
- b. Issue of Equity Shares with differential rights as to Dividend, voting.
- c. Issue of Shares (including Sweat Equity Shares) to employees of the Company under any scheme.

39. ACKNOWLEDGEMENTS:

Steel City Securities Limited is grateful to the Government of India, Securities and Exchange Board of India, National Securities Clearing Corporation Limited, Bombay Stock Exchange Ltd, National Stock Exchange of India Limited, National Securities Depository Limited, Central Depository Services (India) Limited, Metropolitan Stock Exchange of India Ltd (MSEI), National Commodities & Derivatives Exchange (NCDEX), Multi Commodities Exchange (MCX), and other Exchanges, Pension Fund Regulatory & Development Authority (PFRDA), Bankers, Rating agencies (CRISIL), Government Authorities, Local Bodies and other agencies for their continued co-operation, support and guidance.

Steel City Securities Limited would like to take this opportunity to express sincere thanks to its valued clients and customers for their continued patronage. The Directors express their deep sense of appreciation of all the employees, whose outstanding professionalism, commitment and initiative has made the organizations growth and success possible and continues to drive its progress. The Directors also express their gratitude to the Bankers and Auditors of the Company. Finally, the Directors wish to express their gratitude to the members for their trust and support.

By Order of the Board

For STEEL CITY SECURITIES LIMITED

Place: Visakhapatnam

Date: 20.05.2023

(K. Satyanarayana)
Executive Chairman
(DIN: 00045387)

(Satish Kumar Arya)
Managing Director
(DIN: 00046156)



Annexure I Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129
read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures

Part "A": Wholly Owned Subsidiary

(Information in respect of each subsidiary to be presented with Amount in Rs.)

Sl.No.	Particulars	Steel City Commodities Private Limited
1.	CIN of the Subsidiary	U51399AP2002PTC039727
2.	The date since when subsidiary was acquired	Since 01.04.2004
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2022 to 31.03.2023
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rupee (INR)
5.	Share capital	Authorised : Rs 100 Lakhs Paid Up: Rs 100 Lakhs
6.	Reserves & surplus	Rs. 1,432.38 Lakhs
7.	Total assets	Rs. 1,787.92 Lakhs
8.	Total Liabilities	Rs. 255.54 Lakhs
9.	Investments	Rs. 320.45 Lakhs
10.	Turnover	Rs. 121.18 Lakhs
11.	Profit before taxation	Rs. 92.02 Lakhs
12.	Provision for taxation	Rs. 24.77 Lakhs
13.	Profit/Loss after taxation	Rs. 67.26 Lakhs
14.	Proposed Dividend	NIL
15.	Extent of shareholding (%)	100%

Notes:

- Names of subsidiaries which are yet to commence operations - NIL
- Names of subsidiaries which have been liquidated or sold during the year - NIL



Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	Steel City Financial Services Private Limited (Associate Company)
1. Latest audited Balance Sheet Date	31.03.2023
2. Date on which the Associate or Joint Venture was associated or acquired	
3. Shares of Associate/Joint Ventures held by the company on the year end	9,60,000 Shares
Amount of Investment in Associates/Joint Venture	Rs 96 Lakhs
Extent of Holding (%)	21.87%
4. Description of how there is significant influence	Holding 43.74% of the Total share capital along with its wholly owned subsidiary, M/s. Steel City Commodities Private Limited
5. Reason why the associate/joint venture is not consolidated	NA
6. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs 198.70 Lakhs
7. Profit/Loss for the year	Rs. 88.89 Lakhs
i. Considered in Consolidation	Rs. 32.16Lakhs
ii. Not Considered in Consolidation	NA

- Names of associates or joint ventures which are yet to commence operations - NIL
- Names of associates or joint ventures which have been liquidated or sold during the year - NIL

In terms of our report attached

For Rao & Kumar

Chartered Accountants

FRN: 003089S

CA CM RAVI PRASAD

Partner

Mem No: 211322

Place: Visakhapatnam

Date: 20.05.2023

For Steel City Securities Limited

K. Satyanarayana
Executive Chairman

Satish Kumar Arya
Managing Director

N.Ramu
Chief Financial Officer

M. Srividya
Company Secretary



Annexure - 2

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 arm's length transaction under third proviso thereto is given below:

1. Details of contracts or arrangements not at Arm's length basis: Nil
2. Details of Contracts or arrangements at Arm's Length basis are as under * :

SIno	Name of the Party with which the Contract is entered into	Nature of Contract / Transaction	Duration of Contract	Salient terms of the Contracts or arrangements or transaction including the value, if any	Date of approval at the meeting of the Board	Amount paid as advances, if any
1.	Steel City Commodities Private Limited (Wholly Owned Subsidiary)	Term Loan (The value of transactions are disclosed in notes to accounts)	08.02.2023 to 07.02.2026	All the transactions are in the ordinary course of business and at arm's length.	The Company has taken omnibus approval of the Audit Committee	Nil

* All the related party transactions are benchmarked for arm's length for approved by the Audit Committee and reviewed by Statutory Auditors. The above disclosures on material transactions are based on threshold of 10 percent of consolidated turnover for the purpose of Section 188(1) of the Act.

In terms of our report attached

For Rao & Kumar

Chartered Accountants

FRN: 003089S

CA CM RAVI PRASAD

Partner

Mem No: 211322

Place: Visakhapatnam

Date: 20.05.2023

For Steel City Securities Limited

K. Satyanarayana
Executive Chairman

Satish Kumar Arya
Managing Director

N.Ramu
Chief Financial Officer

M. Srividya
Company Secretary



ANNEXURE - 3

REPORT ON CORPORATE GOVERNANCE

Introduction

The essence of Corporate Governance is about maintaining the right balance between economic, social, individual and community goals. At Steel City Securities Limited, good corporate governance is a way of life and the way we do our business, encompassing every day's activities and is enshrined as a part of our way of working. The Company is focused on enhancement of long-term value creation for all stakeholders without compromising on integrity, societal obligations, environment and regulatory compliances. Our actions are governed by our values and principles, which are reinforced at all levels of the organisation. These principles have been and will continue to be our guiding force in future. For your Company, good corporate governance is a synonym for sound management, transparency and adequate disclosure, encompassing good corporate practices, procedures, standards and implicit rules which propel a company to take sound decisions. Steel City Securities Limited is a leading retail Stock Broking Company having its presence all over India. We are the pioneers and prime leaders in introducing the Franchisee model to extend our business potential in urban and rural areas of Andhra Pradesh & have business operations all over India. The workforce has been given top priority to meet and enhance our endless support and services to its clients and stakeholders. In 2004, Steel City Commodities Private Limited has become the Subsidiary of Parent Company and consequently became the Wholly Owned Subsidiary of M/s. Steel City Securities Limited in the year 2018. The Company serves its clients and stakeholders with full dedication and trust.

Strength

Steel City is having memberships in National Level Exchanges of NSE, BSE, MSEI, NCDEX and MCX for Stock, Derivative, Commodity and Currency segments. Our offices are established at Remote Locations and are in very economical model with dedicated services on 24/7 basis. All our offices are situated at prime business locations to attract our dedicated services and support. At every office location, organization has deployed sufficient and skilled manpower to render services to all classes of investors. Some of the office premises are owned by us to establish and spread our brand more strongly. The operational equipment at each office is well maintained to ensure the business continuity. The promotional activities carried on by our Company are intact and are on a continuous stream of education to create awareness for all types of business class, particularly younger generations. Focusing towards increase in customer base services offered includes Equity Trading, Derivatives, Commodities, Currency, Mutual Funds, Life Insurance, General Insurance, Health Insurance, IPO, Depository Services, e-Governance, Loans and Investment Advisory. Our business process and practices are best in the Broking Industry. We have policy based processes which are very accurate and protective to maintain the transparency. The brand "Steel City" means "Confidence as Strong as Steel".



Services

We are providing a trading platform of Capital Market, Futures & Options, Commodities and Currency Derivatives of NSE, BSE, MSEI, MCX, and NCDEX, TIN-FC of NSDL e-Governance includes e-TDS return statements, TAN, PAN, PAN Change request, TAN Change request, e-TCS Returns/Statements, E-sign Services, GST returns and Annual Information Return (AIR) and Form 24G. We also provide Margin Trading Facility for Stocks or derivatives traded on NSE and BSE. We provide Insurance Services by acting as Corporate agent of SBI Life Insurance, United India Insurance Company Limited and Religare Health Insurance Private Limited. We are committed to provide best services to our clients and are proud to disclose that there are no Investor Grievances received by the Company from its Clients. To provide best services to our Clients, Sub-Brokers and Authorised Persons, we have also made available a mobile trading app on the website of our Company (www.steelcitynettrade.com) to enable Customers to trade anywhere, anytime using their mobile. We have also introduced the online payment system for all online and offline Trading Clients. We have distribution of Mutual funds and IPO with smart advisory Team Members to reach every Potential Investor and to encourage their Investments and growth plans. We promote Pension Schemes as POP registered with PFRDA for the Retirement Benefits of both Employees and Business People.

Business Network

We have foot print of more than 70 Branches and more than 5000 Authorised Persons and more than 16000 Franchisees across India with 1600+ Terminal Licenses being connected to the Central Location. We are proud to inform that we are having more than 2.9 lakh Retail Clients. Our business is being extended to the remote locations where we have created awareness for all categories of Business People to plan their Investments in these growing Financial Markets of Equity, Derivatives, Commodities and Currency and we are opening more and more Branches year after year in almost every State of our Country and are planning to acquire own premises for all the branches of the Company. Apart from this we also have Web Clients from both Equity and Commodity Market Segments. We have well experienced team to market our products and capture more clients of respective business segments.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

"Steel City" believes that corporate governance is an integral element in improving efficiency and growth as well as enhancing investor confidence. All the activities of the Company are carried out in accordance with Good Corporate Practices and the Company is constantly striving to better them by adopting the best practices.

The company believes in sustainable corporate growth that emanates from the top leadership down through the organisation to the various stakeholders which is reflected in its sound financial system, enhanced market reputation and improved efficiency.



We believe that our company shall go beyond adherence to regulatory framework. Our corporate structure, business operations and disclosure practices have been strictly aligned to our Corporate Governance Philosophy. Transparency, accountability, fairness and intensive communication with stakeholders are integral to our functioning. We believe in system driven performance and performance oriented systems. We accord highest priority to these systems and protect the interests of all our shareholders, particularly the minority shareholders.

Corporate Governance is about commitment to values, ethical business conduct and about considering all Stakeholders' interest in conducting the Business. Your Company continues to lay great emphasis on the broad principles of Corporate Governance.

The Company has set itself the objective of achieving excellence in its business. As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance. The Company's Philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Company believes that good Corporate Governance Practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximizing value for all its Stakeholders.

The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a leading Share Broking Company in South India, while upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to Steel City Group Companies.

The Company has adopted Governance Guidelines to cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, Director's term, retirement age and committees of the Board. It also covers aspects relating to nomination, appointment, induction of Directors, Director's remuneration, subsidiary oversight and Board effectiveness review.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time and as applicable, with regard to Corporate Governance including relaxations granted by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) from time to time.

2. BOARD OF DIRECTORS:

The Board is the focal point and custodian of Corporate Governance for the Company. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of



differences in the skills, regional and industry experience, background, gender and other distinctions between directors. These differences will be considered in determining the optimum composition of the Board and, when possible, will be balanced appropriately.

(a) Size and Composition of the Board of Directors of the Company:

As on March 31, 2023, the Company had 8 Directors. Out of 8, 4 (i.e. 50%) are Independent, Non-Executive; 3 (i.e. 38%) are Non-Independent, Executive Directors and 1 (i.e. 12%) is Non- Independent, Non - Executive.

None of the Directors held directorship in more than 7 listed companies. Further, none of the IDs of the Company served as an ID in more than 7 listed companies. None of the IDs serving as a whole-time director/managing director in any listed entity, serves as an ID of more than 3 listed entities. None of the Directors held directorship in more than 20 Indian companies, with not more than 10 public limited companies.

None of the Directors is a member of more than 10 committees or acted as chairperson of more than 5 committees (being Audit Committee and Stakeholders Relationship Committee, as per Regulation 26(1) of the Listing Regulations) across all the public limited companies in which he/she is a director. The necessary disclosures regarding committee positions have been made by the Directors.

All IDs of the Company have been appointed as per the provisions of the Companies Act, 2013 (the Act) and Listing Regulations. The Chairman of the Company is an Executive Director and not related to the CEO & Managing Director.

The Company is in compliance with the provisions of Section 149 of the Companies Act, 2013 ("the Act") and Regulation 17 of the Listing Regulations. The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long-term objectives of enhancing stakeholders' values are met.

All the Independent Directors have confirmed to the Board that they meet the criteria for Independence in terms of the definition of 'Independent Director' stipulated under Regulation 16(1) (b) of the Listing Regulations and Section 149(6) of the Act. These confirmations have been placed before the Board. There were no material, financial and / or commercial transactions entered into between the Senior Management and the Company which could have potential conflict of interest with the Company at large.

Composition of Board of Directors of the Company:

Category	No. of Directors
Independent Directors	4
Other Non – Executive Directors	1
Executive Director	1
Executive Chairman & Managing Director & CEO	2
Total	8



Skills / expertise / competence of the Board of Directors:

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence. The Board provides leadership, strategic guidance, objective and an independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. The Board periodically evaluates the need for change in its composition and size.

The Board has identified the following skills/ expertise/ competencies fundamental for the effective functioning of the Company which are available with the Board:

SIno	Name of the Director	Skills/ Expertise/ Competence
1.	K. Satyanarayana	Having more than two and a half decades of experience in Financial Services Industry and capital markets.
2.	Satish Kumar Arya	Having more than two and a half decades of experience in Financial Services Industry and capital markets.
3.	T. V. Srikanth	Having more than one and a half decades of experience in the field of Technology and more than 5 years of experience in Broking Industry
4.	G. V. Vandana	Having more than 6 years of experience in Broking Industry.
5.	G. Satya Rama Prasad	Having more than two and a half decades of experience in the field of Capital markets.
6.	B. Krishna Rao	Having more than two decades of experience in Broking Industry.
7.	G. Vijaya Kumar	Having more than two and a half decades of experience in the field of Capital markets.
8.	E. Sridhar	Having more than two decades of experience in Broking Industry.

Changes in Board Composition:

SIno	Name of the Director	Nature of Change	Date of Change
1.	Sri. K. Satyanarayana	Re-Appointed as Executive Chairman of the Company vide Postal Ballot notice dt: 13.01.2023	01.04.2023
2.	Sri. Satish Kumar Arya	Re-Appointed as Managing Director & CEO of the Company vide Postal Ballot notice dt: 13.01.2023	01.04.2023
3.	Sri. T. V. Srikanth	Re-Appointed as Whole – Time Director designated as Director (IT) of the Company vide Postal Ballot notice dt: 13.01.2023	01.04.2023



ii) MEETINGS OF THE BOARD:

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other normal business. The Board Meetings (including Committee Meetings) of the Company are scheduled after getting confirmation on dates from Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

However, in case of a special and urgent business need, the Board's approval is taken by passing resolution(s) by circulation, as permitted by law, which is noted in the subsequent Board Meeting.

The detailed Agenda together with the relevant attachments is circulated to the Directors in advance. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. Where it is not practicable to circulate any document in advance or if the agenda is of a confidential nature, the same is tabled at the meeting. In special and exceptional circumstances, consideration of additional or supplementary items is taken up with the approval of the Chair and majority of the Independent Directors. Senior Management Personnel are invited to the Board / Committee meeting(s) to provide additional inputs for the items being discussed by the Board / Committees thereof as and when necessary.

During the year under review, Nine (9) meetings of the Board were held on the following dates:

SlnO	Date of the Board Meeting	Board Strength	No. of Directors present
1	14.05.2022	8	7
2	25.06.2022	8	8
3	12.08.2022	8	8
4	26.08.2022	8	8
5	13.10.2022	8	8
6	14.11.2022	8	8
7	13.01.2023	8	8
8	08.02.2023	8	7
9	24.03.2023	8	8

a. Board Meetings held and Director's attendance record:

During FY 2022-23, Nine (9) Board Meetings were held. The details of Directors, their attendance at Board Meetings and at the previous Annual General Meeting of the Company are, given below:



SL No	Name of the Director	Category of Director	No. of Shares held as on 31 st March, 2023	No. of Board Meetings Attended during Financial Year 2022-23	No. of Directorships in Public Companies as on 31 st March, 2023*	No. of Board Committee Memberships held in Public Companies as on 31 st March, 2023**		Whether present at previous AGM held on 30 th July, 2022
						Chairman	Member	
1.	Sri Kamireddi Satyanarayana	Promoter, Executive Chairman	1254446	9	1	1	0	Yes
2.	Sri Satish Kumar Arya	Promoter, Managing Director & CEO	1445889	9	1	0	3	Yes
3.	Sri. T. V. Srikanth	Executive Director; Director (IT)	0	9	1	0	1	Yes
4.	Smt. G.V. Vandana	Promoter, Non-Executive Director	2575500	9	1	1	1	Yes
5.	Sri G.Satya Rama Prasad	Non-Executive Independent Director	400	8	1	1	3	Yes
6.	Sri G. Vijaya Kumar	Non-Executive Independent Director	200	9	1	0	1	Yes
7.	Sri Bheri Krishna Rao	Non-Executive Independent Director	158452	9	1	1	2	Yes
8.	Sri E. Sridhar	Non-Executive Independent Director	0	8	1	0	1	Yes

* Excludes Directorships in Private Limited Companies, Foreign Companies and Section 8 Companies and includes Directorship in Steel City Securities Limited

** In accordance with Regulation 26 of the Listing Regulations, Chairmanships / Memberships of Committees of all Public Limited Companies, whether listed or not, has been considered including that of Steel City Securities Limited.

3. Details of other Directorship positions held by Directors in Listed Entities as on 31st March, 2023:

SI No	Name of the Director	Names of listed entities in which Directorship held	Category of Directorship
1	Sri. K. Satyanarayana	None	None
2	Sri. Satish Kumar Arya	None	None
3	Sri. T. V. Srikanth	None	None
4	Smt. G. V. Vandana	None	None
5	Sri. G. Satya Rama Prasad	None	None
6	Sri. G. Vijaya Kumar	None	None
7	Sri. B. Krishna Rao	None	None
8	Sri. E. Sridhar	None	None



4. Performance Evaluation:

In terms of provisions of the Act read with Rules issued there under and Regulations 17 and 19 of the Listing Regulations, the Board, on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended March 31, 2023. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution, etc.

5. Meeting of the Independent Directors:

Section 149(8) of the Companies Act, 2013 ("the Act") read with Schedule IV of the Act requires the Independent Directors of the Company to hold at least one meeting in a financial year, without the attendance of non-independent directors and senior management. The Independent Directors of the Company met for 2 times during the Financial Year 2022-23 i.e., on 10.08.2022 and 19.01.2023 respectively, pursuant to the provisions of the Act and the Listing Regulations. The Chairman of said Meeting of Independent Directors was Sri. B. Krishna Rao. All the Independent Directors attended the meeting.

6. Shareholding of Promoters and their Relatives (Promoter Group):

The following are the details of the Shares held by Promoters and their Relatives (Promoter Group) in the Company as on 31st March, 2023:

Sl No	Name of the Pomoter / Relative of Promoter	No. of Shares held	% of Shares held
1.	K. Satyanarayana	12,54,446	8.30
2.	Satish Kumar Arya	14,45,889	9.57
3.	G.V.Vandana	25,75,500	17.05
4.	G.Sirisha	24,43,731	16.18
5.	Steel City Financial Services Pvt. Ltd.	5,00,000	3.31
6.	K. S. V. Ramesh Babu	5,07,500	3.36
7.	K. Mahalakshmi	73,009	0.48
8.	K. Mrudula	65,000	0.43
9.	K. Geeta Vara Lakshmi	15,000	0.10
10.	K. Raj Kumar	2,600	0.02
11.	Nirmala Devi	2,00,009	1.32
12.	Sachin Arya	7,21,354	4.77
13.	Suman Arya	5,100	0.03
14.	Alka Rajput	76,409	0.51
15.	Venkata Triveni Tentu	2,42,428	1.60
16.	Pyla Madhu	51,300	0.34
	Total	1,01,79,275	67.38



7. COMMITTEES OF THE BOARD:

With a view to have a more focused attention on the business and for better governance and accountability, the Board has constituted including but not limited to various below mentioned Committees under the Act and Listing Regulations for compliance and / or administrative purpose. All decisions pertaining to the constitution of the Committees, appointment of members and fixing of terms of reference for the Committee is taken by the Board of Directors. The Committees make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval. Currently, the Board has Five Committees: the Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Internal Complaints Committee.

The composition of the Committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

A. Audit Committee:

The Audit Committee acts as a link between the statutory & internal Auditors and the Board of Directors of the Company. It assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

Composition, Meetings and Attendance:

The composition of the Audit Committee and the details of meetings attended by the Members during the year are given below:

During the F Y 2022-23, the Committee met for 4 (Four) times i.e., on 14.05.2022; 12.08.2022; 14.11.2022; 08.02.2023. The details of the Composition of the Committee, number of meetings held and the attendance of the Members at the meetings during the year are given herein below:

Name of the Member	Category	Designation in the Committee	No. of Meetings	
			Held	Attended
Sri. G. Satya Rama Prasad	Independent Director	Chairman	4	3
Sri. B. Krishna Rao	Independent Director	Member	4	4
Sri. E. Sridhar	Independent Director	Member	4	3
Smt. G.V. Vandana	Non-Executive Director	Member	4	4

For the meeting of the Audit Committee held on 14.05.2022, since the Chairman of the Audit Committee, Sri. G. Satya Rama Prasad has obtained leave of absence, the members who attended that meeting elected Sri. B. Krishna Rao, Member of the Committee as Chairman of the Committee for that meeting.



The requisite quorum was present at the meetings of the Committee. Audit Committee meetings are also attended by the senior management of the Company wherever necessary along with the Chief Financial Officer of the Company. The Company Secretary acts as the secretary of the Audit Committee.

The scope of activities of the Audit Committee is as set out in Regulation 18 of the listing regulations read with Section 177 of the Companies Act, 2013 and SEBI (Prohibition of Insider Trading) regulations, 2015 and the amendments there to.

The Audit Committee also receives the report on compliance under the SEBI (code of conduct for Prohibition of Insider Trading) Regulations, 2015.

The terms of reference of the Audit Committee are broadly as follows:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation of appointment, remuneration and terms of appointment of Auditors of the Company.
- Review and monitor the Auditor's independence and performance, and effectiveness of audit process.
- Examination of the financial statement and the Auditors' Report thereon.
- Approval or any subsequent modification of transactions of the Company with Related Parties.
- Scrutiny of Inter-Corporate Loans and Investments

B. Nomination and Remuneration Committee:

The Company has Nomination and Remuneration Committee (NRC) pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations.

The NRC Committee is responsible for formulating evaluation policies and reviewing all major aspects of Company's HR processes relating to hiring, training, talent management, succession planning and compensation structure of the Directors, KMPs and senior management. The Committee also anchored the performance evaluation of the Individual Directors.

Composition, Meetings and Attendance:

During the F Y 2022-23, the Committee met once i.e., on 13.01.2023. The details of the Composition of the Committee, number of meetings held and the attendance of the Members are given herein below:

Name of the Member	Category	Designation in the Committee	No. of Meetings	
			Held	Attended
Sri. G. Satya Rama Prasad	Independent Director	Chairman	1	1
Sri. G. Vijaya Kumar	Independent Director	Member	1	1
Sri. B. Krishna Rao	Independent Director	Member	1	1



The scope of the activities of the NRC is as set out in Regulation 19 of the Listing Regulations read with section 178 of the Companies Act, 2013.

The terms of reference of the Committee are as follows:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Remuneration Policy:

The Nomination and Remuneration Committee while deciding the remuneration package of the Directors and Senior Management Executives ensures that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors/ Key managerial personnel/ Senior management of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and variable incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals; and
- specify the manner of effective evaluation of the performance of Board, its committees and individual directors to be carried out either by the Board or by the NRC or by an independent external agency and review its implementation and compliance.

The Non-Executive Independent Directors (NEDs) are paid remuneration by way of Sitting Fees for their participation in various committee and board meetings.

Remuneration to Directors:

The details of the Salary, allowances, perquisites and performance bonus paid to the Executive Directors for the F.Y. 2022-23 is tabled below:

Sl no	Name of the Director	Salary/ Allowance/ Perquisites & Performance Bonus (Rs. in Lakhs)	Contribution to funds	Total (Rs. in Lakhs)
1	Sri. K. Satyanarayana	Rs. 36.00	-	Rs. 36.00
2	Sri. Satish Kumar Arya	Rs. 36.00	-	Rs. 36.00
3	Sri. T. V. Srikanth	Rs. 24.00	-	Rs. 24.00



The details of the Commission/ Sitting Fee paid to the Independent Directors/ Non-Executive Directors of the Company during the F. Y 2022-23 is tabled below:

Sino	Name of the Director	Sitting Fee (Rs. in Lakhs)	Commission	Total (Rs. in Lakhs)
1	Sri. G. Satya Rama Prasad	Rs. 1.20	-	Rs. 1.20
2	Sri. G. Vijaya Kumar	Rs. 1.20	-	Rs. 1.20
3	Sri. B. Krishna Rao	Rs. 1.20	-	Rs. 1.20
4	Smt. G. V. Vandana	Rs. 1.20	-	Rs. 1.20
5	Sri. E. Sridhar	Rs. 1.20	-	Rs. 1.20

C. Stakeholders Relationship Committee:

The Committee specifically discharges duties of servicing and protecting the various aspects of interests of the shareholders of the Company.

The terms of reference of the Committee are as follows:

- To address requests / resolve grievances of security holders including complaints related to transfer / transmission of securities, non-receipt of balance sheet, non-receipt of declared dividends / interests, etc.
- Attending to complaints of security holders routed by SEBI (SCORES) / Stock Exchanges / RBI or any other Regulatory Authorities
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Specifically look into the various aspects of interest of shareholders, debenture holders and other security holders.
- Attending to complaints of security holders routed by SEBI (SCORES) / Stock Exchanges / RBI or any other Regulatory Authorities.

Composition, Meetings and Attendance:

During the F Y 2022-23, the Committee met Twice i.e., on 18.08.2022 and 03.03.2023. The details of the Composition of the Committee, number of meetings held and the attendance of the Members are given herein below:

Name of the Member	Category	Designation in the Committee	No. of Meetings	
			Held	Attended
Sri. B. Krishna Rao	Independent Director	Chairman	2	2
Sri. Satish Kumar Arya	Managing Director & CEO	Member	2	2
Sri. T. V. Srikanth	Whole Time Director	Member	2	2
Sri. G. Vijaya Kumar	Independent Director	Member	2	2

Stakeholder Relationship Committee meetings are also attended by the senior management of the Company wherever necessary along with the Chief Financial Officer of the Company. The Company Secretary acts as the secretary of the Committee.



The Committee reviews the complaints received by the Company from its Investors and the action taken by the management to address these complaints.

Details of investor queries and grievances received and attended by the Company during the F. Y 2022-23 are given herein below:

SI No	Nature of Complaint	Pending as on 01.04.2022	Received during the year	Disposed off during the year	Pending as on 31.03.2023
1.	SEBI/ Stock Exchange Complaints	0	0	0	0
2.	Non – receipt of Dividend warrant / interest	0	0	0	0
3.	Non –receipt of Share Certificate	0	0	0	0
4.	Non – receipt of Annual Report	0	0	0	0
5.	Others	0	0	0	0
	Total	0	0	0	0

D. Corporate Social Responsibility Committee:

The terms of reference of the Committee are as follows:

- Formulate and recommend to the Board, a Corporate Social Responsibility (“CSR”) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the act.
- Recommend the amount of expenditure to be incurred on the activities referred to in the above Clause.
- Update the Board on the implementation of various programmes and initiatives.
- Monitor the Corporate Social Responsibility Policy of the company from time to time.

Composition, Meetings and Attendance:

During the F Y 2022-23, the Committee met 3 (Three) times i.e., on 20.06.2022; 31.01.2023 and 24.03.2023 respectively. The details of the Composition of the Committee, number of meetings held and the attendance of the Members are given herein below:

Name of the Member	Category	Designation in the Committee	No. of Meetings	
			Held	Attended
Sri. K. Satyanarayana	Executive Chairman	Chairman	3	3
Sri. Satish Kumar Arya	Managing Director & CEO	Member	3	3
Sri. G. Satya Rama Prasad	Independent Director	Member	3	3



The Company has complied with the necessary requirements under the Companies Act, 2013 in this regard.

The CSR Policy of the Company is available on the website of the Company at [CSR Policy.pdf \(steelcitynettrade.com\)](#). The initiatives undertaken by the Company during the F. Y. 2022 -23 are separately detailed in Annexure -6 to the Board's Report.

E. Internal Compliants Committee:

The terms of reference of the Committee are as follows:

- To act as Inquiry Authority on a complaint of sexual harassment
- To ensure that complainant and witnesses are not victimized or discriminated because of their complaint
- To ensure that all conflicts of interest are managed appropriately

Composition, Meetings and Attendance:

During the F Y 2022-23, the Committee met 3 (Three) times i.e., on 09.08.2022; 02.01.2023 and 23.03.2023 respectively. The details of the Composition of the Committee, number of meetings held and the attendance of the Members are given herein below:

Name of the Member	Category	Designation in the Committee	No. of Meetings	
			Held	Attended
Smt. G. V. Vandana	Non-Executive Director	Chairperson	3	3
Sri. Satish Kumar Arya	Managing Director	Member	3	3
Smt. M. Srividya	Company Secretary	Member	3	3

7. GENERAL BODY MEETINGS:

The venue and timings of the last three Annual General Meetings are given below:

Financial Year	Date	Location	Time
2019-20	26 September, 2020	Through Video Conferencing(VC) / Other Audio Visual Means (OAVM)	11.45 A.M.
2020-21	18 September, 2021	Through Video Conferencing(VC) / Other Audio Visual Means (OAVM)	11.45 A.M.
2021-22	30 July, 2022	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	11.45 A.M.



The number and particulars of the Special Resolutions passed in the last three Annual General Meetings are as follows:

Date of Annual General Meeting	Number and Particulars of Special Resolutions passed
26.09.2020	No special resolutions were passed.
18.09.2021	<ol style="list-style-type: none"> 1. Re- appointment of Sri. B. Krishna Rao (DIN: 00274709) as Independent Non-Executive Director of the Company for a second term of five consecutive years in terms of Section 149 of the Companies Act, 2013. 2. Appointment of Sri. E. Sridhar (DIN: 09234140) as Independent Non- Executive Director of the Company for a period of 5 (five) years. 3. To approve the increase in remuneration of Sri. K. Satyanarayana (DIN: 00045387), Executive Chairman of the Company. 4. To approve the increase in remuneration of Sri. Satish Kumar Arya (DIN: 00046156), Managing Director of the Company. 5. To approve the increase in remuneration of Sri.T. V. Srikanth (DIN: 07992172), Whole-Time Director of the Company.
30.07.2022	<ol style="list-style-type: none"> 1. Increasing the Borrowing Powers under Section 180(1) (c) of the Companies Act, 2013 up to Rs. 120 Crores. 2. Creation of security on the properties of the Company, both present and future, in favour of lenders.

Postal Ballot Resolution(s):

During the year under review, the company has passed the following resolutions through Postal Ballot vide postal Ballot notice dt: 13th January, 2023:

1. Re-Appointment of Sri. K. Satyanarayana (DIN: 00045387) as Whole Time Director designated as Executive Chairman of the company for a period of 5 years w.e.f. 1st April, 2023.
2. Re-Appointment of Sri. Satish Kumar Arya (DIN: 00046156) as Managing Director & CEO of the Company for a period of 5 years w.e.f. 1st April, 2023.
3. Re-Appointment of Sri. T. V. Srikanth (DIN: 07992172) as Whole - Time Director designated as Director (IT) of the Company for a period of 5 years w.e.f. 1st April, 2023.

The above resolutions were passed by the Shareholders through Postal Ballot and the date of passing such resolutions shall be deemed to be 5th March, 2023.

8. EMPLOYEES:

Continuous Employee Training Programs including seminars were conducted for upgrading their skills and knowledge in their respective areas.

9. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company including Subsidiaries has an adequate Internal Control System designed to ensure operational efficiency, protection, conservation of resources, accuracy and



promptness in financial reporting and compliance with laws and regulations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman of the Company.

The Internal Control System is supported by an Internal Audit Process for reviewing the adequacy and efficiency of the Company's internal controls, including its systems, processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company.

An internal team of inspection also regularly visits branches for ensuring regulatory compliance. Post audit reviews are also carried out to ensure follow up on the observations made.

10. CREDIT RATING:

During the year under review, Rating Agencies reaffirmed/issued ratings to SCSL, as under: CRISIL: CRISIL SME Rating: SME - 2, It Indicates "High" level of Credit worthiness adjudged in relation to other SMEs.

11. CLIENTS:

Client Satisfaction is our number one goal. We strive for 100% Client Satisfaction with everyone who comes in and out of our building.

12. OTHER STAKEHOLDERS:

The Company is always concerned about Clients, Franchisers, Customers, Suppliers, Competitors, Creditors and Local Community and strives to meet all expectations reasonably.

13. SOCIETY:

The Company is proactive towards Corporate Social Responsibility since the date of its incorporation.

14. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

Pursuant to the provision of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has spent an amount of Rs. 27.09lakhs on CSR activities during the Financial Year 2022-23.

15. CORPORATE AFFAIRS & VISION:

The Company has been continuing effectively the best Corporate Affairs with the following:

- a) Advanced Planning Techniques and strategic supervision by the Board of Directors;
- b) Excellent co-ordination at all levels of management to achieve the tasks;
- c) Immediate attention towards Customers' requirements and public relations;
- d) Cautious approach in operations, rendering services efficiently and effectively to the clients;



- e) Adequate response towards socio-economic responsibilities;
- f) Focus on protecting the safety of the clients and the employees;
- g) To design the standards, policies, procedures and best practices in addition to the existing policies;
- h) To grow the Company and to generate long term Business results and expanding market presence;
- i) To retain the talented and dedicated Employees and implementing the best Administrative Manual;
- j) The vision is clear that SCSL will become the best performing and most respected Stock Broking Company in India, and
- k) The regular interaction with the Clients, Franchises, Branches, Employees encourage them to familiarize themselves with SCSL and helped the brand name "STEEL CITY".

16. MEANS OF COMMUNICATION:

The Board takes on record the audited/ unaudited annual/ quarterly financial results prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS Rules) in the format prescribed under Regulation 33 of the Listing Regulations read with Circular Ref No. CIR/CFD/FAC/62/2016 dated 05 July, 2016 issued by SEBI within prescribed time limit from the closure of the quarter/year and announces the results to all the stock exchanges where the shares of the Company are listed. The Company has been publishing the results in the format as prescribed by SEBI in the Business Standard and Andhra Prabha News Papers within 48 hours of the conclusion of the meeting of the Board in which they are approved.

- (a) The quarterly, half-yearly and annual results of the Company are submitted to the Statutory Auditors of the Company for a limited review/full audit (as applicable) and the report of the Auditors is also filed with all stock exchanges after it is approved by the Audit Committee and the Board of Directors of the Company at their duly convened meetings.
- (b) The quarterly results are not sent to each shareholder as shareholders are intimated through press and also the same is updated on the website of the Company.
- (c) The Company's website www.steelcitynettrade.com provides information about the Company to its existing and prospective stakeholders. The quarterly results are displayed on the Company's website along with other relevant information.
- (d) The Company also makes presentations on the Operational and Financial Highlights to its investors including the analysts which are hosted on the website of the Company i.e., www.steelcitynettrade.com and also submitted to the Stock Exchanges.
- (e) The Company has created a separate e-mail address i.e., investorrelations@steelcitynettrade.com to receive complaints and grievances of investors.



16. GENERAL SHAREHOLDER INFORMATION:

- a) Annual General Meeting:

Date: _____

Time: _____

Venue: "Steel City Heights", # 50-81-18, Main Road,
Seethammapeta, Visakhapatnam - 530016

- b) Financial Year: 1st April, 2022 to 31st March, 2023.

- c) Name and Address of the Stock Exchange where the Shares are listed:
National Stock Exchange of India Limited
Exchange Plaza, Plot No: C1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051.

The Company has paid in full the requisite Annual Listing Fee for the Financial Year 2022-23 to NSE.

- d) Stock Code : STEELCITY

- e) Market Price data:

High, Low and Close Price during each month in the last financial year at NSE:

Month	NSE (Rs.)	
	High	Low
April' 22	68.80	57.50
May' 22	64.50	52.10
June ' 22	63.90	50.30
July'22	59.00	52.10
August'22	62.80	54.30
September'22	65.75	52.65
October ' 22	61.85	56.85
November'22	63.25	56.05
December '22	65.05	55.50
January '23	63.90	57.40
February '23	63.00	57.40
March'23	65.30	58.00



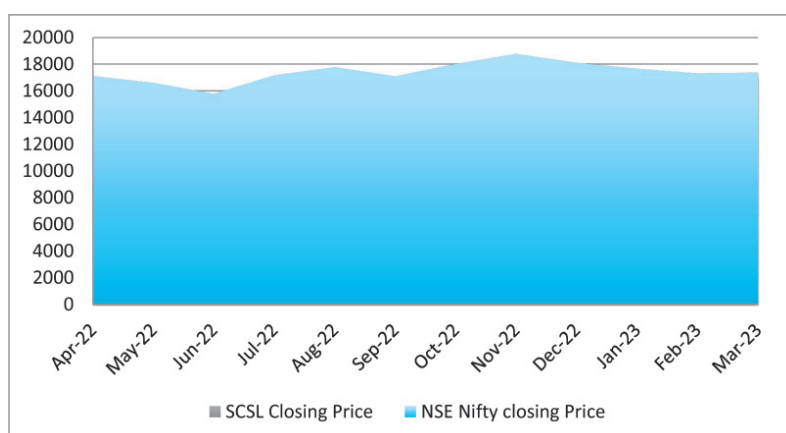
f) Dividend Payment Date:

Dividend	Date of Declaration	Date of Payment	% of Dividend on face value of Equity Share	Amount Per Share
Final Dividend 2021-22	30 th July, 2022	2 nd August, 2022	10%	Re. 1/-
1 st Interim Dividend 2022-23	13 th October, 2022	4 th November, 2022	10%	Re. 1/-
2 nd Interim Dividend 2022-23	8 th February, 2023	23 rd February, 2023	10%	Re. 1/-

g) Corporate Identification Number: L67120AP1995PLC019521

h) Stock Performance in comparison to Nifty:

Steel City's Share Price and Nifty performance:



i) Registrar and Share Transfer Agent:

The Board has delegated the authority of approving transfer, transmission etc. of the Shares of the Company to the Registrar and Share Transfer Agent, M/s. Bigshare Services Private Limited, Mumbai continue to act as Registrar and Share Transfer agent to take care of the works relating to physical shares and electronic connectivity and other D-Mat related services.

Address:

Bigshare Services Private Limited,
1st Floor , Bhart Tin Works Building,
Opp. Vasant Oasis Apartments
(Next to Keys Hotels), Marol maroshi Road,
Andheri (E), Mumbai - 400059
Phone : 040 - 23374967
Fax : 040 - 23370295
E-Mail : bsshyd@bigshareonline.com
Website : www.bigshareonline.com



j) Share Transfer System:

Share transfers and related operations for the Company are processed by the Company's RTA viz., Bigshare Services Private Limited, Share transfer is normally affected within the maximum period of 15 days from the date of receipt, if all the required documentation is submitted.

Securities and Exchange Board of India (SEBI) vide its notification dated 08 June, 2018 has notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 (Listing Regulations) and SEBI (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations 2018 (RTA Regulations) and amendment to Regulation 40 of the Listing Regulations and Clause 5(c) of Schedule III of the RTA Regulations. These amendments have mandated that the transfer of securities would be carried out only in dematerialized form.

k) Distribution of Shareholding by size as on 31.03.2023:

Shareholding of Nominal (Rs.)	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
1 - 5000	8650	88.41	686833	4.55
5001 - 10000	451	4.61	370553	2.45
10001 - 20000	363	3.71	624386	4.13
20001 - 30000	73	0.75	180731	1.20
30001 - 40000	55	0.56	200180	1.32
40001 - 50000	31	0.32	145447	0.96
50001 - 100000	70	0.71	500745	3.31
100001 - 9999999999	91	0.93	12398220	82.08
Total	9784	100	15107095	100



l) Demat Information:

As on 31st March, 2023, 99.45% of the total shareholding of the Company have been converted into Demat form. The Company has executed agreements with both NSDL and CDSL for dematerialization of its Shares.

ISIN No for Equity Shares of the Company: INE395H01011

m) Outstanding ADRs/ GDRs / Warrants or any convertible instruments, conversion date and likely impact on Equity:

The Company has not issued any ADRs/ GDRs/ Warrants or any Convertible instruments.

n) Foreign Exchange Risk and Hedging Activities:

Not Applicable

o) Plant Location:

The Company is into the business of Stock Broking and hence, it does not have any manufacturing plants.

17. OTHER DISCLOSURES:

a) During the last three years, there were no material strictures or penalties imposed either by Securities and Exchange Board of India or the Stock Exchange or any Regulatory Authority for non-compliance of any matter related to the Capital Market.

b) Whistle Blower Policy / Vigil Mechanism:

Pursuant to the provisions of Regulation 22 of the Listing Regulations and section 177 of the Act, the Company established a Vigil Mechanism / Whistle Blower Policy for Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

This mechanism provides for adequate safeguards against victimization of director(s) / employee(s) who avail the mechanism and makes provision for direct access to the Chairman of the Audit Committee. The policy has been uploaded on the website of the Company at we affirm that no director / employee of the Company was denied access to the Audit Committee.

The related party details are disclosed in the notes to financial statements. The Register of Contracts containing the transactions in which Directors are interested is regularly placed before the Audit Committee and Board for its approval.

To the extent possible, the Company has complied with the mandatory requirement of this clause.

c) Disclosure of Accounting Treatment in Preparation of Financial Statements:

The financial statements for the year ended 31st March, 2023, have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies



(Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Balance Sheet, Statement of Profit and Loss (including other comprehensive income) and Statement of changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS. Amounts in the financial statements are presented in Indian Rupees.

- d) Complied with the various statutory provisions and submitted the required information to the concerned authorities relating to the business affairs of the Company from time to time.
- e) The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing regulations.
- f) M/s. ASN Associates, Practising Company Secretaries have certified that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by SEBI or Ministry of Corporate Affairs or any such statutory authority, is annexed to this Report as "**Annexure A**".
- g) The total fee paid to M/s. Rao & Kumar, Chartered Accountants, Statutory Auditors of the Company on consolidated basis is Rs. 3 Lakhs for the Financial Year 2022-23.
- h) **Details of utilization of funds raised through preferential allotment or qualified Institutional placement as specified under Regulation 32(7A):**

During the year 2022-23, the Company has not raised any funds through preferential allotment or qualified institutional placement.

- i) In terms of the amendments made to the Listing Regulations, the Board of Directors confirmed that during the financial year, it has accepted all recommendations received from its mandatory committees.
- j) **Subsidiary and Associate Companies:**

The Company has a Wholly owned Subsidiary M/s. Steel City Commodities Private Limited and an Associate Company M/s. Steel City Financial Services Private Limited, which is a NBFC registered with RBI.

- k) **CEO/ CFO Certification:**

The Chief Executive Officer and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The Chief Executive officer and Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)



of the Listing Regulations. The annual certificate given by the Chief Executive Officer and the Chief Financial Officer is annexed to this Report as “**Annexure B**”.

I) Code of Conduct:

The Board has laid down the Code of Conduct for its Directors and for Senior Management of the Company. All Board members and Senior Management have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management. A declaration signed by the Chief Executive Officer & Managing Director to this effect is annexed to this Report as “**Annexure C**”.

18. During the Financial Year 2022-23, the shares of the Company are not suspended on the Stock Exchanges.

- 19. ADDRESS FOR CORRESPONDENCE:** Steel City Securities Limited
“Steel City Heights”, # 50-81-18,
Main Road, Seethammapeta,
Visakhapatnam – 530016
Andhra Pradesh, India
Phone : 0891-2796984/2720234
Fax : 0891-2720135 / 2762586
E-Mail : investorrelations@steelcitynettrade.com
Website : www.steelcitynettrade.com
CIN : L67120AP1995PLC019521



ANNEXURE - A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(As per clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations.

To

The Members,
M/s. Steel City Securities Limited
Steel City Heights, 50-81-18, Main Road,
Seethammampeta, Visakhapatnam (Urban)-530016,
Andhra Pradesh, India.

Based on our verification of the declarations provided to Steel City Securities Limited (hereinafter referred to as 'the Company') by the Directors (as enlisted in Table A) and the documents and details available on the website of the Ministry of Corporate Affairs, NSE Limited, and publicly available details of cases/litigations filed against any individuals as on 31.03.2023, we hereby certify that in our opinion, the Directors of the Company (as enlisted in Table-A) are neither debarred nor disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authorities.

We have followed processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the declarations. We believe that the processes and practices, we followed provide a reasonable basis for our certification.

TABLE-A

SIno	Name of the Director	DIN
1	Kamireddi Satyanarayana	00045387
2	Satish Kumar Arya	00046156
3	Tentu Venkata Srikanth	07992172
4	Godithi Prasad Satya Rama	00045351
5	Vijaya Kumar Geddam	09045817
6	Sridhar Emmidisetty	09234140
7	Krishna Rao Bheri	00274709
8	Vishnu Guruv Vandana	07548398

For ASN Associates
Company Secretaries

K Surendra
Partner
Membership No:34205
CP No:12732
UDIN:A034205E000331898
Place:Visakhapatnam
Date:20.05.2023



ANNEXURE - B CEO AND CFO CERTIFICATION

To

The Board of Directors
Steel City Securities Limited
Visakhapatnam

Dear Members of the Board,

We have reviewed the Financial Statements and the cash flow statement of Steel City Securities Limited for the year ended 31st March, 2023 and to the best of our knowledge and belief:

- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting and we have not come across any reportable deficiencies in the design or operation of such internal controls. We have indicated to the Auditors and the Audit Committee:

- (i) that there are no significant changes in internal control over financial reporting during the year;
- (ii) that there are no significant changes in accounting policies during the year; and
- (iii) that there are no instances of significant fraud of which we have become aware.

For Steel City Securities Limited

Place: Visakhapatnam

Date : 20.05.2023

Satish Kumar Arya
Managing Director

N. Ramu
Chief Financial Officer



ANNEXURE - C

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

To the Members of Steel City Securities Limited

I hereby declare that all the Members of the Board and Senior Management Personnel of the Company are aware of the provisions of the Code of Conduct laid down by the Board. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct.

Place: Visakhapatnam

For Steel City Securities Limited

Date: 20.05.2023

Satish Kumar Arya
Managing Director
(DIN: 00046156)



ANNEXURE - 4 AUDITOR'S CERTIFICATE

Auditor's Certificate on Compliance with Conditions of Corporate Governance requirements under SEBI(LODR) Regulations, 2015.

To

The Members of
Steel City Securities Limited
Visakhapatnam.

We have examined the compliance of conditions of corporate governance by M/s. Steel City Securities Limited ("the Company") for the year ended on 31st March, 2023 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with National Stock Exchange of India Limited.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, pursuant to the Listing Agreement of the Company with National Stock Exchange of India Limited.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For ASN Associates
Company Secretaries**

Place: Visakhapatnam
Date: 20.05.2023

K. Surendra
Mem No: A34205
CP No: 12732
UDIN: A034205E000331887



ANNEXURE - 5

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

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3)
of The Companies (Accounts) Rules, 2014]

(a) CONSERVATION OF ENERGY:

During the year under review and nature of activities which are being carried on by your Company, the particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Companies' (Accounts) Rules, 2014 regarding Conservation of Energy, Technology Absorption, are not applicable to the Company. However, the Company has access regarding Conservation of Energy and Technology Absorption, wherever it is applicable.

(b) TECHNOLOGY ABSORPTION:

Not Applicable.

(c) FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the period under review, the Company has not earned any Foreign Exchange and also not incurred any expenditure in Foreign Exchange.

Particulars	2022-23	2021-22
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

For Steel City Securities Limited

Date : 20.05.2023

Place: Visakhapatnam

K. Satyanarayana
Executive Chairman
(DIN: 00045387)

Satish Kumar Arya
Managing Director
(DIN: 00046156)



Annexure - 6

Annual Report on Corporate Social Responsibility (CSR)

[Pursuant to Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief Outline on CSR Policy of the Company:

Over the years, we have been focusing on sustainable business practices encompassing economic, environmental and social imperatives that not only cover our business, but also that of the communities around us. Our Corporate Social Responsibility (CSR) Policy, thus, is not limited to philanthropy, but also includes large initiatives that lead to social development.

The objective of this policy is to set guiding principles for carrying out CSR Activities by the Company and also to set up the process of execution, implementation and monitoring of the CSR Activities to be undertaken by the Company.

2. Composition of the CSR Committee as on 31st March, 2023:

The Company has a Board Committee (CSR committee) that provides oversight of CSR policy execution to ensure that the CSR objectives of the Company are met. The Composition of the CSR committee of the Board of Directors of the Company is depicted below:

S/no	Name of the Director	Designation/ Nature of Directorship	No. of CSR Committee Meetings held during the year	No. of CSR Committee Meetings attended during the year
1.	K. Satyanarayana	Chairman - Executive Chairman	3	3
2.	Satish Kumar Arya	Member - Managing Director & CEO	3	3
3.	G. Satya Rama Prasad	Member - Non - Executive Independent Director	3	3

- Website Link where the composition of the CSR Committee , CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company: https://www.steelcitynettrade.com/PDF/CSR_Policy.pdf
- Details of Impact assessment of CSR Projects carried out in pursuance of Sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:Not Applicable**
- Details of Amount available for set off in pursuance of Sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any:**



Sino	Particulars	Financial Year	Amount available for set-off from preceding Financial Years (in Rs.)	Amount required to be set -off for the Financial year, if any (in Rs.)
		Not Applicable		

6. Average Net Profit of the Company as per Section 135(5): Rs. 1210.20 Lakhs
7. (a) **Two percent of the average net profit of the Company as per Section 135(5):** Rs. 27.09 Lakhs.
- (b) **Surplus arising out of the CSR Projects or Programs or activities of the previous financial years:** Nil
- (c) **Amount required to be set off for the Financial year, if any :** Nil
8. **Total CSR obligation for the Financial year (7a+7b+7c):** Rs. 27.09 Lakhs.
9. (a) **CSR amount unspent for the Financial year :**

Total Amount spent for the Financial Year	Amount Unspent (Rs. In Million)				
	Total Amount transferred to unspent CSR Amount as per Section 135 (6)			Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5)	
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
		NIL			

(b) Details of CSR amount spent against ongoing projects for the Financial year:

Sl no	Name of the Project	Item from the list of Activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Project Duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to unspent CSR Account for the project as per Section 135 (6) (in Rs.)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - through Implementing Agency	
				State	District						Name	CSR Registration no
						Not	Applicable					



(c) Details of CSR amount spent against other than ongoing projects for the Financial year :

Sl No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area(Yes/ No)	Location of the Project		Amount spent for the project (Rs. in Lakhs)	Mode of Implementation (Direct/ Indirect)	Mode of Implementation - through Implementing Agency	
				State	District			Name	CSR Registration No
1.	GVMC Sweekaram Education Society	Pomoting Education	Yes	Andhra Pradesh	Visakhapatnam	7.00	Yes	NA	
2.	Prime Minister National Relief Fund	Contribution to the prime ministers national relief fund (PMNRF)				12.09			
3.	Lebenshilfe	setting up homes and hostels for orphans	Yes	Andhra Pradesh	Visakhapatnam	3.00	Yes	NA	
4.	Harekrishna Movement	Protection of National Heritage	Yes	Andhra Pradesh	Visakhapatnam	4.00	Yes	NA	
5.	Shri Saradamba Vidyapeeth	Protection of National Heritage	Yes	Andhra Pradesh	Visakhapatnam	1.00	Yes	NA	

(d) Amount Spent on Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial year (8a+8b+8c) : Rs. 27.09 Lakhs

(g) Excess Amount for Set - off (if any):

Sl no	Particular	Amount (in Rs. Lakhs)
(i)	Two Percent of Average Net Profit of the Company as per Section 135 (5)	27.09
(ii)	Total amount spent for the Financial year	27.09
(iii)	Excess amount spent for the Financial year [(ii) - (i)]	0.00
(iv)	Surplus arising out of the CSR Projects or programs or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii) - (iv)]	0.00



10. (a) Details of unspent CSR amount for the preceding three financial years:

SI No	Preceding Financial Year	Amount transferred to unspent CSR Account under Section 135 (6) (in Rs.)	Amount spent in the Reporting Financial year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135 (6), if any			Amount remaining to be spent in succeeding Financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of Transfer	
		Not Applicable					

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial years:

SI No	Project ID	Name of the Project	Financial Year in which the Project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial year	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed / ongoing
				Not Applicable				

11. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details): None

- Date of Creation or acquisition of the capital asset (s):
- Amount of CSR spent for creation or acquisition of capital asset:
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their addresses etc.
- Provide the details of the capital assets(s) created or acquired (including complete address and location of the capital asset): Not Applicable

12. Specify the reasons(s), if the Company has failed to spend two percent of the average net profit as per Section 135 (5): Not Applicable

Place: Visakhapatnam

For Steel City Securities Limited

Date: 20.05.2023

Satish Kumar Arya
Managing Director
(DIN: 00046156)

K. Satyanarayana
Chairman of the Committee
(DIN: 00045387)



Annexure - 7

Statement of Particulars of Employees Pursuant to provisions of Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

i. Employed throughout the Financial Year 2022-23

There were no employees receiving remuneration in the aggregate, more than One Crore and Two Lakhs Rupees in the Company during the Financial Year.

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2022-23, and the comparison of the remuneration to Key Managerial Personnel(KMP) against the performance of the Company are as under:

Sl.No.	Name of Director/ KMP and Designation	Remuneration of Director KMP for the financial year 2022-23 (Rs. in Lakhs)	% increase in Remuneration in the Financial Year 2022-23	Ratio of remuneration of each Director/ KMP to median Employees
1.	K. Satyanarayana, Executive Chairman	36.00	-	12.12
2.	Satish Kumar Arya, Managing Director	36.00	-	12.12
3.	T. V. Srikanth, Whole Time Director	24.00	-	8.08
4.	N. Ramu, Chief Financial Officer	18.59	(4.67)	6.26
5.	M. Srividya, Company Secretary	8.32	2.64	2.80

- i. The Median remuneration of Employees of the Company during the Financial Year was Rs. 2.97 Lakhs
- ii. The Percentage increase in the Median remuneration of employees for the Financial Year is 23.16%.
- iii. In the financial year, there was a increase of Rs. 0.56 Lakhs p.a. in the median remuneration of employees.
- iv. There were 341 permanent employees on the rolls and 63 probationers working with the Company as on 31st March, 2023.
- vi. Average percentile increase made in the salaries of employees other than the managerial Personnel in the financial year 2022-23 was 23.06%, whereas there is an increase of Rs. 0.18 Lakhs in the managerial remuneration for the same financial year. The increase in remuneration was in line with the performance of the Company, industrial standards and individual employee performance.
- vii. **Affirmation that the remuneration is as per the remuneration policy of the Company:**
The Company affirms that the remuneration paid is as per the Nomination and Remuneration policy of the Company.



Annexure - 8

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

M/s Steel City Securities Limited

Steel City Heights, 50-81-18, Main Road, Seethammapeta,
Visakhapatnam (Urban) – 530 016, Andhra Pradesh, India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Steel City Securities Limited (CIN: L67120AP1995PLC019521)** (here-in-after called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2023, complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Steel City Securities Limited for the Financial Year ended on 31st March, 2023 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the Rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;



- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with the Stock Exchanges;
 - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – *Not applicable as the Company has not issued any Employee Stock Option Scheme;*
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 -*Not applicable as the Company has not issued any debt securities during the financial year under review;*
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - *Not applicable* and
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - *Not applicable as the Company did not buy back its equity shares during the financial year under review;*
2. We are of the opinion that the Management has complied with the following Laws specifically applicable to the Company:
 - (a) The Payment of Wages Act, 1936
 - (b) The Minimum Wages Act, 1948
 - (c) Employees Provident Funds and Miscellaneous Provisions Act, 1952
 - (d) The Payment of Bonus Act, 1965
 - (e) The Payment of Gratuity Act, 1972
 - (f) The Contract Labour (Regulation & Abolition) Act, 1970
 - (g) The Child Labour (Prohibition & Regulation) Act, 1986
 - (h) The Industrial Employment (Standing Order) Act, 1946
 - (i) The Employee Compensation Act, 1923
 - (j) Information Technology Act, 2000 and the Rules made there underWe have also examined compliance with the applicable Clauses of the following:
 - Secretarial Standards issued by The Institute of Company Secretaries of India.
 - The Listing Agreements entered into by the Company with the Stock Exchanges



3. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

1. Few E-Forms were filed with additional fees
2. Unclaimed dividends includes an amount of Rs.1,68,240/- due and outstanding to be credited to investor education and protection funds. But, due to technical glitches in the MCA website the remittance could not be made within the due date i.e. 23/03/2023. However, the Company has filed form No.IEPF-1 with in the due date. The delay in remittance is due to the conditions beyond the control of the Company.

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Changes in the composition of the Board of Directors which took place during the period under review are in accordance with the provisions of the Companies Act, 2013.
- b) Adequate notices given to all Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least Seven Days in advance either by way of hand delivery or through e-Mail communication, and a system exists for seeking and obtaining further information and clarifications on the Agenda Items before the meeting and for meaningful participation at the meeting.
- c) As per the Minutes of the Meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous/with requisite majority and no dissenting views have been recorded.
- d) We report that there is scope to improve the systems and processes in the Company to be commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- e) We further report that the Company has complied with the requirements under the Equity Listing Agreements entered into with NSE Limited;
- f) According to the information provided by the Management, the following are the pending cases against the Company:
 - (i) Demands against the Company not acknowledged as debts, amounting to Rs. 19.82 lakhs are pending at various courts/forums.
 - (ii) The Company has received demand from Income Tax Authorities for Rs.3.78 lakhs which are pending in appeals.
 - (iii) Service tax demands for Rs.539.77 lakhs pending in appeals.
 - (iv) The Company is in receipt of Show Cause Notices from the Service Tax Department for Rs.115.28 lakhs for the period 01.04.2016 to 30.06.2017. The Company has deposited an amount of Rs.13.49 lakhs as a condition



precedent of hearing the appeal before The Commissioner (Appeals) in case of order dated 09.01.2017.

However the appeal has been disposed off by the learned Commissioner (Appeals) in favour of Revenue on 21.05.2018. The Company has filed an appeal against the order passed by the Commission (Appeals) before CESTAT by depositing additional Pre-deposit of Rs. 4.50 lakhs on 01.08.2018.

4. We have relied on the representation made by the Company and its Officers for systems and mechanisms formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

For ASN Associates

Company Secretaries

K Surendra

Partner

ACS No.: 34205

C P No.: 12732

UDIN: A034205E000331810

Place: Visakhapatnam

Date: 20.05.2023

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



'ANNEXURE -A'

To,

The Members,

M/s. Steel City Securities Limited

Steel City Heights, 50-81-18, Main Road, Seethammapeta,
Visakhapatnam (Urban) – 530 016, Andhra Pradesh, India

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

1. Maintenance of Secretarial Record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. The Compliance by the Company of applicable financial laws like Direct and Indirect Tax Laws and maintenance of financial record and books of accounts have not been reviewed in this audit since the same have been subject to review by Statutory Financial Audit and other designated professionals.
4. Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For ASN Associates

Company Secretaries

K Surendra

Partner

ACS No.: 34205

C P No.: 12732

UDIN: A034205E000331810

Place: Visakhapatnam

Date: 20.05.2023



ANNEXURE - 9

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY OVERVIEW:

World entered FY2023 amidst uncertain macroeconomic environment due to the cumulative effects of the COVID-19 pandemic, Russia's invasion of Ukraine and China's decision to continue lockdown in its cities due to the increasing number of Covid cases had a detrimental impact on the global supply chain. This led to significant increase in oil and food prices which in turn lead to rise in inflation across the global economies. Due to the escalating inflation rates, several central banks have embarked on a course of action to increase interest rates. Notably, the US Federal Reserve responded by raising interest rates 10 times in a span of 14 months, resulting in a rate of 5.25%, the highest level observed in 16 years, in an endeavor to stabilize prices. Similarly, the European Central Bank opted to raise rates for the first time in 11 years.

The global economy showed resilience in the face of tightening financial conditions, despite persistent inflation and tightening financial conditions. This was evidenced by a growth in global real GDP of 3.4%. Whereas United States, Euro area and India's GDP growing by 2.0%, 3.5% and 6.8%, respectively. The global economic expansion will continue at a moderate pace. Near-term growth is dominated by service sectors.

Indian Economy:

FY23 was a landmark year for the Indian economy. While the global economy faced a growth slowdown in a high-interest rate environment, India's economy was resilient. It became the world's fifth largest economy. In India, retail inflation, as indicated by the Consumer Price Index, attained an eight-year peak in April 2022 and consistently exceeded the upper tolerance threshold of 6.0% set by the Reserve Bank of India (RBI) for a significant portion of the year. The Monetary Policy Committee (MPC) of the RBI took a unanimous decision during an off-cycle meeting in May 2022 to increase the repo rate by 40 basis points. Subsequently, additional rate hikes were implemented, culminating in the sixth continuous rate hike since May 2022. In aggregate, the repo rate was raised by 250 basis points during the fiscal year 2023, reaching a level of 6.5%. Meanwhile, the reverse repo rate remained unchanged at 3.35%. Consequently, retail inflation subsided to a 15-month low of 5.66% in March 2023. In April 2023, the MPC maintained the repo rate at 6.5% while affirming its commitment to a gradual withdrawal of accommodative measures.

Indian economy underwent broad based recovery across sectors, positioning to ascend to pre-pandemic growth path in FY23. India's GDP experienced double-digit growth of 13.1% in Q1FY2023 partially due to the base effect. However, growth slowed down in Q2FY2023 and Q3FY2023, reaching 6.2% and 4.5% respectively, due to high inflation and weakening demand. In Q4FY2023, growth bounced back to 6.1%, pushing the overall growth rate to 7.2% for FY2023. India continues to be one of the fastest growing major economies globally in FY2023.

INDIAN EQUITY MARKET

The Indian markets had a decent year FY2023 with major indices closing flat despite various challenges. BSE Sensex ended the year with minor Positive of 0.7% while the Nifty 50 ended



with Negative 0.6% return for FY23. Equity markets, which were down during the first quarter bounced back with Sensex and Nifty achieving an all-time high of 63,284 and 18,812 respectively in the month of December 2022. The key factors that supported the bullish run were relative strong domestic growth, robust corporate earnings, optimistic growth outlook, large inflows into domestic institutional investors etc. Sensex and Nifty closed at 58,992 and 17,360 respectively in March 2023, down from all-time high due to US banking crisis where multiple banks were declared insolvent. Still, India was the second best equity market performer among the emerging markets in FY2023.

India recorded FII outflows for the second consecutive year to the tune of Rs. 376 crore. June 2022 witnessed monthly FII outflows at Rs. 50,203 crore, 2nd highest ever after March 2020. On the contrary, DIIs recorded highest ever inflows of Rs. 2.6 lakh crore.

In FY2023, Rs.2.5 crores new Demat accounts were opened as against Rs.3.5 crores in FY2022. This drop is attributed to various factors like volatile market conditions, tepid IPO markets etc. The total number of Demat accounts, across CDSL and NSDL, stood at Rs.11.45 crores as of 31st March 2023, registering a growth of 28% YoY.

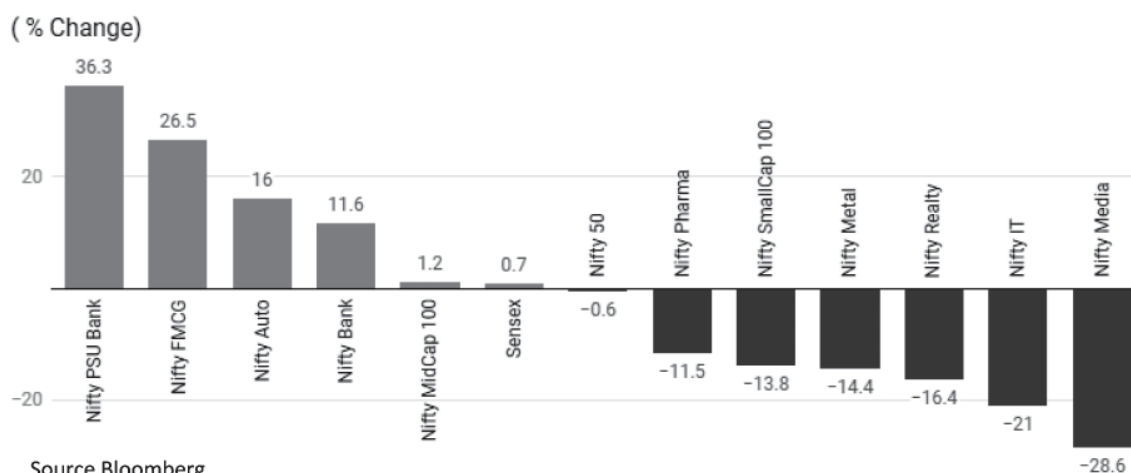
Benchmark Indices in FY23



Sector-wise performance is shown below, in which Nifty PSU Bank gained the most in the last 12 months, rising more than 36%, while Nifty Media index was the worst performer, with declines of over 28%.



Sectorial Performance in FY23



Investing environment far more secure for Retail investors:

India's regulatory environment (SEBI) has been continuously evolving and rightly so to protect the interest of the smallest retail investor in the country. By doing so, the regulator has made the investing environment far more secure today, which gives a major boost to retail investors confidence.

In May 2022, SEBI introduced a new regulation regarding the segregation of margin, in the form of cash and collateral, at client level, which was earlier being done at the broker level. By doing so, the regulator has further re-emphasized their empathy towards retail investors. This regulation built new guardrails to secure client funds and eliminate any chance of misappropriation of client money. The said circular proposed clients to bring in at least 50% of their margins in the form of cash while the balance can be in the form of collateral. The circular, also allows brokers to apportion a part of their proprietary funds towards fulfilling the 50% cash margin requirement at client level.

Another major regulation announced in FY23, was flushing out all client funds on the first Friday following either the monthly or quarterly settlement as opted by the client. This regulation was implemented from October 2022, when the industry geared up rapidly and flushed out all funds back to their clients. Post this, the market volumes continued to grow. In order to further insulate clients' funds, SEBI in its recently approved two proposals:

- 1) Introduction of Application Supported by Blocked Amount (ASBA) like facility for secondary market
- 2) Upstreaming of clients' funds by stock brokers / clearing members to clearing corporations
While ASBA framework is optional for both the client and stock broker to offer, it would be implemented in a phased manner. Upstreaming of clients' funds will be implemented in two phases starting from 1st July 2023. Under the approved framework, funds shall be up streamed only in the form of cash, lien on Fixed Deposit Receipts (subject to certain conditions) or pledge of units of Mutual Fund Overnight Schemes. This is yet another step taken by the regulator in the direction of insulating the retail investor from any risk of losing their capital.



Future Outlook

India's GDP growth is expected to remain robust in FY24. GDP forecast for FY24 to be in the range of 6-6.8 %. (Source: Economic survey 22-23). India will still maintain its position as one of the fastest-growing major economies globally. The Indian economy has demonstrated remarkable resilience in the face of the deteriorating global situation due to strong macroeconomic fundamentals. Steps to promote ease of doing business, skilled manpower, and presence of natural resources, liberal FDI policies, huge domestic market and prospects of healthy GDP growth have made India an attractive destination for foreign investors. Thus, going forward, India is expected to see relatively stronger growth.

Few of the initiatives which will be stepping stones for the growth of our Company in coming years:

- Digital continues to be a game changer: Digitization has been a key driver for the financial services industry. Advances in technology, increasing smartphone penetration, and increasing digitization at systemic level are expected to lead more retail investors to adopt and consume financial services through Online. We have launched new version of Mobile App (Steel city SMART PLUS). We strongly believe significant growth of business transactions through our Mobile app will grow day by day.
- Completely digital on-boarding process (Quick KYC) whereby clients can open SCSL Demat & Trading accounts instantly will also help to onboard new clients quickly and hassle free.
- Plans to set up over 45,000+ E-governance centers by FY24
- We have plans to broaden and deepen geographical presence and expand distribution networks in the Northern and Western market of India
- Focus on augmenting product line under the e-governance segment with emphasis on NPS promotion. Leveraging its TIN centers for distribution of third party products ie. Loans, mutual funds, insurance schemes, credit cards and IPO's.



Independent Auditor's Report

To

The Members of **Steel City Securities Limited**
Visakhapatnam

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **STEEL CITY SECURITIES LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2023, 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, 2023, and its profit, changes in equity 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 audit opinion on the Financial Statements

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.

1. Evaluation of uncertain Tax Positions (Indirect Tax)

The Company has material uncertain tax positions (Indirect Tax) including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.



Auditor's Responses

Principal Audit Procedures

Obtained details of completed orders, Show-cause-notices and Demands as at 31st March, 2023 from the Management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the director's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the 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, change in Equity 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 Standalone 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.
- 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, 2020 ("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.
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 accounts.
 - 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 has disclosed the pending litigations which would impact its financial position of the Company in its Financial Statements as of March 31, 2023 - Refer No.26
 - 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.
 - d. As Proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable to the Company with effect from April 1,2023, reporting on Audit Trail in pursuance of Rule 11(g) of the Companies (Audit and Auditors) Rule,2014 is considered inapplicable for the current year.
 - e. (i) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“intermediaries”), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other Persons or entities identified in any manner whatsoever by or on behalf of the Funding party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries



(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- h. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For RAO AND KUMAR
Chartered Accountants
FRN:003089S

Place: VISAKHAPATNAM
Date: 20-05-2023

CA C M RAVI PRASAD
(Partner)
Membership No.: 211322
UDIN:23211322BGYYGN1847



“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 standalone Ind As financial statements of the Company for the year ended March 31, 2023:

- (i) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
 - (a) (A) the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) the company is maintaining proper records showing full particulars of intangible assets
- (b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals; According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
- (d) The company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year
- (e) No proceedings have been initiated during the year or are pending against the company as at 31st March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
- (ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable
- (b) The Company has not been sanctioned working capital limits in excess of 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable
- (iii) The Company has not made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.



(vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable

(vii) In respect of statutory dues :

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned.

Name of the statute	Nature of dues	Amount in Rs. in Lakhs	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service tax and interest	539.77	FY 2012-2013 to FY 2014-2015	CESTAT, Hyderabad
The Income Tax Act, 1961	Penalty U/S 271(1)(c)	12.30	AY 2008-2009 & AY 2009-2010	Appellate Authority upto Commissioner Level

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender

(b) The company has not declared wilful defaulter by any bank or financial institution or other lender

(c) The term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.



- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) Whether No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As per the information and explanation given to us, no whistle-blower complaints, received during the year by the company
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b), (c) and (d) of the Order is not applicable.



In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) As there are no ongoing Projects towards CSR activities and hence reporting under clause (xx)(b) of the Order is not applicable.

For RAO AND KUMAR
Chartered Accountants
FRN:003089S

Place: VISAKHAPATNAM
Date: 20-05-2023

CA C M RAVI PRASAD
(Partner)
Membership No.: 211322
UDIN:23211322BGYYGN1847



“Annexure B” to the Independent Auditor's Report of even date on the Standalone Financial Statements of Steel City Securities 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 SECURITIES LIMITED (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone Ind-AS 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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, 2023, 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 RAO AND KUMAR
Chartered Accountants
FRN:003089S

Place: VISAKHAPATNAM
Date: 20-05-2023

CAC M RAVI PRASAD
(Partner)
Membership No.: 211322
UDIN:23211322BGYYGN1847



STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2023

Particulars	Note No	As at 31-Mar-23 Rs. In lakhs	As at 31-Mar-22 Rs. In lakhs
I. ASSETS			
1. Non Current Assets			
(a) Property, Plant and Equipment and Intangible Assets			
(i) property, plant and equipment	3	1,273.43	436.64
(ii) capital Work-in-progress	3(i)	-	323.16
(iii) Intangible Assets	4	23.54	11.35
(b) Deferred tax Asset (net)	5	205.34	216.87
(c) Financial Assets			
(i) Non Current Investments	6	684.14	684.14
(ii) Long term Loans and Advances	7	150.00	-
(d) Other non-current assets	8	1,083.53	1,036.83
2. Current Assets			
(a) Financial Assets			
(i) Trade Receivables	9	4,353.42	5,739.85
(ii) Cash and Cash Equivalents	10	8,040.61	7,203.15
(iii) Short-term loans and advances	11	146.93	286.70
(b) Other Current Assets	12	663.12	676.51
Total		16,624.06	16,615.20
II. EQUITY AND LIABILITIES			
1. Equity			
(a) Equity Share Capital	13	1,510.71	1,510.71
(b) Other Equity		8,029.37	7,456.72
2. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Long-term borrowings	14	-	8.43
(b) Other Financial Liabilities			
(i) Deferred tax liabilities (net)	5	-	-
3. Current Liabilities			
(a) Financial Liabilities			
(i) Short-term borrowings	15	2.80	-
(ii) Trade Payables	16	5,147.77	5,019.14
(b) Other Current Liabilities	17	1,579.03	2,136.77
(c) Short-term Provisions	18	354.39	483.42
Total		16,624.06	16,615.20
Overview & Significant Accounting policies	1 & 2		
The accompanying notes are an integral part of these Financial Statements			

For RAO & KUMAR
Chartered Accountants
Firm Reg.No.003089S

CA C M RAVI PRASAD
Partner
Membership NO.211322
UDIN : 23211322BGYYGN1847
PLACE: VISAKHAPATNAM
DATE : 20.05.2023

For STEEL CITY SECURITIES LIMITED

K SATYANARAYANA
EXECUTIVE CHAIRMAN

N RAMU
CHIEF FINANCIAL OFFICER

SATISH KUMAR ARYA
MANAGING DIRECTOR

M SRIVIDYA
COMPANY SECRETARY



STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2023

Particulars	Note No	Year ended 31-Mar-23 Rs. In lakhs	Year ended 31-Mar-22 Rs. In lakhs
I. Revenue from Operations	19	5,451.10	6,354.01
II. Other Income	20	308.68	270.77
III. Total Income (I+II)		5,759.78	6,624.78
IV. Expenses			
Expenditure on Trading Operations	21	91.12	83.37
Impairment of Financial Instruments	22	(21.07)	40.16
Employee benefits expense	23	1,215.36	1,234.33
Finance Costs	24	58.35	49.28
Depreciation and amortisation expense	3 & 4	71.45	64.29
Other expenses	25	2,957.57	3,378.10
Total Expenses		4,372.79	4,849.54
V. Profit before tax (III-IV)		1,386.99	1,775.25
VI. Tax Expense			
1) Current Tax		347.00	467.42
2) Tax relating to prior years		6.97	28.05
3) Deferred tax		11.53	(12.89)
Total Tax Expenses		365.51	482.58
VII. Profit for the year (V-VI)		1,021.49	1,292.67
VIII. Other Comprehensive income			
A) (i) Items that will not be reclassified subsequently to statement of profit and loss		4.38	-
(ii) Income tax relating to items that will not be reclassified subsequently to statement of profit and loss		-	-
B) (i) Items that will be reclassified subsequently to statement of profit and loss		-	-
(ii) Income tax relating to items that will be reclassified subsequently to statement of profit and loss		-	-
IX. Total comprehensive income for the period		1,025.87	1,292.67
X. Earnings per share (of Rs.10/- each)	26		
a) Basic		6.79	8.56
b) Diluted		6.79	8.56
Overview & Significant Accounting policies	1 & 2		
The accompanying notes are an integral part of these Financial Statements			

For RAO & KUMAR
Chartered Accountants
Firm Reg.No.003089S

CA C M RAVI PRASAD
Partner
Membership NO.211322
UDIN : 23211322BGYYGN1847
PLACE: VISAKHAPATNAM
DATE : 20.05.2023

For STEEL CITY SECURITIES LIMITED

K SATYANARAYANA
EXECUTIVE CHAIRMAN

N RAMU
CHIEF FINANCIAL OFFICER

SATISH KUMAR ARYA
MANAGING DIRECTOR

M SRIVIDYA
COMPANY SECRETARY



Statement of Changes in Equity

Equity Share Capital

Amount Rs.in Lakhs

Equity Shares of Rs.10/- issued, subscribed and fully paid up	
Balance as on 01 April, 2021	1,510.71
Changes in Equity Share Capital due to prior year errors	-
Restated balance at the beginning of the previous reporting year	1,510.71
Changes in Equity Share Capital during the year	-
Balance as at 31 March, 2022	1,510.71
Changes in Equity Share Capital due to prior year errors	-
Restated balance at the beginning of the current reporting year	1,510.71
Changes in Equity Share Capital during the year	-
Balance as at 31 March, 2023	1,510.71

Other Equity

(Rs. In Lakhs)

Particulars	Securities Premium Reserve	General Reserve	Retained Earnings	Total Other Equity
Balance as at April 1, 2021	1,044.48	1,085.82	4,486.97	6,617.27
Changes in accounting policy or prior year errors	-	-	-	-
Restated balance at the beginning of the previous reporting year	1,044.48	1,085.82	4,486.97	6,617.27
Profit for the year	-	-	1,292.67	1,292.67
Other comprehensive Income for the year	-	-	-	-
Transsfer to General Reserve	-	129.27	(129.27)	-
Dividend Paid	-	-	(453.21)	(453.21)
Balance as at March 31, 2022	1,044.48	1,215.09	5,197.16	7,456.72

Particulars	Securities Premium Reserve	General Reserve	Retained Earnings	Total Other Equity
Balance as at April 1, 2022	1,044.48	1,215.09	5,197.16	7,456.72
Changes in accounting policy or prior year errors	-	-	-	-
Restated balance at the beginning of the previous reporting year	1,044.48	1,215.09	5,197.16	7,456.72
Profit for the year	-	-	1,021.49	1,021.49
Other comprehensive Income for the year	-	-	4.38	-
Transsfer to General Reserve	-	102.15	(102.15)	-
Dividend Paid	-	-	(453.21)	(453.21)
Balance as at March 31, 2023	1,044.48	1,317.23	5,667.66	8,029.37

For RAO & KUMAR
Chartered Accountants
Firm Reg.No.003089S

For STEEL CITY SECURITIES LIMITED

CA C M RAVI PRASAD
Partner
Membership NO.211322
UDIN : 23211322BGYYGN1847
PLACE: VISAKHAPATNAM
DATE : 20.05.2023

K SATYANARAYANA
EXECUTIVE CHAIRMAN

SATISH KUMAR ARYA
MANAGING DIRECTOR

N RAMU
CHIEF FINANCIAL OFFICER

M SRIVIDYA
COMPANY SECRETARY



STANDALONE CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2023

	As at 31-Mar-23 Rs. In lakhs	As at 31-Mar-22 Rs. In lakhs
A. Cash flow from Operating Activities		
Net Profit Before Tax	1,386.99	1,775.25
Adjustment for:		
Depreciation and amortization expense	71.45	64.29
Finance Costs	58.35	49.28
Interest Income	(305.32)	(267.89)
Dividend Income	(3.36)	(2.88)
(Profit)/Loss on Sale of Fixed Assets	(9.71)	-
Impairment of Financial Instruments	(21.07)	40.16
Diminution in value of Investments	-	-
Operating Profit before Working Capital Changes	1,177.32	1,658.21
Trade Receivables	1,407.51	618.76
Other Receivables	(45.39)	(187.53)
Other Assets	13.39	(98.19)
Trade Payables	128.63	496.26
Other Payables & Provisions	(682.40)	345.57
Change in Working Capital	821.72	1,174.88
Cash generated from Operations	1,999.05	2,833.09
Income tax paid	(365.51)	(482.58)
Net Cash generated from Operating Activities	1,633.54	2,350.51
B. Cash flow from Investing Activities		
Purchase of Fixed Assets	(597.27)	(219.47)
Proceeds from Sale of Fixed Assets	9.71	-
Proceeds from Sale/(purchase) of Investments	-	-
Income from Investments	3.36	2.88
Interest Received	305.32	267.89
Net cash generated from investing activities	(278.88)	51.31
C. Cash flow from Financing Activities		
Interest paid	(58.35)	(49.28)
Proceeds from borrowings	-	-
Repayment of borrowings	(5.63)	(76.19)
Dividend paid	(453.21)	(453.21)
Net cash used in Financing activities	(517.20)	(578.68)
D. Net Increase / (Decrease) in Cash & Cash Equivalents	837.46	1,823.14
E. Cash & Cash Equivalents (Opening)		
as on 1st April 2022 / 1st April 2021	7,203.15	5,380.01
F. Cash & Cash Equivalents (Closing)	8,040.61	7,203.15
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:		
Cash in hand	11.69	13.88
Cheques, draft on hand	27.19	45.15
Balances with Schedule banks		
in current accounts	2,264.38	2,024.52
in deposit accounts	5,717.87	5,101.90
in unclaimed dividend accounts	19.49	17.69

For RAO & KUMAR
Chartered Accountants
Firm Reg.No.0030895

For STEEL CITY SECURITIES LIMITED

CA C M RAVI PRASAD
Partner
Membership NO.211322
UDIN : 23211322BGYYGN1847
PLACE: VISAKHAPATNAM
DATE : 20.05.2023

K SATYANARAYANA
EXECUTIVE CHAIRMAN

N RAMU
CHIEF FINANCIAL OFFICER

SATISH KUMAR ARYA
MANAGING DIRECTOR

M SRIVIDYA
COMPANY SECRETARY



Note No.1 : Company Over View

Steel City Securities Limited ("the Company") was incorporated on 22nd February 1995. The Company is primarily engaged in the business as stock broker in securities trading in various stock exchanges and acting as a depository participant. The Company also offers Services of E-Governance. The Shares of the Company are listed on National Stock Exchange of India Limited (NSE). The company's registered office is at "Steel City Heights", 50-81-18, Main Road, Seethammapeta, Visakhapatnam-530016 Andhra Pradesh ,India.

Note No.2 : Significant Accounting Policies

a Basis of Preparation, Presentation of financial statements and Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Balance Sheet, Statement of Profit and Loss (including other comprehensive income) and Statement of changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS. Amounts in the financial statements are presented in Indian Rupees .

b Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

c Basis for measurement

The financial statements have been prepared on the historical cost convention and on accrual basis except for the following material items which have been measured at fair value:

Items	Measurement Basis
Net defined benefit (asset)/ liability	Present value of defined benefit obligations
Investments	Quoted price
Trade Receivables	Fair Value

d Use of Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:



a) Income taxes:

Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

b) Deferred taxes:

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forward becomes deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

c) Defined benefit plans and compensated absences:

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

d) Expected credit losses on financial assets:

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

e) Measurement of fair values:

Some of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Items	Measurement Basis
Certain Financial Assets and Liabilities	Fair Value
Net defined benefit (asset)/ liability	Fair Value of planned assets less present value of defined benefit obligation



f Revenue 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 and TINFC's Operations are accounted on transaction basis.

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.

g 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.

h Operating Leases:

Assets given/taken on lease in which a significant portion of risks and rewards of ownership are not transferred to the lessee are classified as operating leases. Lease payment/Income made under operating leases are charged to the statement of Profit and loss on a straight line basis over the period of lease unless the payments/receipts are structured to increase in line with expected general inflation to compensate for the company's expected inflationary cost increases.

i Property, Plant and Equipment (including intangible assets):

i. Recognition and measurement:

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation/ Amortization

Depreciation has been charged off under useful life Straight Line Method as per Schedule II to the Companies Act 2013.



The estimated useful lives used for computation of depreciation are as follows

Buildings	60 years
Furniture & Fixtures	10 years
Electrical Equipment	10 years
Computers	3-6 years
Vehicles	8 years
Cycles	10 years
Other Assets	5 years
Software	3 years

j Financial Instruments:

i. Recognition and initial measurement:

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets and liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of Profit and loss.

ii. Classification and subsequent measurement:

Financial assets:

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL (Fair value through Profit and Loss)
- FVOCI (Fair value through Other Comprehensive Income)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- 'the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 'the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



'On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment).

This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL.

Financial assets at FVTPL:

- These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Debt investments at FVOCI:

- These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss
- Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI:

- These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment
- Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial assets at amortised cost:

- These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities:

'Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

iii. Derecognition

Financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities:

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.



The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Impairment:

i. Impairment of financial instruments:

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 365 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Except for debts due from Central/State Governments, Central/State Government Departments and Central/State Autonomous Bodies, Public Sector Undertakings for which provision/loss allowances are measured on case to case basis.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

No of Days of Due as per the observed credit pattern followed by the company	% of default as observed by the management for DP Trade Receivables	% of Default as Observed by the Management for securities trade receivables
Not due	0.00%	0.00%
0 - 90 days		
0 - 90 days	10.00%	10.00%
91 - 180 days		
91 - 180 days	10.00%	10.00%
181 - 365 days		
181 - 365 days	10.00%	10.00%
>365 days	80.00%	45%
365 days		

Uncollectible

ii. Impairment of non financial assets:

The Company's non-financial assets, other than other tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.



k Investments in Subsidiaries and Associates:

The Company has elected to measure equity investments in Subsidiaries and Associates at cost as per Ind As-28.

l 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.

m Income taxes:

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss, Other Comprehensive Income or directly in equity, when they relate to items that are recognised in the respective line items.

Current Tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax asset and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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.

n 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.



o Retirement Benefits :

- i. The Company's contribution to Provident Fund is recognized on accrual basis.
- ii. 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.
- iii. Leave encashment liability is provided on the basis of actual valuation made by the management at the end of each calendar year.

p 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.

q 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.

r 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.

s Statement of Cash Flows:

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- a. changes during the period in operating receivables and payables transactions of a cash nature;
- b. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and
- c. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

t Dividend payable:

Dividend is recognised at the time of payment to equity shareholders.

u Prior Period omissions & errors:

Income/Expenditure relating to earlier years which does not exceeds 0.50% of the turnover of the Company in each transactions are treated as income/expenditure of the current year.



Note No.3 : Property plant and equipment

Description	Gross Block at Cost				Depreciation				Net Block		
	As at 01.04.2022	Additions as on 31.03.2023	Deletions as on 31.03.2023	As at on 31.03.2023	Up to 31.03.2022	Useful Life	Dep during the period	Del. during the period	Up to 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land	182.67	-	-	182.67	-	-	-	-	-	182.67	182.67
Buildings	62.02	602.34	-	664.36	17.71	60 Yrs	1.50	-	19.22	645.14	44.31
Furniture &Fixtures	70.12	169.09	1.30	237.91	26.38	10 yrs	9.03	1.30	34.11	203.80	43.74
Electrical Equipments	148.77	89.86	12.51	226.11	80.78	10 yrs	16.44	12.51	84.71	141.41	67.99
Computers	98.35	14.95	4.08	109.21	53.41	3-6 Yrs	25.95	4.08	75.28	33.94	44.94
Vehicles	98.97	24.12	18.10	104.99	48.81	8 Yrs	11.84	18.10	42.55	62.44	50.16
Cycles	0.05	-	-	0.05	0.02	10 Yrs	0.00	-	0.03	0.02	0.02
Other Assets	4.70	2.26	0.80	6.16	1.89	5 Yrs	1.05	0.80	2.14	4.02	2.81
Total	665.65	902.61	36.80	1,531.46	229.01		65.82	36.80	258.03	1,273.43	436.64

Note No.3(i) : Capital work-in-Progress

[illegible]

CWIP aging schedule

CWIP	Amount in CWIP for a period of				Total
	Less than One Year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Note No.4 : Intangible Assets

Description	Gross Block at Cost			Depreciation					Net Block		
	As at 01.04.2022	Additions as on 31.03.2023	Deletions as on 31.03.2023	As at on 31.03.2023	Up to 31.03.2022	Useful Life	Dep during the period	Del. during the period	Up to 31.03.2023	As at 31.03.2023	As at 31.03.2022
Software	12.06	17.82	-	29.88	0.71	3 Yrs	5.63	-	6.34	23.54	11.35
Total	12.06	17.82	-	29.88	0.71		5.63	-	6.34	23.54	11.35

Note: There was no change in the useful life of the Assets on our review at the reporting date.



	As at 31-Mar-23 Rs. in lakhs	As at 31-Mar-22 Rs. in lakhs
Note No.5		
Deferred tax Asset (net)		
Tax effect of items constituting deferred tax Liability		
- Provision for Doubtful Debts	-	-
Tax effect of items constituting deferred tax Liability (A)	-	-
Tax effect of items constituting deferred tax Asset		
- Depreciation on fixed assets	12.72	18.95
- Provision for Debts	192.61	197.92
- Impairment of Investments	-	-
Tax effect of items constituting deferred tax Asset (B)	205.34	216.87
Deferred Tax Asset (net) (B-A)	205.34	216.87
Deferred Tax Asset is computed, taking into consideration that there would be adequate profits in future years to be adjusted		
Reconciliation of Estimated Tax expense at tax rate to Income Tax Expense reported in the Statement of Profit & Loss		
Profit before Tax	1,386.99	1,775.25
Applicable Income Tax Rate	25.168%	25.168%
Expected Income Tax Expense	349.08	446.79
Effect of Income exempt from tax	-	0.84
Effect of expenses / provisions not deductible in determining taxable profit	9.46	6.90
Adjustment related to tax of prior years	6.97	28.05
Reported Income Tax Expense	365.51	482.58
Note No.6		
Non Current Investments		
Other investments (unquoted) -Trade		
Investment in Equity Instruments		
Subsidiary:		
10,00,000(P.Y 10,00,000) equity shares of Rs.10/- each of Steel City Commodities Pvt Ltd at cost	554.89	554.89
Associate:		
960000 (PY 9,60,000) equity shares of Rs.10/- each of Steel City Financial Services Pvt Ltd at cost	129.00	129.00
Other investments (unquoted) - Non-Trade		
2,500 (P.Y 2,500) equity shares of Rs.10/- each of Steel City Infotech Pvt Ltd	0.25	0.25
	684.14	684.14
Provision for Diminution in value of Investments	684.14	684.14
Book Value of Unquoted Investments	684.14	684.14



	As at 31-Mar-23 Rs. in lakhs	As at 31-Mar-22 Rs. in lakhs
Note No.7		
Long term Loans and Advances		
Unsecured, considered good		
Others	150.00	-
	150.00	-

Note No.8		
Other Non- Current Assets		
Unsecured, considered good		
Interest free Security Deposits with Exchanges	963.31	901.44
V Sat Deposits with Exchanges	0.50	0.50
Telephone Deposits	8.33	8.32
Rental Deposits	58.45	74.15
Electricity Deposits	10.80	8.80
Other Deposits	42.14	43.64
	1,083.53	1,036.83

Note No.9		
Trade Receivables		
Trade Receivables Unsecured, considered good	1,847.99	1,291.95
Less: Provision for Debts	685.19	706.26
	1,162.81	585.69
Trade Receivables Secured, considered good	3,190.61	5,154.16
	4,353.42	5,739.85

Trade Receivables Ageing Schedule for the year Ended March 31, 2023

	Outstanding for following periods from due date of payment (Rs.in Lakhs)						
	Less than 3 months	3 months- 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - Considered good	3,190.61	443.61	375.93	402.83	1.50	624.12	5,038.61
Undisputed Trade Receivables - Considered Doubtful	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered Doubtful	-	-	-	-	-	-	-
Less: Provision for debts							685.19
Total Trade Receivable							4,353.42



Trade Receivables Ageing Schedule for the year Ended March 31, 2022

	Outstanding for following periods from due date of payment						(Rs.in Lakhs)
	Less than 3 months	3 months- 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - Considered good	5,154.16	4.03	2.21	-	640.14	645.58	6,446.11
Undisputed Trade Receivables - Considered Doubtful	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered Doubtful	-	-	-	-	-	-	-
Less: Provision for debts							706.26
Total Trade Receivable							5,739.85

	As at 31-Mar-23 Rs. in lakhs	As at 31-Mar-22 Rs. in lakhs
Note No.10		
Cash and Cash Equivalents		
Cash on hand	11.69	13.88
Cheques, drafts on hand and transit	27.19	45.15
Balances with Banks		
- in current accounts	2,264.38	2,024.52
- Unclaimed dividend account	19.49	17.69
- in deposit accounts (Earmarked)	-	-
Against Bank Guarantees & other commitments	5,239.28	4,626.90
Deposit original maturity less than 12 months	478.59	475.00
Deposit original maturity more than 12 months	-	-
	8,040.61	7,203.15

- a) deposit accounts includes an amount of Rs.2,700.00 Lakhs placed with banks (HDFC Bank Rs.2,150.00 Lakhs, Karur vysya bank Rs. 400.00 Lakhs and Karnataka bank Rs.150.00 Lakhs) pledged against the bank guarantees issued and loan provided by them.
- b) Section 125 of the Companies Act, 2013 mandates that companies transfer dividend that has been unclaimed for a period of seven years from unpaid dividend account to the Investor Education and Protection Fund (IEPF). Accordingly, if dividend is unclaimed for a period of seven years, it will be transferred to IEPF.

Note No.11

Short-term loans and advances

Unsecured, considered good		
Advance to suppliers	-	99.56
Other loans and advances		
Advance to employees	17.26	18.45
Receivable from E-Governance Centres	116.35	155.02
Receivable from Authorised Persons/Dp Franchises	13.32	13.67
	146.93	286.70



	As at 31-Mar-23 Rs. in lakhs	As at 31-Mar-22 Rs. in lakhs
Note No.12		
Other Current Assets		
Interest accrued on Fixed Deposits & Others	141.62	115.90
Other Receivables	114.16	64.12
Advance Income Tax	333.06	425.11
Prepaid expenses	74.29	71.39
	663.12	676.51
Note No.13		
Share Capital		
Authorised		
2,50,00,000 (PY 2,50,00,000) Equity Shares of Rupees 10/- each	2,500.00	2,500.00
Total	2,500.00	2,500.00
Issued subscribed and paid up capital		
1,51,07,095 (PY 1,51,07,095) Equity Shares of Rupees 10/- each, fully paid-up	1,510.71	1,510.71
	1,510.71	1,510.71

Notes: (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Changes during the period	Closing Balance
Equity shares of Rs.10/- each:			
Period ended 31st March, 2023			
- Number of shares	1,51,07,095	0	1,51,07,095
- Amount Rs. In lakhs	1,510.71	0	1,510.71
Period ended 31st March, 2022			
- Number of shares	1,51,07,095	0	1,51,07,095
- Amount Rs.in lakhs	1,510.71	0	1,510.71

(i) Reconciliation of number of Shares

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
No of Shares held	No of Shares	Amount (Rs.in lakhs)	No of Shares	Amount (Rs.in lakhs)
Equity shares				
Opening Balance	1,51,07,095	1,510.71	1,51,07,095	1,510.71
Issued during the period	0	-	0	-
Closing Balance	1,51,07,095	1,510.71	1,51,07,095	1,510.71

(ii) 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. 2.00 (previous year Rs.2.00) and final Dividend for FY 2021-2022 paid to equity shareholders is Rs.1.00 (previous year Rs.1.00) 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



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

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No of Shares held	% of Holding	No of Shares held	% of Holding
K.Satyanarayana	12,54,446	8.30	12,54,446	8.30
Satish Kumar Arya	14,45,889	9.57	10,51,000	6.96
G Sirisha	24,43,731	16.18	24,43,731	16.18
G Vishnu Vandhana	25,75,500	17.05	25,75,500	17.05

(iv) 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.

(v) Shares held by Promoters at the end of the year

Promoter Name	No of Shares	% of total shares	% of Change during the year
K.Satyanarayana	12,54,446	8.30%	-
Satish Kumar Arya	14,45,889	9.57%	2.61
G Sirisha	24,43,731	16.18%	-
G Vishnu Vandhana	25,75,500	17.05%	-

Promoters Group:	No of Shares	% of total shares	% of Change during the year
Steel City Financial Services Private Limited	5,00,000	3.31%	0.00
K. Mahalakshmi	73,009	0.48%	0.01
K. V. S. Ramesh Babu	5,07,500	3.36%	0.05
Nirmala Devi	2,00,009	1.32%	0.38
Sachin Arya	7,21,354	4.77%	1.06
K. Geeta Vara Lakshmi	15,000	0.10%	0.00
K. Mrudula	65,000	0.43%	0.01
Alka Rajput	76,409	0.51%	0.34
Suman Arya	5,100	0.03%	0.02
Tentu Venkata Triveni	2,42,428	1.60%	0.00
Pyla Madhu	51,300	0.34%	0.00
K Rajkumar	2,600	0.02%	0.02

	As at 31-Mar-23 Rs. in Lakhs	As at 31-Mar-22 Rs. in Lakhs
Note No.14		
Long-term borrowings		
Secured		
Vehicle Loans from Banks & Others	-	8.43
	-	8.43
Vehicle Loan Received from Financial Institutions, which is payable in monthly installments i.e.Rs.0.47 Lakhs		
Note No.15		
Short-term borrowings		
Secured		
Loan repayable on demand from banks	-	-
Vehicle Loans from Banks & Others	2.80	-
Unsecured	-	-
Total	2.80	-



- Working Capital facilities from The Karnataka Bank Ltd is secured by hypothecation of Trade Receivables (50% paripasu) , Collateral Security of specific Immovable Property belongs to the Company, personal guarantee of Directors and Properties belonging to Directors/ others aggregated of Rs.215.00 Lakhs
- Working Capital facilities from Karur Vysya Bank is secured by specific Immovable Property belongs to the Company, Personal guarantee of Directors and Properties belonging to Directors/others aggregated of Rs.695.00 Lakhs
- Working Capital facilities from The HDFC Bank Ltd is secured by hypothecation of Trade Receivables (50% paripasu), personal guarantee of Directors and Properties belonging to Directors/ others aggregated of Rs.445.00 Lakhs

	As at 31-Mar-23 Rs. in Lakhs	As at 31-Mar-22 Rs. in Lakhs
Note No.16		
Trade payables		
Trade Payables including margin money from trade clients - MSME	-	-
Trade Payables including margin money from trade clients	5,147.77	5,019.14
	5,147.77	5,019.14

In order to secure the performance by the clients of their obligations, commitments & liabilities to the company they placed the margins with the Company.

Trade Payables due for payment
Trade Payables Aging Schedule
as at March 31, 2023

Particulars	Not Due	Outstanding for following periods from the due date of payment				Total (Rs.in Lakhs)
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
MSME	-	-	-	-	-	-
Others	-	5,147.77	-	-	-	5,147.77
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-

as at March 31, 2022

Particulars	Not Due	Outstanding for following periods from the due date of payment				Total (Rs.in Lakhs)
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
MSME	-	-	-	-	-	-
Others	-	5,019.14	-	-	-	5,019.14
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-

	As at 31-Mar-23 Rs. in Lakhs	As at 31-Mar-22 Rs. in Lakhs
Note No.17		
Other Current Liabilities		
Liability for expenses, Authorised Persons/franchises	848.73	859.27
Margin money from E-Governance Centres	710.81	675.99
Liability against E-Governance Processings	-	583.82
Unclaimed dividends	19.49	17.69
	1,579.03	2,136.77

- There is no interest payable on Vsat Deposits taken from Franchises and the same was paid to Vsat Providers for purchase of VSATs
- Unclaimed dividends includes an amount of Rs.1.68 Lakhs due and outstanding to be credited to investor education and protection funds. But, due to technical glitches in the MCA website the remittance could not be made with in the due date i.e. 23/03/2023. However, the Company has filed form No.IEPF-1 with in the due date. The delay in remittance is due to the conditions beyond the control of the Company.
- During the Year, an amount of Rs.1.42 Lakhs has been transferred to Investor Education and Protection Fund.



	As at 31-Mar-23 Rs. in Lakhs	As at 31-Mar-22 Rs. in Lakhs
Note No.18		
Short term provisions		
Provision for Employee benefits		
- provision for gratuity	7.38	16.01
Provision for Taxation	347.00	467.42
	354.39	483.42

Provision is made for gratuity based on actuarial valuation. All actuarial gains and losses arising during the year are recognized in the Profit and Loss Account for the year

Note No.19		
Revenue from Operations		
Income from Broking Operations	2,508.37	3,398.10
Income from DP Operations	178.55	206.66
Income from E-Governance Operations	2,282.68	2,181.74
Interest from Margin Trading Operations	481.50	567.52
	5,451.10	6,354.01

Note No.20		
Other Income		
Interest from Fixed Deposits & Others	305.32	267.89
Bad Debts Recoveries	-	-
Dividend Income	3.36	2.88
	308.68	270.77

Note No.21		
Expenditure on Trading Operations		
Transaction Charges	38.78	52.57
Trading Expenses	2.49	0.46
Annual Subscription to Exchanges	1.00	1.00
Insurance	1.62	1.40
V Sat, Bandwidth Charges and Maintenance	20.50	10.76
Batteries, UPS Maintenance	26.73	17.17
	91.12	83.37

Trading Expenses are expenses on purchase and sale of shares wherever there was operational problems due to communication & computer disruptions, data entry operator's mistakes, share deliveries mismatch and other reasons, to come out of the long or short struck positions.

Note No.22		
Impairment of Financial Instruments		
Trade Receivables	(21.07)	40.16
Investments	-	-
	(21.07)	40.16



	As at 31-Mar-23 Rs. in Lakhs	As at 31-Mar-22 Rs. in Lakhs
Note No.23		
Employee benefits expense		
Salaries, wages and bonus	1,113.21	1,141.52
Contribution to;		
- Provident Fund and other Funds	71.34	69.50
- Gratuity	15.92	12.19
Staff Welfare Expenses	14.89	11.13
	1,215.36	1,234.33

- a) Salaries, wages and bonus includes an amount of Rs. 96.00 lakhs (PY Rs.96.00 Lakhs) paid to the Directors as Remuneration as per Schedule V of the Companies Act, 2013.
- b) **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.
- c) **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.
- d) **Leave encashment**: Leave encashment amount is paid to the employees at the end of the each calendar year.

Note No.24		
Finance Cost		
Interest Expenses	15.24	7.70
BG Commission and Charges	42.67	40.66
Other Borrowings cost	0.44	0.92
	58.35	49.28

Note No.25		
Other Expenses		
A C Maintenance	3.51	1.59
Advertisements	-	0.96
Bad Debts Written off	-	8.43
Bank Charges & Payment Gateway Charges	17.14	18.66
Books & Periodicals	2.57	2.64
Business Development	51.87	41.71
Computer and software maintenance	136.36	85.17
Conveyance	3.57	2.02
CSR Expenses	27.09	24.20
Current Repairs to lease hold buildings	8.21	15.50
Demat charges	-	(0.06)
Donations	1.94	4.34
E-Governance Commission	1,467.83	1,464.11
Electricity Charges and maintenance	73.11	56.39
Fee to Company Secretary	1.26	1.26
Fees & Charges, Filing fee	38.92	30.60
Generator maintenance	3.17	2.49
Insurance	21.01	12.92
Legal, Consultancy and Professional fee	23.54	12.39



	As at 31-Mar-23 Rs. in Lakhs	As at 31-Mar-22 Rs. in Lakhs
Office Maintenance	55.44	37.01
Office Rent	216.22	214.07
Payment to Auditors (Refer Note No.25.1)	15.78	12.21
Printing & Stationery, Postage and Other Charges	25.72	13.64
Sub-brokerage	682.10	1,249.36
Subscriptions	7.65	8.46
Telephone and Internet Charges & Maintenance	41.30	38.88
Tours and Travels	9.99	2.84
Transportation charges	2.53	0.98
Vehicle maintenance	18.91	14.32
Xerox and coolers maintenance	0.83	1.03
	2,957.57	3,378.10

Note No.25.1

Payment to Auditors includes payments to Statutory Auditors towards
Statutory Audit Fee
Taxation Matters
Certifications

3.00	2.00
-	-
-	-
3.00	2.00

Note No.26

Earnings per share (EPS)

Earnings (as reported)	1,025.87	1,292.67
Shares		
No. of Shares	1,51,07,095.00	1,51,07,095.00
No. of Weighted Average Shares	1,51,07,095.00	1,51,07,095.00
Earnings per Equity Share (Rs.)		
- Basic	6.79	8.56
- Diluted	6.79	8.56

Note No.27

Contingent Liabilities and commitments (to the extent not provided for) (Rupees in Lakhs):

Sl no.	Particulars	As at 31st March, 2023	As at 31st March, 2022
1	Bank Guarantees in favour of Clearing Corporations of Stock Exchanges issued by Banks on behalf of the Company against 50% of Cash Margin i. e . Fixed Deposit Receipts	5,295.00	5,295.00
2	Cases against the Company not acknowledged as debts (See Note No. 27.1(a))	19.82	19.82
3	Income tax Demands pending in appeals (See Note No. 27.1(b))	3.78	15.38
4	Show cause notices from Service tax department for which the Company has filed replies	115.29	115.29
5	Service tax demands, pending in appeal (See Note No. 27.1(c))	539.77	539.77



27.1

- (a) Demands against the Company not acknowledged as debts, amounting to Rs.19.82 Lakhs are pending at various courts/forums.
- (b) The Company has deposited an amount of Rs.0.76 Lakhs for granting stay for collection of Balance of Amount of Demand till the disposal of Appeal by the Appellate Authorities.
- (c) Service tax demands against the Company;
 - (i) The Company has deposited an amount of Rs.13.49 Lakhs as a condition precedent of hearing the appeal before The Commissioner (Appeals) in case of order dated 09.01.2017. However the appeal has been disposed off by the learned Commissioner (Appeals) in favour of Revenue on 21.05.2018. The Company has filed an appeal against the order passed by the Commission (Appeals) before CESTAT by depositing additional Pre-deposit of Rs.4.50 Lakhs on 01.08.2018.

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.

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income Tax and remeasured its deferred tax assets and liabilities, basis the rate prescribed in the said section.

Note No.29

Related party disclosures:

Nature of Relationship	Name of the Party
(a) Related Parties where Control Exists:	
Subsidiaries	Steel City Commodities Private Limited
Group Companies	Steel City Financial Services Private Limited
(b) Other related Parties:	
Key Management Personnel	Mr. K. Satyanarayana Mr. Satish Kumar Arya Mr. T.V. Srikanth



(c) Significant transaction with related parties: (Rs.in Lakhs)

Sl. No.	Nature of Relationship	Name of the Related Party	Nature of Transaction					
			Remuneration	Corporate guarantee given	Advance paid	Advance Taken	Dividend Paid / (received)	Brokerage Received
1	Subsidiary Company	Steel City Commodities Private Ltd.	0.00	0.00	151.99	7.16	0.00	0.00
2	Associate Company	Steel City Financial Services Private Ltd.	0.00	0.00	0.00	0.00	15.00 / (3.36)	0.00
3	Executive Chairman	K. Satyanarayana	36.00	0.00	0.00	0.00	37.63	0.31
4	Managing Director	Satish Kumar Arya	36.00	0.00	0.00	0.00	37.70	5.52
5	Director-IT	T V Srikanth	24.00	0.00	0.00	0.00	0.00	0.00
6	Director	G Vishnu Vandana	0.00	0.00	0.00	0.00	77.27	0.00
7	Relative of Key Management - Wife of Sri K Satyanarayana	K. Mahalakshmi	0.00	0.00	0.00	0.00	2.19	0.04
8	Relative of Key Management - Son of Sri K Satyanarayana	K S V Ramesh Babu	8.84	0.00	0.00	0.00	15.23	0.02
9	Relative of Key Management - Wife of Sri Satish Kumar Arya	Nirmala Devi Arya	0.00	0.00	0.00	0.00	4.95	0.17
10	Relative of Key Management - Son of Sri Satish Kumar Arya	Sachin Arya	0.00	0.00	0.00	0.00	17.34	0.27
11	Relative of Key Management - Wife of Sri T V Srikanth	G. Sirisha	0.00	0.00	0.00	0.00	73.31	0.01
12	Relative of Key Management - Husband of Smt. G. Vishnu Vandana	P. Madhu	24.00	0.00	0.00	0.00	1.54	0.07
	Total		128.84	0.00	151.99	7.16	278.79	6.40

Note: Transactions between group companies comprise of extension and return of temporary adjustment of common clients accounts as identified by the Company's management from the Holding/Subsidiary Company's Account:

(d) Amount Due to / (from) related Parties (Rs.in lakhs)

Nature of Transaction	Due to /(From)
Steel City Commodities Private Limited	(144.83)
Steel City Financial Services Private Limited	-
K Satyanarayana	-
Satish Kumar Arya	-
T V Srikanth	-



Note No.30

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:

A. Financial Assumptions

Particulars	31.03.2022	31.03.2023
Discount rate for Active Employees	7.25%	7.52%
Discount rate for pensioners	-	-
Salary growth rate	5.00%	5.00%
Expected rate of return on plan Assets	6.75%	7.01%

B. Demographic Assumptions

Particulars	31.03.2022	31.03.2023
Withdrawal Rate	3.00%	3.00%
Retirement Age	60 years	60 years

C. Mortality rates - Indian assured lives mortality 2012-14 table

(Mortality per thousand)

Age in years	31.03.2022	31.03.2023
20	0.000924	0.000924
25	0.000931	0.000931
30	0.000977	0.000977
35	0.001202	0.001202
40	0.00168	0.00168
45	0.002579	0.002579
50	0.004436	0.004436
55	0.007513	0.007513
60	0.011162	0.011162
65	0.015932	0.015932
70	0.024058	0.024058

D. Reconciliation of defined benefit obligation (Rs. In Lakhs)

Particulars	31.03.2022	31.03.2023
Opening defined benefit	135.75	144.67
Service Cost	-	-
a. Current service cost	14.23	14.03
b. Past service cost	-	-
c. (Gain) / Loss on settlements	-	-
d. Loss/ (Gain) on Curtailments	-	-
Interest Cost	8.98	10.10
Benefit Payments from Plan Assets	(9.42)	(10.60)
Benefit Payments directly by Employer	-	-
Contributions by Employees/Participants	-	-



Effects of Acquisition/Merger	-	-
Settlements	-	-
Transfers In /Out	-	-
Actuarial Loss/ (Gain)	(4.87)	(3.94)
Exchange Differences on Foreign plans	-	-
Closing defined benefit obligations	144.67	154.27

E. Profit or loss for the current period (Rs.in Lakhs)

Particulars	31.03.2022	31.03.2023
Current service cost	14.23	14.03
Recognised past service cost	-	-
Loss / (Gain) on curtailments and Settlements	-	-
Total service cost	14.23	14.03
Interest on obligation	8.98	10.10
Expected return on plan assets	(7.83)	(8.98)
Net interest cost	1.15	1.13
Total included in employee benefit expense	15.37	15.16

F. Effects recognised in Other comprehensive income (Rs. In Lakhs)

Particulars	31.03.2022	31.03.2023
Actuarial (gain) or loss due to demographic assumptions change	-	-
Actuarial (gain) or loss due to financial assumption changes in DBO	(5.85)	(3.89)
Actuarial (gain) or loss due to experience in DBO	0.97	(0.22)
Return on Plan assets (grater) or less than the expected return	(0.53)	(0.27)
Changes in Asset Ceiling	-	-
Any other Effect	-	-
Net Actuarial Loss or (Gain) for the year	(5.41)	(4.38)

Note No.31

Corporate Social Responsibility

- Gross Amount required to be spent by the Company during the year Rs.27.09 Lakhs
- Total Amount spent during the year is Rs.27.09 Lakhs as detailed below:

Particulars	Amount (Rs.in Lakhs)
Amount Contributed to Sweekaram Education Society of Greater Visakhapatnam Municipal Corporation, Visakhapatnam	7.00
Amount Contributed to Prime Minister National Relief Fund	12.09
Amount Contributed to Harekrishna Movement-India, Visakhapatnam	4.00
Shri Sharadamba Vidyapeeth Trust, Rishikesh	1.00
Amount Contributed to Lebenshilfe, Visakhapatnam	3.00
Total	27.09



Note No.32

Segment Reporting

1. Business Segment:

- (i) The business segment has been considered as the primary segment.
- (ii) The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organisation structure and the internal financial reporting system.
- (iii) The Company's primary business comprises of two business segments viz., Stock Broking & DP Operations and E-Governance Operations.
- (iv) Segment revenue, results, assets and liabilities include amounts identifiable to each segments allocated on a reasonable basis.
- (v) The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information.

Information about the primary segment

(RS.in Lakhs)

Particulars	Stock Broking & DP Operations	E-Governance Operations	Grand Total
A. Segment Revenue			
External Segment	3,477.10	2,282.68	5,759.78
Internal Segment	-	-	-
Total Revenue	3,477.10	2,282.68	5,759.78
B. Segment Results Profit/(Loss)	827.88	630.55	1,458.44
Depreciation			(71.45)
Income Taxes (Current, Deferred Tax)			(365.51)
Other Comprehensive Income			4.38
Profit/(Loss) After Tax			1,025.87
C. Segment Assets	15,095.98	1,528.08	16,624.06
D. Segment Liabilities	6,130.41	953.57	7,083.98
E. Capital Expenditure	591.36	5.91	597.27
F. Depreciation	54.93	16.51	71.45

2. Geographical Segment

Further the Company has no geographical segments which are subject to different risk and returns. Hence, no separate disclosure in terms of Indian Accounting Standard 108 on segment reporting is considered necessary.



Note No.33

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

Particulars	Numerator	Denominator	31st March 2023	31st March 2022	Variance
1. Current Ratio	Current Assets	Current Liabilities	1.86	1.82	2.39
2. Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.00	0.00	(68.79)
3. Debt Service Coverage Ratio	Earnings available for debt services (PBT+Interest+Dep+/- Non Cash Items)	Interest+Debt Principal Payment & Accrued	69.72	22.75	206.54
4. Return on Equity(ROE)	PAT	Shareholder's Equity	10.71	14.42	(25.72)
5. Inventory turnover ratio	Cost of Sales	Average Stock	NA	NA	NA
6. Trade Receivables turnover ratio	Revenue	Average Trade Receivables	1.14	1.09	4.56
7. Trade payables turnover ratio	purchase of services and other expenses	Average Trade Payables	0.85	0.99	(14.51)
8. Net capital turnover ratio	Revenue	Working Capital+ non current assets	60.36	73.81	(18.22)
9. Net Profit Ratio	Net Profit	Revenue	17.73	19.51	(9.11)
10. Return on Capital employed	earning before interest and taxes	capital employed	15.15	20.33	(25.47)
11. Return on investment	Income from Investments	Time weighted Average Investments	0.49	0.42	16.67

NOTE: The turnover ratios are calculated considering the company's nature of industry which is service-oriented.

Explanations for change in the ratio by more than 25% as compared to the ratio of preceding year:

The change in the Debt-Equity ratio is due to decrease in the debt and overall increase in Other equity.

The increase in Debt-service coverage ratio is due to the decrease in the amounts of loan repayments during the year.

The change in Return on Equity (ROE) is due to the decrease in the profit for the year and overall increase in Other Equity.

The change in Return on Capital employed is due to the decrease in EBIT for the year and overall increase in Capital employed.

Note No.34

Previous Period figures have been regrouped/reclassified wherever necessary to confirm to the current year's classification/disclosures.

For RAO & KUMAR
Chartered Accountants
Firm Reg.No.0030895

CA C M RAVI PRASAD
Partner
Membership NO.211322
UDIN : 23211322BGYYGN1847
PLACE: VISAKHAPATNAM
DATE : 20.05.2023

For STEEL CITY SECURITIES LIMITED

K SATYANARAYANA
EXECUTIVE CHAIRMAN

N RAMU
CHIEF FINANCIAL OFFICER

SATISH KUMAR ARYA
MANAGING DIRECTOR

M SRIVIDYA
COMPANY SECRETARY



INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Members of STEEL CITY SECURITIES LIMITED.
Visakhapatnam

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of STEEL CITY SECURITIES LIMITED ("the Holding Company"), its subsidiary i.e. Steel City Commodities Private Limited and its associate entity i.e. Steel City Financial Services Private Limited (the Holding Company, its subsidiary and its associate Company constitute 'the Group') which comprise the Consolidated Balance Sheet as at 31st March, 2023, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information ('the Consolidated Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 their consolidated state of affairs of the Company's at March 31, 2023, of consolidated profit, their consolidated changes in equity and its consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics issued by ICAI*, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. 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.

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.

1. Evaluation of uncertain Tax Positions (Indirect Tax)

The Company has material uncertain tax positions (Indirect Tax) including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.



Auditor's Responses

Principal Audit Procedures

Obtained details of completed orders, Show-cause-notices and Demands as at 31st March, 2023 from the Management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the director's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance, change in equity and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the parent , as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty



exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities 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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion

We communicate with those charged with governance of the parent 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 consolidated 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.

Other Matters

We did not audit the financial statements / financial information of M/s. Steel City Commodities Private Limited subsidiary, whose financial statements / financial information reflect total assets of Rs. 1787.92 Lakhs as at 31st March, 2023, total revenues of Rs.121.18 Lakhs, total net profit after tax of Rs. 67.26 Lakhs, for the year ended on that date and net cash flows amounting



to Rs. (562.11) Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/(loss) of Rs. 32.16 Lakhs after adjusting dividend of Rs. 6.72 Lakhs for the year ended 31st March, 2023, as considered in the consolidated financial statements, in respect of associate Company Steel City Financial Services Private Limited, whose financial statements / financial information have not been audited by us.

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the consolidated statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and its associate Company none of the directors of the Group is disqualified as on 31st March, 2023 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 and the operating effectiveness of such controls, refer to our report in "Annexure A",



which is based on the Auditors' Reports of the Holding Company, its subsidiary companies and its associate Company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and its associate Company incorporated in India

- (g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Group has disclosed the impact of pending litigations on the Consolidated financial position of the Group in its Consolidated financial statements as of March 31, 2023 - Refer Note No.27
 - b. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
 - d. As proviso to Rule 3 (1) of the Companies (Accounts) Rules, 2014 is applicable to the parent, its subsidiaries and associates with effect from April 1, 2023, reporting on Audit Trail in pursuance of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is considered inapplicable for the current year.
 - e. (i) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the auditors of respective companies which are included in the group that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the auditors of respective companies which are included in the group that, to the best of their knowledge and belief, no



funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited by other auditors under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- (i) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For RAO AND KUMAR
Chartered Accountants
FRN:003089S

Place: VISAKHAPATNAM
Date: 20-05-2023

CA CM Ravi Prasad
(Partner)
Membership No. : 211322
UDIN: 23211322BGYYGO1802



“Annexure A” to the Independent Auditor’s Report

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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 SECURITIES LIMITED (“the Holding Company”) , its subsidiary i.e. Steel City Commodities Private Limited and its associate i.e. Steel City Financial Services Private Limited incorporated in India as of March 31, 2023 in conjunction with our audit of the Consolidated financial statements of the Holding Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company and its associate Company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the respective internal control over financial reporting criteria established by the Holding Company, its subsidiary company and its associate Company incorporated in India 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 (the ‘Guidance Note’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

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 Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with the 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 auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 Holding Company, its subsidiary i.e. Steel City Commodities Private Limited and its associate i.e. Steel City Financial Services Private Limited incorporated in India 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, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy of and operating effectiveness of the internal financial control over financial reporting in so far as it relates to a subsidiary Company and an associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of those respective Companies.

For RAO AND KUMAR
Chartered Accountants
FRN:003089S

Place: VISAKHAPATNAM
Date: 20-05-2023

CA CM Ravi Prasad
(Partner)
Membership No. : 211322
UDIN: 23211322BGYYGO1802



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023

Particulars	Note No	As at 31-Mar-23 Rs. In lakhs	As at 31-Mar-22 Rs. In lakhs
I. ASSETS			
1. Non Current Assets			
(a) Property, Plant and Equipment and Intangible Assets			
(i) property plant and equipment	3	2,081.02	444.22
(ii) capital Work-in-progress	3(i)	409.77	732.92
(iii) Intangible Assets	4	23.54	11.35
(iv) Goodwill on Consolidation		454.89	454.89
(b) Deferred tax Asset (net)	5	224.81	232.11
(c) Financial Assets			
(i) Non Current Investments	6	620.32	588.16
(ii) Long term Loans and Advances		-	-
(d) Other non-current assets	7	1,164.03	1,117.69
2. Current Assets			
(a) Financial Assets			
(i) Current Investments	8	11.54	17.39
(ii) Trade Receivables	9	4,365.40	5,763.81
(iii) Cash and Cash Equivalents	10	8,089.07	7,813.71
(iv) Short-term loans and advances	11	228.88	308.51
(b) Other Current Assets	12	670.88	698.72
Total		18,344.14	18,183.48
II. EQUITY AND LIABILITIES			
1. Equity			
(a) Equity Share Capital	13	1,510.71	1,510.71
(b) Other Equity		9,643.92	8,971.85
2. Non- Current Liabilities			
(a) Financial Liabilities			
(i) Long-term borrowings	14	75.00	8.43
(b) Other Financial Liabilities			
(c) Deferred tax liabilities (net)	5	-	-
3. Current Liabilities			
(a) Financial Liabilities			
(i) Short-term borrowings	15	2.80	-
(ii) Trade Payables	16	5,147.77	5,019.14
(b) Other Current Liabilities	17	1,603.55	2,180.88
(c) Short-term Provisions	18	360.40	492.47
Total		18,344.14	18,183.48
Overview & Significant Accounting policies	1 & 2		
The accompanying notes are an integral part of these Financial Statements			

For RAO & KUMAR
Chartered Accountants
Firm Reg.No.0030895

CA C M RAVI PRASAD
Partner
Membership NO.211322
UDIN : 23211322BGYYGO1802
PLACE: VISAKHAPATNAM
DATE : 20.05.2023

For STEEL CITY SECURITIES LIMITED

K SATYANARAYANA
EXECUTIVE CHAIRMAN

N RAMU
CHIEF FINANCIAL OFFICER

SATISH KUMAR ARYA
MANAGING DIRECTOR

M SRIVIDYA
COMPANY SECRETARY



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2023

Particulars	Note No	Year ended 31-Mar-23 Rs. In lakhs	Year ended 31-Mar-22 Rs. In lakhs
I. Revenue from Operations	19	5,460.57	6,363.30
II. Other Income	20	420.39	304.07
III. Total Income (I+II)		5,880.96	6,667.37
IV. Expenses			
Expenditure on Trading Operations	21	91.12	83.37
Impairment of Financial Instruments	22	(3.25)	51.94
Employee benefits expense	23	1,218.66	1,237.17
Finance Costs	24	61.34	49.28
Depreciation and amortisation expense	3 & 4	73.33	67.04
Other expenses	25	2,960.73	3,380.12
Total Expenses		4,401.94	4,868.92
V. Profit before tax (III-IV)		1,479.01	1,798.45
VI. Tax Expense			
1) Current Tax		353.02	476.46
2) Tax relating to prior years		29.95	28.33
3) Deferred tax		7.30	(16.16)
Total Tax Expenses		390.27	488.63
VII. Profit after tax and before Share in Associate (V-VI)		1,088.74	1,309.82
VIII. Share of Profit in Associate (net)		32.16	72.06
IX. Profit for the year before Non-controlling Interest (VII-VIII)		1,120.90	1,381.88
X. Non-controlling Interest		-	-
XI. Profit for the Year		1,120.90	1,381.88
XII. Other Comprehensive income			
A) (i) Items that will not be reclassified subsequently to statement of profit and loss		4.38	-
(ii) Income tax relating to items that will not be reclassified subsequently to statement of profit and loss		-	-
B) (i) Items that will be reclassified subsequently to statement of profit and loss		-	-
(ii) Income tax relating to items that will be reclassified subsequently to statement of profit and loss		-	-
XIII. Total comprehensive income for the period		1,125.28	1,381.88
XIV. Earnings per share (of Rs.10/- each)	26		
a) Basic		7.45	9.15
b) Diluted		7.45	9.15
Overview & Significant Accounting policies	1 & 2		
The accompanying notes are an integral part of these Financial Statements			

For RAO & KUMAR
Chartered Accountants
Firm Reg.No.003089S

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Partner
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UDIN : 23211322BGYYGO1802
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DATE : 20.05.2023

For STEEL CITY SECURITIES LIMITED

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EXECUTIVE CHAIRMAN

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CHIEF FINANCIAL OFFICER

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MANAGING DIRECTOR

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Statement of Changes in Equity

Equity Share Capital

Amount Rs.in Lakhs

Equity Shares of Rs.10/- issued, subscribed and fully paid up	
Balance as on 01 April, 2021	1,510.71
Changes in Equity Share Capital due to prior year errors	-
Restated balance at the beginning of the previous reporting year	1,510.71
Changes in Equity Share Capital during the year	-
Balance as at 31 March, 2022	1,510.71
Changes in Equity Share Capital due to prior year errors	-
Restated balance at the beginning of the current reporting year	1,510.71
Changes in Equity Share Capital during the year	-
Balance as at 31 March, 2023	1,510.71

Other Equity

Amount Rs.in Lakhs

Particulars	Securities Premium Reserve	General Reserve	Retained Earnings	Total Other Equity
Balance as at April 1, 2021	1,044.48	1,266.23	5,732.48	8,043.19
Changes in accounting policy or prior year errors	-	-	-	-
Restated balance at the beginning of the previous reporting year	1,044.48	1,266.23	5,732.48	8,043.19
Profit for the year	-	-	1,381.88	1,381.88
Other comprehensive Income for the year	-	-	-	-
Transfer to General Reserve	-	100.41	(100.41)	-
Dividend Paid	-	-	(453.21)	(453.21)
Balance as at March 31, 2022	1,044.48	1,366.64	6,560.73	8,971.85

Particulars	Securities Premium Reserve	General Reserve	Retained Earnings	Total Other Equity
Balance as at April 1, 2022	1,044.48	1,397.21	6,530.16	8,971.85
Changes in accounting policy or prior year errors	-	-	-	-
Restated balance at the beginning of the previous reporting year	1,044.48	1,397.21	6,530.16	8,971.85
Profit for the year	-	-	1,120.90	1,120.90
Other comprehensive Income for the year	-	-	4.38	4.38
Transfer to General Reserve	-	108.87	(108.87)	-
Dividend Paid	-	-	(453.21)	(453.21)
Balance as at March 31, 2023	1,044.48	1,506.09	7,093.35	9,643.92

For RAO & KUMAR
Chartered Accountants
Firm Reg.No.003089S

For STEEL CITY SECURITIES LIMITED

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CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2023

	As at 31-Mar-23 Rs. in Lakhs	As at 31-Mar-22 Rs. in Lakhs
A. Cash flow from Operating Activities		
Net Profit Before Tax	1,479.01	1,798.45
Adjustment for:		
Depreciation and amortization expense	73.33	67.04
Finance Costs	61.34	49.28
Interest Income	(325.44)	(297.57)
Dividend Income	(6.73)	(5.76)
(Profit)/Loss on Sale of Fixed Assets	(13.51)	-
Impairment of Financial Instruments	(9.10)	40.16
Diminution in value of Investments	5.85	(0.20)
Operating Profit before Working Capital Changes	1,264.76	1,651.40
Trade Receivables	1,407.51	630.75
Other Receivables	(105.54)	180.62
Other Assets	23.97	(91.21)
Trade Payables	128.63	496.26
Other Payables & Provisions	(700.79)	375.51
Change in Working Capital	753.77	1,591.92
Cash generated from Operations	2,018.53	3,243.33
Income tax paid	(394.50)	(491.90)
Net Cash generated from Operating Activities	1,624.03	2,751.42
B. Cash flow from Investing Activities		
Purchase of Fixed Assets	(1,399.17)	(629.23)
Proceeds from Sale of Fixed Assets	13.51	-
Proceeds from Sale/(purchase) of Investments	-	7.71
Income from Investments	6.73	5.76
Interest Received	325.44	297.57
Net cash used in investing activities	(1,053.49)	(318.19)
C. Cash flow from Financing Activities		
Interest paid	(61.34)	(49.28)
Proceeds from borrowings	225.00	-
Repayment of borrowings	(5.63)	(76.19)
Dividend paid	(453.21)	(453.21)
Net cash used in Financing activities	(295.19)	(578.68)
D. Net Increase / (Decrease) in Cash & Cash Equivalents	275.35	1,854.56
E. Cash & Cash Equivalents (Opening)		
as on 1st April 2022 / 1st April 2021	7,813.71	5,959.15
F. Cash & Cash Equivalents (Closing)	8,089.07	7,813.71
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:		
Cash in hand	16.85	16.91
Cheques, draft on hand	27.19	45.15
Balances with Schedule banks		
in current accounts	2,282.67	2,049.26
in deposit accounts	5,742.87	5,684.70
in unclaimed dividend accounts	19.49	17.69

For RAO & KUMAR
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MANAGING DIRECTOR

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COMPANY SECRETARY



Note No.1 : Company Over View

Steel City Securities Limited ("the Company") was incorporated on 22nd February 1995. The Company is primarily engaged in the business as stock broker in securities trading in various stock exchanges and acting as a depository participant. The Company also offers Services of E-Governance. The Shares of the Company are listed on National Stock Exchange of India Limited (NSE). The company's registered office is at "STEEL CITY HEIGHTS", 50-81-18, Seethammapeta Main Road, Visakhapatnam-530016 Andhra Pradesh, India.

Note No.2 : Significant Accounting Policies

a Basis of Preparation, Presentation of financial statements and Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Balance Sheet, Statement of Profit and Loss (including other comprehensive income) and Statement of changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS. Amounts in the financial statements are presented in Indian Rupees.

b Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

c Basis for measurement

The financial statements have been prepared on the historical cost convention and on accrual basis except for the following material items which have been measured at fair value:

Items	Measurement Basis
Net defined benefit (asset)/ liability	Present value of defined benefit obligations
Investments	Quoted price
Trade Receivables	Fair Value

d Use of Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:



a) Income taxes:

Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

b) Deferred taxes:

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forward becomes deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

c) Defined benefit plans and compensated absences:

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

d) Expected credit losses on financial assets:

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

e Measurement of fair values:

Some of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Items	Measurement Basis
Certain Financial Assets and Liabilities	Fair Value
Net defined benefit (asset)/ liability	Fair Value of Planned assets less present value of defined benefit obligation.



f Revenue 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 and TINFC's Operations are accounted on transaction basis.

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.

g 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.

h Operating Leases

Assets given/taken on lease in which a significant portion of risks and rewards of ownership are not transferred to the lessee are classified as operating leases. Lease payment/Income made under operating leases are charged to the statement of Profit and loss on a straight line basis over the period of lease unless the payments/receipts are structured to increase in line with expected general inflation to compensate for the company's expected inflationary cost increases.

i Property, Plant and Equipment (including intangible assets)

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation/ Amortization

Depreciation has been charged off under useful life Straight Line Method as per Schedule II to the Companies Act 2013.



The estimated useful lives used for computation of depreciation are as follows

Buildings	60 years
Furniture & Fixtures	10 years
Electrical Equipment	10 years
Computers	3-6 years
Vehicles	8 years
Cycles	10 years
Other Assets	5 years
Software	3 years

j Financial Instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets and liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of Profit and loss.

ii. Classification and subsequent measurement

Financial assets:

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL (Fair value through Profit and Loss);
- FVOCI (Fair value through Other Comprehensive Income);

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- 'the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and



- 'the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

'On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment).

This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL.

Financial assets at FVTPL:

- These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Debt investments at FVOCI:

- These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss.
- Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI:

- These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.
- Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial assets at amortised cost:

- These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities:

'Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

iii. Derecognition

Financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.



Financial liabilities:

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 365 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise.
- it is probable that the borrower will enter bankruptcy or other financial reorganisation: or
- the disappearance of an active market for a security because of financial difficulties.

Except for debts due from Central/State Governments, Central/State Government Departments and Central/State Autonomous Bodies, Public Sector Undertakings for which provision/loss allowances are measured on case to case basis.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

No of Days of Due as per the observed credit pattern followed by the company	% of default as observed by the management for DP Trade Receivables	% of Default as Observed by the Management for securities trade receivables
Not due	0.00%	0.00%
0 - 90 days	10.00%	10.00%
91 - 180 days	10.00%	10.00%
181 - 365 days	10.00%	10.00%
>365 days	80.00%	45%

Uncollectable



ii. Impairment of non financial assets

The Company's non-financial assets, other than other tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

k Investments in Subsidiaries and Associates

The Company has elected to measure equity investments in Subsidiaries and Associates at cost as per Ind As-28.

l 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.

m Income taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss, Other Comprehensive Income or directly in equity, when they relate to items that are recognised in the respective line items.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax asset and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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.



n 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.

o Retirement Benefits

- i. The Company's contribution to Provident Fund is recognized on accrual basis.
- ii. 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.
- iii. Leave encashment liability is provided on the basis of actual valuation made by the management at the end of each calendar year.

p 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.

q 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.

r 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.

s Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- a. changes during the period in operating receivables and payables transactions of a cash nature;
- b. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and



c. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

t Dividend payable

Dividend is recognised at the time of payment to equity shareholders.

u Prior Period omissions & errors

Income/Expenditure relating to earlier years which does not exceeds 0.50% of the turnover of the Company in each transactions are treated as income/expenditure of the current year.



Note No.3 : Property plant and equipment

Description	Gross Block at Cost				Depreciation				Net Block		
	As at 01.04.2022	Additions as on 31.03.2023	Deletions as on 31.03.2023	As at on 31.03.2023	Up to 31.03.2022	Useful Life	Dep during the period	Del. during the period	Up to 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land	182.67	801.89	-	984.56	-	-	-	-	-	984.56	182.67
Buildings	62.02	602.34	-	664.36	17.71	60 Yrs	1.50	-	19.22	645.14	44.31
Furniture & Fixtures	72.50	169.09	1.30	240.29	27.89	10 yrs	9.27	1.30	35.86	204.43	44.61
Electrical Equipments	166.42	89.86	14.51	241.76	91.72	10 yrs	18.09	14.51	95.29	146.47	74.70
Computers	98.35	14.95	4.08	109.21	53.41	3-6 Yrs	25.95	4.08	75.28	33.94	44.94
Vehicles	98.97	24.12	18.10	104.99	48.81	8 Yrs	11.84	18.10	42.55	62.44	50.16
Cycles	0.05	-	-	0.05	0.02	10 Yrs	0.00	-	0.03	0.02	0.02
Other Assets	4.70	2.26	0.80	6.16	1.89	5 Yrs	1.05	0.80	2.14	4.02	2.81
Total	685.67	1,704.50	38.80	2,351.38	241.45		67.70	38.80	270.36	2,081.02	444.22

Note No.3(i) : Capital work-in-Progress

Description	Gross Block at Cost				Depreciation				Net Block		
	As at 01.04.2022	Additions as on 31.03.2023	Deletions as on 31.03.2023	As at on 31.03.2023	Up to 31.03.2022	Useful Life	Dep during the period	Del. during the period	Up to 31.03.2023	As at 31.03.2023	As at 31.03.2022
Buildings WIP	732.92	279.18	602.34	409.77	-	-	-	-	-	409.77	732.92
Total	732.92	279.18	602.34	409.77	-	-	-	-	-	409.77	732.92

CWIP aging schedule

CWIP	Amount in CWIP for a period of				Total
	Less than One Year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	-	409.77	-	-	409.77
Projects temporarily suspended	-	-	-	-	-

Note No.4 : Intangible Assets

Description	Gross Block at Cost			Depreciation					Net Block		
	As at 01.04.2022	Additions as on 31.03.2023	Deletions as on 31.03.2023	As at on 31.03.2023	Up to 31.03.2022	Useful Life	Dep during the period	Del. during the period	Up to 31.03.2023	As at 31.03.2023	As at 31.03.2022
Software	12.06	17.82	-	29.88	0.71	3 Yrs	5.63	-	6.34	23.54	11.35
Total	12.06	17.82	-	29.88	0.71		5.63	-	6.34	23.54	11.35

Note: There was no change in the useful life of the Assets on our review at the reporting date.



	As at 31-Mar-23 Rs. in Lakhs	As at 31-Mar-22 Rs. in Lakhs
Note No.5		
Deferred tax Asset (net)		
Tax effect of items constituting deferred tax Liability		
- Provision for Doubtful Debts	-	-
Tax effect of items constituting deferred tax Liability (A)	-	-
Tax effect of items constituting deferred tax Asset		
- Depreciation on fixed assets	13.73	20.21
- Provision for Debts	205.35	207.64
- Impairment of Investments	5.74	4.26
Tax effect of items constituting deferred tax Asset (B)	224.81	232.11
Deferred Tax Asset (net) (B-A)	224.81	232.11

Deferred Tax Asset is computed, taking into consideration that there would be adequate profits in future years to be adjusted

Reconciliation of Estimated Tax expense at tax rate to Income Tax Expense reported in the Statement of Profit & Loss		
Profit before Tax	1,479.01	1,798.45
Applicable Income Tax Rate	25.168%	25.168%
Expected Income Tax Expense	372.24	452.63
Effect of Income exempt from tax	-	1.68
Effect of expenses / provisions not deductible in determining taxable profit	(11.92)	5.99
Adjustment related to tax of prior years	29.95	28.33
Reported Income Tax Expense	390.27	488.63

Note No.6		
Non Current Investments		
Other investments (unquoted) -Trade		
Investment in Equity Instruments		
Associate:		
192000 (PY 192000) equity shares of Rs.10/- each of Steel City Financial Services Pvt Ltd at cost	440.16	408.01
Other investments (unquoted) - Non-Trade		
2,500 (PY 2500) equity shares of Rs.10/- each of Steel City Infotech Pvt Ltd	0.25	0.25
4,00,000 (PY 4,00,000) Equity Shares of MELIORA ARC LTD	100.00	100.00
828 (PY 828 9% CCDs) Equity Shares of Redcliffe Hygiene Private Limited	79.91	79.91
	620.32	588.16
Provision for Diminution in value of Investments	620.32	588.16
Book Value of Unquoted Investments	620.32	588.16

Note: Investments in Subsidiary Company mutually cancelled on Consolidation of Financials

Name of the Associate	ownership interest	Original Cost	Carrying amount
Steel City Financial Services Pvt Ltd	43.74%	258.00	440.16



	As at 31-Mar-23 Rs. in Lakhs	As at 31-Mar-22 Rs. in Lakhs
Note No.7		
Other non-current assets		
Unsecured, considered good		
Interest free Security Deposits with Exchanges	1,043.81	981.94
V Sat Deposits with Exchanges	0.50	0.50
Telephone Deposits	8.33	8.32
Rental Deposits	58.45	74.15
Electricity Deposits	10.80	9.15
Other Deposits	42.14	43.64
	1,164.03	1,117.69
Note No.8		
Current Investments:		
Other investments (Quoted) - Trade		
ANI Integrated Services Ltd 1200 Qty (P.Y.1200) of Rs.10/- (PY Rs.10/-) each	1.20	1.20
Shivalik Rasaayan Ltd 1000 Qty (P.Y. 15000) of Rs.10/- (PY Rs.10/-) each	3.26	3.26
Wockhardt Pharma Ltd 2190 Qty (P.Y. 2190) of Rs.10/- (PY Rs.10/-) each	21.51	21.51
	25.97	25.97
Provision for Diminution in value of Investments	(14.43)	(8.58)
	11.54	17.39
Book Value of Quoted Investments	25.97	25.97
Market Value of Quoted Investments	11.54	17.39
Note No.9		
Trade Receivables		
Trade Receivables Unsecured, considered good	1,907.88	1,351.84
Less: Provision for Debts	733.10	742.19
	1,174.78	609.64
Trade Receivables Secured, considered good	3,190.61	5,154.16
	4,365.40	5,763.81



Trade Receivables Ageing Schedule for the year Ended March 31, 2023

	Outstanding for following periods from due date of payment						(Rs.in Lakhs)
	Less than 3 months	3 months-6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - Considered good	3,190.61	443.61	375.93	402.83	61.38	624.12	5,098.49
Undisputed Trade Receivables - Considered Doubtful	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered Doubtful	-	-	-	-	-	-	-
Less: Provision for debts							733.10
Total Trade Receivable							4,365.40

Trade Receivables Ageing Schedule for the year Ended March 31, 2022

	Outstanding for following periods from due date of payment						(Rs.in Lakhs)
	Less than 3 months	3 months-6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - Considered good	5,154.16	4.03	2.21	0.00	700.02	645.58	6,506.00
Undisputed Trade Receivables - Considered Doubtful	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered Doubtful	-	-	-	-	-	-	-
Less: Provision for debts							742.19
Total Trade Receivable							5,763.81

	As at 31-Mar-23 Rs. in Lakhs	As at 31-Mar-22 Rs. in Lakhs
Note No.10		
Cash and Cash Equivalents		
Cash on hand	16.85	16.91
Cheques, drafts on hand and transit	27.19	45.15
Balances with Banks		
- in current accounts	2,282.67	2,049.26
- Unclaimed dividend account	19.49	17.69
- in deposit accounts (Earmarked)		
Against Bank Guarantees & other commitments	5,264.28	4,626.90
Deposit original maturity less than 12 months	478.59	1,057.79
Deposit original maturity more than 12 months	-	-
	8,089.07	7,813.71

- a) deposit accounts includes an amount of Rs.2,700.00 Lakhs placed with banks (HDFC Bank Rs.2,150.00 Lakhs, Karur vysya bank Rs. 400.00 Lakhs and Karnataka bank Rs.150.00 Lakhs) pledged against the bank guarantees issued and loan provided by them.
- b) Section 125 of the Companies Act, 2013 mandates that companies transfer dividend that has been unclaimed for a period of seven years from unpaid dividend account to the Investor Education and Protection Fund (IEPF). Accordingly, if dividend is unclaimed for a period of seven years, it will be transferred to IEPF.



	As at 31-Mar-23 Rs. in Lakhs	As at 31-Mar-22 Rs. in Lakhs
Note No.11		
Short-term loans and advances		
Unsecured, considered good		
Advance to suppliers	-	99.56
Other loans and advances		
Advance to employees	21.76	24.45
Receivable from E-Governance Centres	116.35	155.02
Receivable from Authorised Persons/Dp Franchises	13.32	13.67
Others	77.45	15.80
	228.88	308.51
Note No.12		
Other Current Assets		
Interest accrued on Fixed Deposits & Others	141.81	128.86
Other Receivables	115.13	65.07
Advance Income Tax	339.66	433.39
Prepaid expenses	74.29	71.39
	670.88	698.72
Note No.13		
Share Capital		
Authorised		
2,50,00,000 (PY 2,50,00,000) Equity Shares of Rupees 10/- each	2,500.00	2,500.00
Total	2,500.00	2,500.00
Issued subscribed and paid up capital		
1,51,07,095 (PY 1,51,07,095) Equity Shares of Rupees 10/- each, fully paid-up	1,510.71	1,510.71
	1,510.71	1,510.71

Notes:

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Changes during the period	Closing Balance
Equity shares of Rs.10/- each:			
Period ended 31st March, 2023			
- Number of shares	1,51,07,095	0	1,51,07,095
- Amount Rs. In lakhs	1,510.71	0	1,510.71
Period ended 31st March, 2022			
- Number of shares	1,51,07,095	0	1,51,07,095
- Amount Rs.in lakhs	1,510.71	0	1,510.71

(i) Reconciliation of number of Shares

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
No of Shares held	No of Shares	Amount (Rs.in lakhs)	No of Shares	Amount (Rs.in lakhs)
Equity shares				
Opening Balance	1,51,07,095	1,510.71	1,51,07,095	1,510.71
Issued during the period	0	-	0	-
Closing Balance	1,51,07,095	1,510.71	1,51,07,095	1,510.71



(ii) 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. 2.00 (previous year Rs.2.00) and final Dividend for FY 2021-2022 paid to equity shareholders is Rs.1.00 (previous year Rs.1.00).

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.

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

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No of Shares held	% of Holding	No of Shares held	% of Holding
K.Satyanarayana	12,54,446	8.30	12,54,446	8.30
Satish Kumar Arya	14,45,889	9.57	10,51,000	6.96
G Sirisha	24,43,731	16.18	24,43,731	16.18
G Vishnu Vandhana	25,75,500	17.05	25,75,500	17.05

- (iv) 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

(v) Shares held by Promoters at the end of the year

Promoter Name	No of Shares	% of total shares	% of Change during the year
K.Satyanarayana	12,54,446	8.30%	0.00
Satish Kumar Arya	14,45,889	9.57%	2.10
G Sirisha	24,43,731	16.18%	0.00
G Vishnu Vandhana	25,75,500	17.05%	0.00

Promoters Group:	No of Shares	% of total shares	% of Change during the year
Steel City Financial Services Private Limited	5,00,000	3.31%	0.00
K. Mahalakshmi	73,009	0.48%	0.01
K. V. S. Ramesh Babu	5,07,500	3.36%	0.00
Nirmala Devi	2,00,009	1.32%	0.00
Sachin Arya	7,21,354	4.77%	0.00
K. Geeta Vara Lakshmi	15,000	0.10%	0.00
K. Mrudula	65,000	0.43%	0.00
Alka Rajput	76,409	0.51%	0.02
Suman Arya	5,100	0.03%	0.00
Tentu Venkata Triveni	2,42,428	1.60%	0.00
Pyla Madhu	51,300	0.34%	0.00
K Rajkumar	2,600	0.02%	0.00



	As at 31-Mar-23 Rs. in Lakhs	As at 31-Mar-22 Rs. in Lakhs
Note No.14		
Long-term borrowings		
Unsecured Secured Loans	75.00	-
Vehicle Loans from Banks & Others	-	8.43
	75.00	8.43

Vehicle Loan Received from Financial Institutions, which is payable in monthly installments i.e.Rs. 0.47 Lakhs

Note No.15		
Short-term borrowings		
Secured		
Loan repayable on demand from banks	-	-
Vehicle Loans from Banks & Others	2.80	-
Unsecured	-	-
Total	2.80	-

- Working Capital facilities from The Karnataka Bank Ltd is secured by hypothecation of Trade Receivables (50% paripasu), Collateral Security of specific Immovable Property belongs to the Company, personal guarantee of Directors and Properties belonging to Directors/ others aggregated of Rs.215.00 Lakhs.
- Working Capital facilities from Karur Vysya Bank is secured by specific Immovable Property belongs to the Company, Personal guarantee of Directors and Properties belonging to Directors/others aggregated of Rs.695.00 Lakhs.
- Working Capital facilities from The HDFC Bank Ltd is secured by hypothecation of Trade Receivables (50% paripasu), personal guarantee of Directors and Properties belonging to Directors/ others aggregated of Rs.445.00 Lakhs.

Note No.16		
Trade payables		
Trade Payables including margin money from trade clients - MSME	-	-
Trade Payables including margin money from trade clients	5,147.77	5,019.14
	5,147.77	5,019.14

In order to secure the performance by the clients of their obligations, commitments & liabilities to the company they placed the margins with the Company.

Trade Payables due for payment
Trade Payables Aging Schedule
as at March 31, 2023

Particulars	Not Due	Outstanding for following periods from the due date of payment				Total (Rs.in Lakhs)
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
MSME	-	-	-	-	-	-
Others	-	5,147.77	-	-	-	5,147.77
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-

as at March 31, 2022

Particulars	Not Due	Outstanding for following periods from the due date of payment				Total (Rs.in Lakhs)
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
MSME	-	-	-	-	-	-
Others	-	5,019.14	-	-	-	5,019.14
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-



	As at 31-Mar-23 Rs. in Lakhs	As at 31-Mar-22 Rs. in Lakhs
Note No.17		
Other Current Liabilities		
Liability for expenses, Authorised Persons/franchises	873.25	903.38
Margin money from E-Governance Centres	710.81	675.99
Liability against E-Governance Processings	-	583.82
Unclaimed dividends	19.49	17.69
	1,603.55	2,180.88

- a) There is no interest payable on Vsat Deposits taken from Franchises and the same was paid to Vsat Providers for purchase of VSATs.
- b) Unclaimed dividends includes an amount of Rs.1.68 Lakhs due and outstanding to be credited to investor education and protection funds. But, due to technical glitches in the MCA website the remittance could not be made with in the due date i.e. 23/03/2023. However, the Company has filed form No.IEPF-1 with in the due date. The delay in remittance is due to the conditions beyond the control of the Company.
- c) During the Year, an amount of Rs.1.42 Lakhs has been transferred to Investor Education and Protection Fund.

Note No.18		
Short term provisions		
Provision for Employee benefits		
- provision for gratuity	7.38	16.01
Provision for Taxation	353.02	476.46
	360.40	492.47

Provision is made for gratuity based on actuarial valuation. All actuarial gains and losses arising during the year are recognized in the Profit and Loss Account for the year

Note No.19		
Revenue from Operations		
Income from Broking Operations	2,517.85	3,407.39
Income from DP Operations	178.55	206.66
Income from E-Governance Operations	2,282.68	2,181.74
Interest from Margin Trading Operations	481.50	567.52
	5,460.57	6,363.30

Note No.20		
Other Income		
Interest from Fixed Deposits & Others	329.24	297.57
Profit(loss) on sale of Investments	-	0.44
Interest - Others	84.42	0.29
Dividend Income	6.73	5.76
	420.39	304.07

Note No.21		
Expenditure on Trading Operations		
Transaction Charges	38.78	52.57
Trading Expenses	2.49	0.46
Annual Subscription to Exchanges	1.00	1.00
Insurance	1.62	1.40
V Sat, Bandwidth Charges and Maintenance	20.50	10.76
Batteries, UPS Maintenance	26.73	17.17
	91.12	83.37

Trading Expenses are expenses on purchase and sale of shares wherever there was operational problems due to communication & computer disruptions, data entry operator's mistakes, share deliveries mismatch and other reasons, to come out of the long or short struck positions.



	As at 31-Mar-23 Rs. in Lakhs	As at 31-Mar-22 Rs. in Lakhs
Note No.22		
Impairment of Financial Instruments		
Trade Receivables	(9.10)	52.14
Investments	5.85	(0.20)
	(3.25)	51.94

Note No.23		
Employee benefits expense		
Salaries, wages and bonus	1,116.20	1,144.35
Contribution to;		
- Provident Fund and other Funds	71.65	69.78
- Gratuity	15.92	11.92
Staff Welfare Expenses	14.89	11.13
	1,218.66	1,237.17

- a) Salaries, wages and bonus includes an amount of Rs. 96.00 Lakhs (PY Rs.96.00 Lakhs) paid to the Directors as Remuneration as per Schedule V of the Companies Act, 2013.
- b) **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.
- c) **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.
- d) **Leave encashment**: Leave encashment amount is paid to the employees at the end of the each calendar year.

Note No.24		
Finance Cost		
Interest Expenses	18.23	7.70
BG Commission and Charges	42.67	40.66
Other Borrowings cost	0.44	0.92
	61.34	49.28

Note No.25		
Other Expenses		
A C Maintenance	3.51	1.59
Advertisements	-	0.96
Bad Debts Written off	-	8.43
Bank Charges & Payment Gateway Charges	17.14	18.77
Books & Periodicals	2.57	2.64
Business Development	51.87	41.71
Computer and software maintenance	136.36	85.17
Conveyance	3.57	2.02
CSR Expenses	27.09	24.20
Current Repairs to lease hold buildings	8.21	15.50
Demat charges	-	(0.06)
Donations	1.94	4.34



	As at 31-Mar-23 Rs. in Lakhs	As at 31-Mar-22 Rs. in Lakhs
E-Governance Commission	1,467.83	1,464.11
Electricity Charges and maintenance	73.47	56.39
Fee to Company Secretary	1.56	1.56
Fees & Charges, Filing fee	39.52	31.09
Generator maintenance	3.17	2.49
Insurance	21.01	12.92
Legal, Consultancy and Professional fee	24.41	12.51
Office Maintenance	55.44	37.01
Office Rent	216.22	214.07
Payment to Auditors (Refer Note No.25.1)	16.73	13.16
Printing & Stationery, Postage and Other Charges	25.75	13.64
Sub-brokerage	682.10	1,249.36
Subscriptions	7.65	8.46
Telephone and Internet Charges & Maintenance	41.30	38.88
Tours and Travels	9.99	2.84
Transportation charges	2.53	0.98
Vehicle maintenance	18.96	14.36
Xerox and coolers maintenance	0.83	1.03
	2,960.73	3,380.12

Note No.25.1

Payment to Auditors includes payments to Statutory Auditors towards

Statutory Audit Fee	3.00	2.00
Taxation Matters	-	-
Certifications	-	-
	3.00	2.00

Note No.26

Earnings per share (EPS)

Earnings (as reported)	1,125.28	1,381.88
Shares		
No. of Shares	1,51,07,095.00	1,51,07,095.00
No. of Weighted Average Shares	1,51,07,095.00	1,51,07,095.00
Earnings per Equity Share (Rs.)		
- Basic	7.45	9.15
- Diluted	7.45	9.15



Note No.27

Contingent Liabilities and commitments (to the extent not provided for) (Rs. In Lakhs)

Sl no.	Particulars	As at 31st March, 2023	As at 31st March, 2022
1	Bank Guarantees in favour of Clearing Corporations of Stock Exchanges issued by Banks on behalf of the Company against 50% of Cash Margin i. e . Fixed Deposit Receipts	5,295.00	5,295.00
2	Cases against the Company not acknowledged as debts (See Note No. 27.1(a))	19.82	19.82
3	Income tax Demands pending in appeals (See Note No. 27.1(b))	3.78	15.38
4	Show cause notices from Service tax department for which the Company has filed replies	115.29	115.29
5	Service tax demands, pending in appeal (See Note No. 27.1(c))	539.77	539.77

27.1

- Demands against the Company not acknowledged as debts, amounting to Rs.19.82 Lakhs are pending at various courts/forums.
- The Company has deposited an amount of Rs. Rs.0.76 Lakhs for granting stay for collection of Balance of Amount of Demand till the disposal of Appeal by the Appellate Authorities.
- Service tax demands against the Company;
 - The Company has deposited an amount of Rs. Rs.13.49 Lakhs as a condition precedent of hearing the appeal before The Commissioner (Appeals) in case of order dated 09.01.2017. However the appeal has been disposed off by the learned Commissioner (Appeals) in favour of Revenue on 21.05.2018. The Company has filed an appeal against the order passed by the Commission (Appeals) before CESTAT by depositing additional Pre-deposit of Rs.4.49 Lakhs on 01.08.2018.

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.

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income Tax and remeasured its deferred tax assets and liabilities, basis the rate prescribed in the said section.

Note No.29

Related party disclosures:

Nature of Relationship	Name of the Party
(a) Related Parties where Control Exists:	
Subsidiaries	Steel City Commodities Private Limited
Group Companies	Steel City Financial Services Private Limited
(b) Other related Parties:	
Key Management Personnel	Mr. K. Satyanarayana Mr. Satish Kumar Arya Mr. T.V. Srikanth



(c) Significant transaction with related parties: (Rs.in Lakhs)

Sl. No.	Nature of Relationship	Name of the Related Party	Nature of Transaction					
			Remuneration	Corporate guarantee given	Advance paid	Advance Taken	Dividend Paid / (received)	Brokerage Received
1	Subsidiary Company	Steel City Commodities Private Ltd.	0.00	0.00	151.99	7.16	0.00	0.00
2	Associate Company	Steel City Financial Services Private Ltd.	0.00	0.00	0.00	0.00	15.00 / (6.72)	0.00
3	Executive Chairman	K. Satyanarayana	36.00	0.00	0.00	0.00	37.63	0.31
4	Managing Director	Satish Kumar Arya	36.00	0.00	0.00	0.00	37.70	5.52
5	Director-IT	T V Srikanth	24.00	0.00	0.00	0.00	0.00	0.00
6	Director	G Vishnu Vandana	0.00	0.00	0.00	0.00	77.27	0.00
7	Relative of Key Management - Wife of Sri K Satyanarayana	K. Mahalakshmi	0.00	0.00	0.00	0.00	2.19	0.04
8	Relative of Key Management - Son Sri K Satyanarayana	K S V Ramesh Babu	8.84	0.00	0.00	0.00	15.23	0.02
9	Relative of Key Management - Wife of Sri Satish Kumar Arya	Nirmala Devi Arya	0.00	0.00	0.00	0.00	4.95	0.17
10	Relative of Key Management - Son of Sri Satish Kumar Arya	Sachin Arya	0.00	0.00	0.00	0.00	17.34	0.27
11	Relative of Key Management - Wife of Sri T V Srikanth	G. Sirisha	0.00	0.00	0.00	0.00	73.31	0.01
12	Relative of Key Management - Husband of Smt. G. Vishnu Vandana	P. Madhu	24.00	0.00	0.00	0.00	1.54	0.07
	Total		128.84	0.00	151.99	7.16	275.43	6.40

Note: Transactions between group companies comprise of extension and return of temporary adjustment of common clients accounts as identified by the Company's management from the Holding/Subsidiary Company's Account

(d) Amount Due to / (from) related Parties (Rs.in lakhs).

Nature of Transaction	Due to / (From)
Steel City Commodities Private Limited	(144.83)
Steel City Financial Services Private Limited	75.00
K Satyanarayana	-
Satish Kumar Arya	-
T V Srikanth	-



Note No.30

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:

A. Financial Assumptions

Particulars	31.03.2022	31.03.2023
Discount rate for Active Employees	7.25%	7.52%
Discount rate for pensioners	-	-
Salary growth rate	5.00%	5.00%
Expected rate of return on plan Assets	6.75%	7.01%

B. Demographic Assumptions

Particulars	31.03.2022	31.03.2023
Withdrawal Rate	3.00%	3.00%
Retirement Age	60years	60years

C. Mortality rates - Indian assured lives mortality 2012-14 table (Mortality per thousand)

Age in years	31.03.2022	31.03.2023
20	0.000924	0.000924
25	0.000931	0.000931
30	0.000977	0.000977
35	0.001202	0.001202
40	0.00168	0.00168
45	0.002579	0.002579
50	0.004436	0.004436
55	0.007513	0.007513
60	0.011162	0.011162
65	0.015932	0.015932
70	0.024058	0.024058

D. Reconciliation of defined benefit obligation (Rs.in Lakhs)

Particulars	31.03.2022	31.03.2023
Opening defined benefit	135.75	144.67
Service Cost	-	-
a. Current service cost	14.23	14.03
b. Past service cost	-	-
c. (Gain)/ Loss on settlements	-	-
d. Loss/ (Gain) on Curtailments	-	-
Interest Cost	8.98	10.10
Benefit Payments from Plan Assets	(9.42)	(10.60)
Benefit Payments directly by Employer	-	-
Contributions by Employees/Participants	-	-
Effects of Acquisition/Merger	-	-
Settlements	-	-
Transfers In /Out	-	-
Acturial Loss/ (Gain)	(4.87)	(3.94)
Exchange Differences on Foreign plans	-	-
Closing defined benefit obligations	144.67	154.27



E. Profit or loss for the current period (Rs.in Lakhs)

Particulars	31.03.2022	31.03.2023
Current service cost	14.23	14.03
Recognised past service cost	-	-
Loss /(Gain) on curtailments and Settlements	-	-
Total service cost	14.23	14.03
Interest on obligation	8.98	10.10
Expected return on plan assets	(7.83)	(8.98)
Net interest cost	1.15	1.13
Total included in employee benefit expense	15.37	15.16

F. Effects recognised in Other comprehensive income (Rs.in Lakhs)

Particulars	31.03.2022	31.03.2023
Actuarial (gain) or loss due to demographic assumptions change	-	-
Actuarial (gain) or loss due to financial assumption changes in DBO	(5.85)	(3.89)
Actuarial (gain) or loss due to experience in DBO	0.97	(0.22)
Return on Plan assets (grater) or less than the expected return	(0.53)	(0.27)
Changes in Asset Ceiling	-	-
Any other Effect	-	-
Net Actuarial Loss or (Gain) for the year	(5.41)	(4.38)

Note No.31

Corporate Social Responsibility

- a) Gross Amount required to be spent by the Company during the year Rs.27.09 Lakhs
b) Total Amount spent during the year is Rs.27.09 Lakhs as detailed below:

Particulars	Amount (Rs.in Lakhs)
Amount Contributed to Sweekaram Education Society of Greater Visakhapatnam Municipal Corporation, Visakhapatnam	7.00
Amount Contributed to Prime Minister National Relief Fund	12.09
Amount Contributed to Harekrishna Movement-India, Visakhapatnam	4.00
Shri Sharadamba Vidyapeeth Trust, Rishikesh	1.00
Amount Contributed to Lebenshilfe, Visakhapatnam	3.00
Total	27.09

Note No.32

Segment Reporting

1. Business Segment:

- The business segment has been considered as the primary segment.
- The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organisation structure and the internal financial reporting system
- The Company's primary business comprises of two business segments viz., Stock Broking & DP Operations and E-Governance Operations.
- Segment revenue, results, assets and liabilities include amounts identifiable to each segments allocated on a reasonable basis.
- The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information.



Information about the primary segment

(RS.in Lakhs)

Particulars	Stock Broking & DP Operations	E-Governance Operations	Grand Total
A. Segment Revenue			
External Segment	3,598.28	2,282.68	5,880.96
Internal Segment	-	-	-
Total Revenue	3,598.28	2,282.68	5,880.96
B. Segment Results Profit/(Loss)	921.79	630.55	1,552.34
Depreciation			(73.33)
Income Taxes (Current, Deferred Tax)			(390.27)
Share of Associate			32.16
Other Comprehensive Income			4.38
Profit/(Loss) After Tax			1,125.28
C. Segment Assets	16,816.07	1,528.08	18,344.14
D. Segment Liabilities	6,235.95	953.57	7,189.52
E. Capital Expenditure	1,995.59	5.91	2,001.51
F. Depreciation	56.82	16.51	73.33

2. Geographical Segment :

Further the company has no geographical segments which are subject to different risk and returns. Hence, no separate disclosure in terms of Indian Accounting Standard 108 on segment reporting is considered necessary.

Note No.33

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

Particulars	Numerator	Denominator	31st March 2023	31st March 2022	Variance
1. Current Ratio	Current Assets	Current Liabilities	1.88	1.90	(1.03)
2. Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.01	0.00	767.11
3. Debt Service Coverage Ratio	Earnings available for debt services (PBT+ Interest+Dep+/- Non Cash Items)	Interest+Debt Principal Payments & Accrued	65.72	23.05	185.13
4. Return on Equity(ROE)	PAT	Shareholder's Equity	10.05	13.18	(23.77)
5. Inventory turnover ratio	Cost of Sales	Average Stock	NA	NA	NA
6. Trade Receivables turnover ratio	Revenue	Average Trade Receivables	1.16	1.25	(7.03)
7. Trade payables turnover ratio	purchase of services and other expenses	Average Trade Payables	0.85	0.93	(8.58)
8. Net capital turnover ratio	Revenue	Working Capital+ noncash items	52.36	63.55	(17.62)
9. Net Profit Ratio	Net Profit	Revenue	19.13	20.73	(7.68)
10. Return on Capital employed	earning before interest and taxes	capital employed	13.72	17.61	(22.12)
11. Return on investment	Income from Investments	Time weighted Average Investments	1.06	1.03	3.84

NOTE: The turnover ratios are calculated considering the company's nature of industry which is service-oriented.



Explanations for change in the ratio by more than 25% as compared to the ratio of preceding year:

The change in the Debt-Equity ratio is due to increase in Total Debt during the year and overall increase in Other equity.
The increase in Debt-service coverage ratio is due to the decrease in the amounts of loan repayments during the year.

Note No.34

Previous Period figures have been regrouped/reclassified wherever necessary to confirm to the current year's classification/disclosures.

For RAO & KUMAR
Chartered Accountants
Firm Reg.No.0030895

CA C M RAVI PRASAD
Partner
Membership NO.211322
UDIN : 23211322BGYYGO1802
PLACE: VISAKHAPATNAM
DATE : 20.05.2023

For STEEL CITY SECURITIES LIMITED

K SATYANARAYANA
EXECUTIVE CHAIRMAN

N RAMU
CHIEF FINANCIAL OFFICER

SATISH KUMAR ARYA
MANAGING DIRECTOR

M SRIVIDYA
COMPANY SECRETARY



Steel City Securities Limited

PROXY FORM

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

Name of the Company : Steel City Securities Limited
CIN : L67120AP1995PLC019521
Registered Office : "Steel City Heights", # 50-81-18, Main Road, Seethammapeta, Visakhapatnam, Andhra Pradesh - 530016.

Name of the Member(s)	:
Registered Address	:
E-Mail Id :	Folio No/ Client Id: DP Id:
I/We, being the member(s) of _____ Shares of the above named Company. Hereby appoint	
Name :	E-Mail Id:
Address :	
Signature, or failing him	
Name :	E-Mail Id
Address :	
Signature :	

as my/our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 29th Annual General Meeting of the company, to be held on the 27th day of September, 2023 at the Registered office of the Company situated at "**Steel City Heights**", **50-81-18, Main Road, Seethammapeta, Visakhapatnam - 530016, Andhra Pradesh** at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions:

SI No	Resolution(s)	Vote	
		For	Against
1.	Adoption of Statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the Financial year ended 31 st March, 2023		
2.	To confirm the 1 st and 2 nd Interim Dividend and to declare final Dividend for the Financial Year 2022-23		
3.	To re-appoint Sri. T. V. Srikanth, who retires by rotation		
4.	Appointment of M/s. Rao & Kumar, Chartered Accountants as Statutory Auditors of the Company & fixing the remuneration		

Signed this _____ day of _____, 2023

Signature of the Shareholder Signature of Proxyholder

Signature of the Shareholder across
Revenue Stamp

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- The Proxy need not be a member of the Company.



Route Map to the venue of the Annual General Meeting:





ATTENDANCE SLIP

(to be handed over at the entrance of the meeting hall)

Twenty Ninth (29th) Annual General Meeting on the 27th day of September, 2023 at 11.15 A.M.

Full name of the Member attending the Meeting _____ (in block letters)

Ledger Folio No./Client ID No. _____ No. of shares held: _____

Name of Proxy _____

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the Twenty Ninth Annual General Meeting of the Steel City Securities Limited at "Steel City Heights", # 50-81-18, Main Road, Seethammapeta, Visakhapatnam-530016, Andhra Pradesh, India on the 27th day of September, 2023 at 11.15 A.M.

(Member's /Proxy's Signature)

Note:

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.



Server Room



e-governance work in process

29th
Annual Report
2022-23

To

If Undelivered, Please Return to :



STEEL CITY SECURITIES LIMITED

ISO 9001 : 2015 CERTIFIED COMPANY

CIN No. : L67120AP1995PLCO19521

"Steel City Heights", 50-81-18, Main Road,
Seethammapeta, Visakhapatnam - 530016, A.P., India.

Email : scsl@steelcitynettrade.com

Website : <https://www.steelcitynettrade.com>