



STEEL CITY SECURITIES LIMITED

ISO 9001 : 2015 CERTIFIED COMPANY



26th
Annual Report
2019-20

E-GOVERNANCE

**CAPITAL
MARKET**

E-GOVERNANCE

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SECURITIES LIMITED**

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Steel City Securities Limited

STEEL CITY SECURITIES LIMITED

(CIN: L67120AP1995PLC019521)

VISAKHAPATNAM

26th ANNUAL GENERAL MEETING

to be held on
26th day of September, 2020 at 11.45 A.M.

Registered Office:

49-52-5/4, Shanthipuram, Sankaramatam Road,
Visakhapatnam - 530016

Phone : 0891-2563581, Fax: 0891-2563585

Email : investorrelations@steelcitynettrade.com, ramu.n@steelcitynettrade.com

Website : www.steelcitynettrade.com



S.No.	PARTICULARS	Page No(s)
1.	Company Information	03
2.	Message from the Chairman	05
3.	Performance at a glance	06
4.	Business Overview	07
5.	Notice	12
6.	Director's Report	24
7.	Annexures to Director's Report	
	Annexure 1 - Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures	36
	Annexure 2 - Particulars of contracts /arrangements made with related parties	38
	Annexure 3 - Report on Corporate Governance	39
	Annexure 4 - Corporate Governance Compliance Certificate	47
	Annexure 5 - Certificate on Non Disqualification of Directors	48
	Annexure 6 - Conservation of Energy, Technology Absorption and Foreign exchange earnings and outgo	49
	Annexure 7 - Annual Report on Corporate Social Responsibility	50
	Annexure 8 - Statement of Particulars of Employees	51
	Annexure 9 - Extract of Annual Return	52
	Annexure 10 - Secretarial Audit Report	59
	Annexure 11 - Management Discussion and Analysis	63
	Annexure 12 - CEO and CFO Certification	66
	Annexure 13 - Declaration for compliance with code of Conduct	66
8.	Standalone Financials	
I.	Independent Auditor's Report	67
II.	Annexure A to the Independent Auditor's Report	71
III.	Balance Sheet	75
IV.	Profit & Loss Account	76
V.	Statement of Changes in Equity	77
VI.	Cash Flow Statement	78
VII.	Overview and Notes on Financial Statements	79
9.	Consolidated Financials	
I.	Independent Auditor's Report	111
II.	Annexure A to the Independent Auditor's Report	116
III.	Consolidated Balance Sheet	118
IV.	Consolidated Profit & Loss Account	119
V.	Consolidated Statement of Changes in Equity	120
VI.	Consolidated Cash Flow Statement	121
VII.	Overview and Consolidated Notes on Financial Statement	122



Company Information

BOARD OF DIRECTORS:

1. K. Satyanarayana
Executive Chairman
2. Satish Kumar Arya
Managing Director
3. T. V. Srikanth
Director (IT)
4. G. V. Vandana
Non – Executive Director
5. G. Satya Rama Prasad
Independent Director
6. Ch. Murali Krishna
Independent Director
7. M. H. Jagannadha Rao
Independent Director
8. B. Krishna Rao
Independent Director

CHIEF FINANCIAL OFFICER

N. Ramu

COMPANY SECRETARY &

COMPLIANCE OFFICER

M. Srividya

STATUTORY AUDITORS

M/S. SARC & Associates
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

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

Members of Nomination and Remuneration Committee

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

Members of Stakeholder Relationship Committee

Sl No	Name of the Member	Designation
1	Ch. Murali Krishna	Chairman, Non- Executive Independent Director
2	Satish Kumar Arya	Member, Managing Director
3	M. H. Jagannadha Rao	Member, Non- Executive Independent Director
4	T.V. Srikanth	Member, Director (IT)

Members of Corporate Social Responsibility (CSR) Committee

Sl 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

Sl 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



Message From the Chairman

Dear Shareholders,

FY20 remained muted from the capital market performance point of view, due to global and local factors, which unfortunately then ended on a sombre note following the events relating to the COVID-19 pandemic outbreak. In spite of that our Company made significant progress in expanding our network via e-governance to 10000+ centers as of today.

Dealing with COVID-19 also tested the resilience of our business model and our capabilities. Even during lock down period our business operations are keep rolling and no compromise in quality of services being rendered to our customers. Our management team has managed quite well the challenging times and made necessary arrangements for business continuity. We saw record online market participation during the most volatile period. A special word of thanks, to our staff and employees, who have admirably and calmly risen to the challenge thrown up by COVID-19.

This was also a year where the retail participation in equity markets saw an unprecedented increase. The total number of new demat accounts opened in the country and the total number of clients transacting on NSE (NSE-active) saw an increase of 25% and 23% respectively compared to decline of 2% and growth of 6% in the last fiscal respectively. This trend will definitely be beneficial to our Company with its trusted brand.

On the brighter side, one of the significant initiatives is the launch of completely digital on-boarding process (Quick KYC) whereby clients can open SCSL Demat & Trading accounts instantly. We have witnessed significant growth of business transactions through our Mobile app (Steel City SMART) during past quarter and we strongly believe this will grow further. We have launched new partnerships with Future Generali and ICICI prudential to offer General and Life insurance policies to our customer base and we have also partnered with HDFC, one of the leading credit card issuer in India, to provide credit cards to our customers. We have plans to broaden and deepen geographical presence and expand distribution networks in the Northern and Western market of India and plan to set up over 12,000+ E-governance centers by FY21.

On-going construction of our corporate office building is in full-swing without any delay despite COVID19 pandemic. All permissions and approvals are endorsed by the local authorities to enable us to avoid any unwanted delay. The entire project is on actual time-lines and our management is very pragmatic in dealing with unexpected situations.

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 stone untouched, which will help in improving the growth of our organization. We are totally committed to put our hard and dedicated efforts to maximize the wealth of our stakeholders.

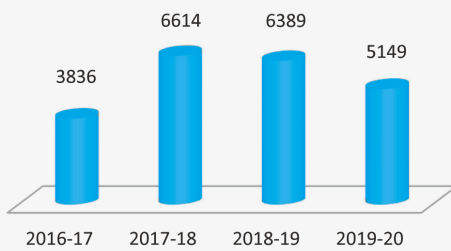
Yours Faithfully,

K. Satyanarayana
Executive Chairman

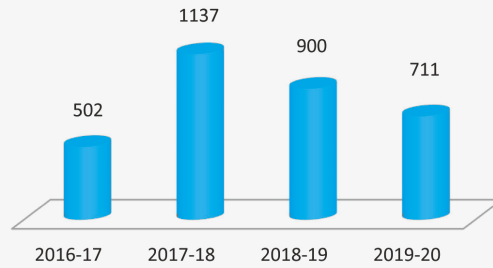


PERFORMANCE AT A GLANCE

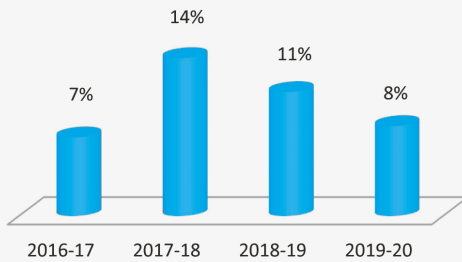
Revenues (lakhs)



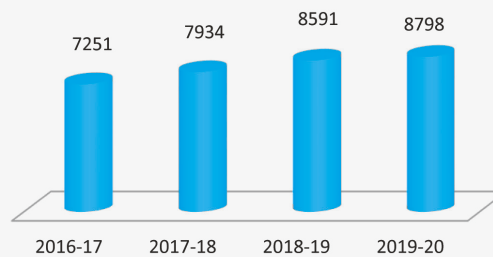
Profit after Tax (lakhs)



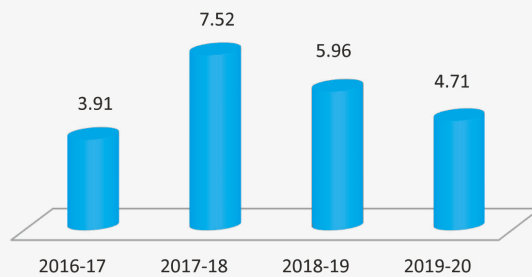
Return on Equity



Net worth (lakhs)



Earning Per Share



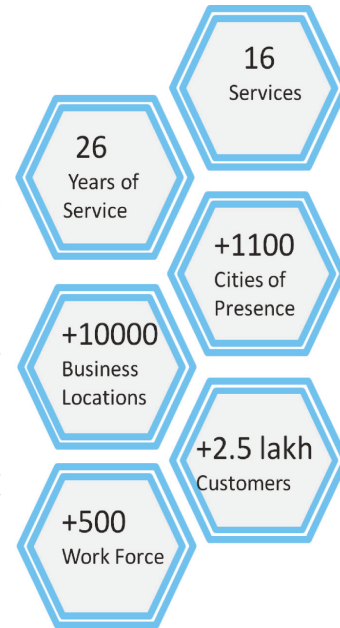


Business Overview

About Us

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 and offices. 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 9001:2015 certification

The company is having business operations in 34 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 of the company are enumerated as below

Capital Market Services

- Online capital market trading
- Online Currency Trading and Mutual Funds
- Investment Advisory on Mutual Funds, Bonds, FDR's

Commodity Broking

- Commodity market trading
- IRDA registered life and non-life Insurance distributor
- Partnered with HDFC to issue Credit Cards



E-Governance

- TIN facilitation center (FC) and PAN Centre
- POP for NPS
- NSDL-licensed National Insurance Repository (NIR)
- NSDL-licensed ASP (Application Service Provider) for Digital Signatures
- GST* Suvidha Kendra

NBFC

- Project financing
- Investments



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 which provides online trading platform to the clients supported by investment advice and equity research. 'Steel City' is a Depository Participant of NSDL & CDSL since 2002.

Commodity Broking/Insurance/Credit cards

'Steel City' provides Commodities trading to its clients through its trading platform on NCDEX & MCX. 'Steel City' through its wholly owned subsidiary i.e., Steel City Commodities Private Limited also provides distribution of life and non-life insurance products of all the leading insurance Companies.

Steel City Commodities Private Limited holds approval from IRDA to conduct the said insurance business it is authorized distributor of insurance policies of ICICI prudential, SBI life, Religare Health, Future Generali and United India Insurance Company Limited

It also partnered with HDFC bank one of the leading credit card issuer PAN India to issue credit cards.

NBFC

'Steel City' through its Associate viz; Steel City Financial Services Private Limited (a systematically important non deposit accepting Non Banking Finance Company) provide NBFC services to its clients.

E-Governance

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

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

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

'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 Government of India.

With implementation of GST the service providers in e-governance business would stand to immensely benefit. All centers of Steel City also service customers for GST



Our Presence

Branch Offices



9 regional offices
+72 owned branches
+1600 trading terminal licences

E-Governance



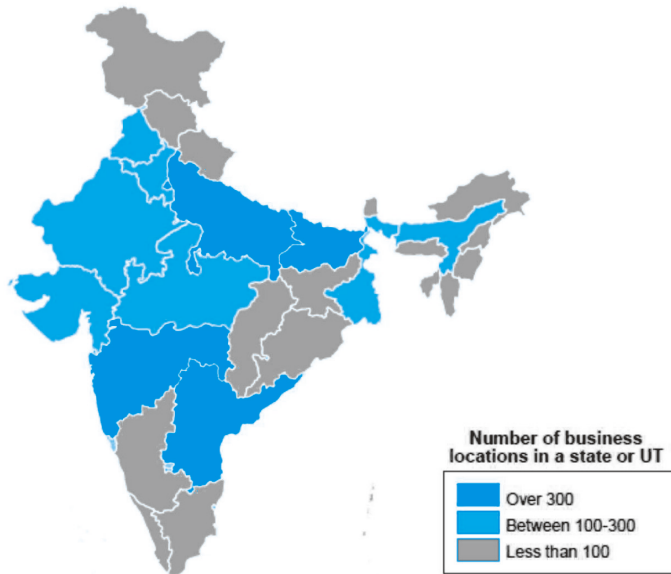
34 states and union territories with e-governance presence

Operating companies



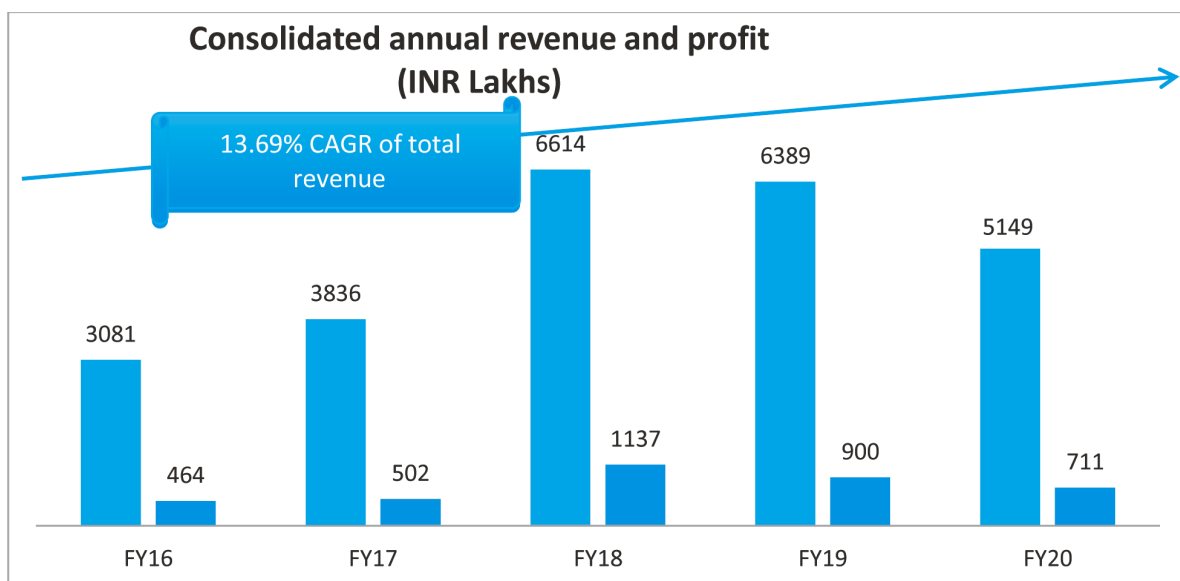
Steel City Commodities (P) Ltd
(Subsidiary of Steel City Securities)
Steel City Financial Services (P) Ltd
(Part of Group company)

Geographical presence of TIN centers



Financial Highlights

FY20 witnessed a year-on-year growth of 6% in e-governance centers. During FY20 the revenue stood at Rs5149 lacks while net profit after tax stood at Rs 711 lacks.. Continuing the tradition of shareholder's wealth maximization, the company paid a dividend (10% in FY20).





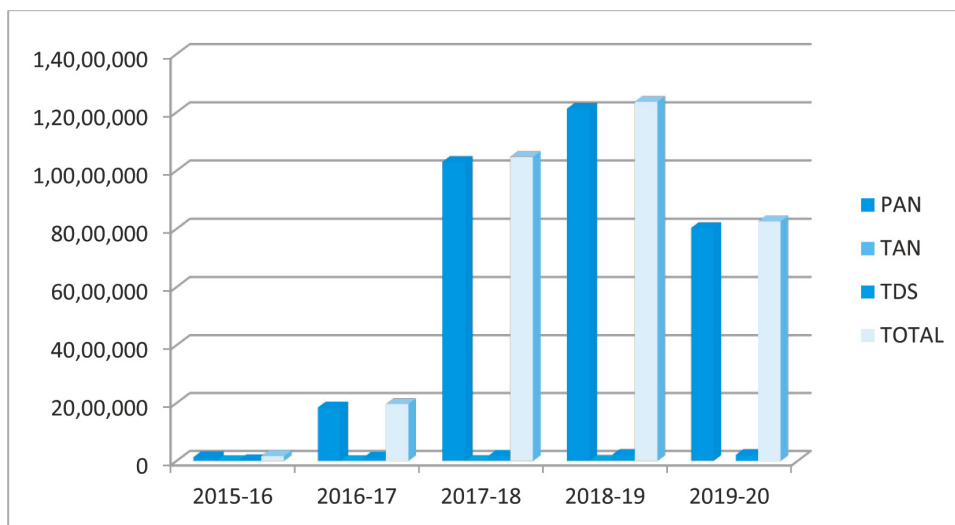
TIN-FC YEARLY PERFORMANCE (Statistical data)

(Number)

Period	PAN	TAN	TDS	TOTAL
2015-16	1,33,684	1,116	33,371	1,68,171
2016-17	18,50,420	3,842	1,15,383	19,69,645
2017-18	1,03,05,511	6,948	1,62,220	1,04,74,679
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
Total	3,24,57,753	33,539	7,43,566	3,32,34,858

(Numbers till 31st March 2020)

TIN-FC YEARLY PERFORMANCE (Graph)



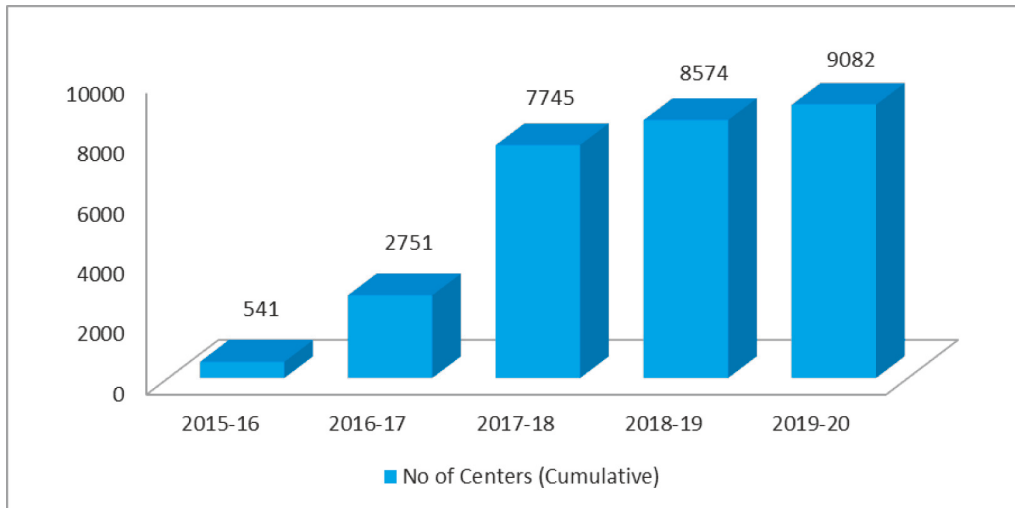
TIN-FC BRANCH EXPANSION NETWORK (Statistical Data)

Period	No of Centers (Cumulative)
2015-16	541
2016-17	2751
2017-18	7745
2018-19	8574
2019-20	9082

(Numbers till 31st March, 2020)



TIN-FC BRANCH EXPANSION NETWORK (GRAPH)



Infrastructure

Company has its registered office at Visakhapatnam covering an area of about 14000 sq.ft. We have started building the corporate office at Visakhapatnam which will be expected to complete by 2021. We also have 3 owned offices covering an area of about 4500 sq.ft. located at Secunderabad, Tirupathi and Ongole. Besides this 67 other branch offices are operated through leased premises measuring 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 strive 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 segments like Capital market, Futures & Options & Commodity and Currency Trading.

It has in-house developed software 'steel pack' for complete back office centralized operations. The online back office set up is available 24/7 basis providing an instant access to the required information.

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. We also maintain disaster recovery site for back up services. This enables it to satisfy business needs as well to maintain seamless service to our customers.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Twenty Sixth Annual General Meeting** of the Members of Steel City Securities Limited will be held on Saturday, the 26th day of September, 2020 at 11.45 A.M through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following businesses. The venue of the meeting shall deemed to be the Registered Office of the Company at 49-52-5/4, Shanthipuram, Visakhapatnam -530016.

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements (both Standalone & Consolidated Financial Statements) consisting of Profit & Loss Account and Cash Flow Statement for the Financial Year ended 31st March, 2020 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 2020, consisting of Balance Sheet as at 31st March, 2020, Statement of Profit and Loss Account and Cash flow Statement for the year ended 31st March, 2020 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 Interim Dividend on Equity Shares and to confirm the 2nd Interim Dividend as Final Dividend for the Financial Year 2019-20.

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

“**RESOLVED THAT** First Interim Dividend @ 10% i.e., Rs. 1 /- (Rupee One Only) per Equity Share fully paid up and Second Interim Dividend @ 5% i.e., Rs. 0.50/- (Half Rupee Only) per Equity Share fully paid-up, approved by the Board of Directors and already paid, be and is hereby confirmed as final dividend for the Financial Year 2019-20.”

3. To re-appoint Smt. G.V. Vandana (DIN: 07548398) as Director of the Company whose office is liable to retire by rotation and being eligible, offers herself 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 Smt. G. V. Vandana (DIN: 07548398), 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. **RATIFICATION OF APPOINTMENT OF AUDITORS:**

To ratify the appointment of M/s. SARC & Associates, Chartered Accountants, Visakhapatnam (FRN: 006085N) as Statutory Auditors of the Company for the Financial year 2020-21.

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

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. SARC & Associates, Chartered Accountants, Visakhapatnam (FRN: 006085N) be and is hereby ratified for the Financial Year 2020-21, at a remuneration of Rs. 2,00,000 and out of pocket expenses as mutually agreed between the Board and the Auditors.”

SPECIAL BUSINESS:

5. **RE APPOINTMENT OF SRI. SATISH KUMAR ARYA (DIN: 00046156) AS MANAGING DIRECTOR OF THE COMPANY:**

To consider and if thought fit to pass with or without modifications the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196,197,203 and all other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the said Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or any re-enactment(s) thereof for the time being in force (the “Act”) and Article No.181 of the Articles of Association of the Company, the consent of the members be and is hereby accorded for the re appointment of Sri. Satish Kumar Arya (DIN: 00046156) as Managing Director of the Company for a period of 3 years w.e.f. 24th November, 2020 at a remuneration of Rs.30,00,000/- per annum (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) excluding other benefits, allowances , perquisites as set out in the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, proper and expedient for giving effect to this Resolution.”

Regd. Office:

49-52-5/4

Shantipuram

Visakhapatnam – 530 016

Andhra Pradesh

Place: Visakhapatnam

Date: 14.08.2020

**By Order of the Board of Directors
FOR STEEL CITY SECURITIES LIMITED**

**(K. SATYANARAYANA)
EXECUTIVE CHAIRMAN
(DIN: 00045387)**



NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its circular dated May 05, 2020 read with circulars dated April 08, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide circular dated May 12, 2020 (“SEBI Circular”) permitted the holding of the Annual General Meeting (“the AGM”) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members (also referred as “Shareholders”) at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), MCA Circulars and SEBI Circular (amended from time to time), the AGM of the Company is being held through VC / OAVM and Members can attend and participate in the ensuing AGM through VC / OAVM.

For this purpose, necessary arrangements have been made by the Company with National Securities Depositories Limited (NSDL) and instructions for the process to be followed for attending and participating in the ensuing AGM through VC / OAVM is forming part of this Notice.

2. The Statement as required under Section 102 of the Act relating to the Special Businesses to be transacted at the AGM is annexed hereto.
3. 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, 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 NSDL 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.

4. 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. However, pursuant to MCA Circulars and SEBI Circular, since the AGM will be held through VC / OAVM, the physical attendance of Members in any case has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form is not annexed to this Notice.
5. Pursuant to Section 113 of the Act, representatives of Corporate Members may be appointed for the purpose of voting through Remote e-voting or for participation and voting in the AGM to be conducted through VC / OAVM. Corporate Members intending to attend the



- AGM through their authorised representatives are requested to send a Certified True Copy of the Board Resolution and Power of Attorney, (PDF / JPG Format), authorizing its representative to attend and vote on their behalf at the AGM. The said Resolution / Authorisation shall be sent to the Company by e-mail through its registered e-mail address at investorrelations@steelcitynettrade.com
6. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report for FY 2019-20 is being sent only through electronic mode to those Members whose name appear in the Register of Members / Beneficial Owners maintained by the Depositories as on benpos date i.e., 21.08.2020 and whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report for FY 2019-20 will also be available on website of the Company, i.e., www.steelcitynettrade.com, website of the Stock Exchanges i.e., National Stock Exchange of India Limited at www.nseindia.com .
 7. Process for registration of e-mail ID for obtaining Annual Report in electronic mode and User ID / password for E-voting is annexed to this Notice.
 8. The Relevant documents referred to in the accompanying Notice and the Explanatory Statement, Registers and all other documents will be available for inspection in electronic mode. Members can inspect the same up to the date of AGM, by sending an e-mail to the Company at investorrelations@steelcitynettrade.com
 9. The Company has appointed Sri. K. Surendra, ASN Associates, Practicing Company Secretary as the Scrutinizer for scrutinizing the Remote e-voting and E-voting process to ensure that the process is carried out in a fair and transparent manner.
 10. The Member whose name appears on the Register of Members / Beneficial Owners maintained by the Depositories as on the cut off date i.e., 19.09.2020 will only be considered for the purpose of Remote e-voting and E-voting.
 11. Voting rights shall be reckoned on the paid-up value of shares registered in the name of Members / Beneficial Owners maintained by the Depositories as on the cut-off date i.e., 19.09.2020.
 12. 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.
 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 who are holding shares in physical form or who have not registered their email



address with the Company / Depository or any person who acquires shares of the Company and becomes a Member of the Company after the Notice has been sent electronically by the Company, and holds shares as of the cut-off date, i.e., 19.09.2020, may obtain the User ID and password by sending a request at investorrelations@steelcitynettrade.com or evoting@nsdl.co.in. However, if a Member is already registered with NSDL for Remote e-voting and E-voting then existing User ID and password can be used for casting vote.

15. A person who is not a Member as on the cut-off date i.e., 19.09.2020 should treat this Notice for information purpose only.
16. 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.

17. 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.

18. **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.

19. 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.

20. Additional Information of Directors seeking appointment / re-appointment at the ensuing AGM, as required under Regulation 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard-2 on General Meetings ("SS-2"), is annexed to the Notice.
21. All grievances connected with the facility for voting by electronic means may be addressed to investorrelations@steelcitynettrade.com
22. Since the AGM will be held through VC / OAVM, the Route Map and Attendance Slip are not annexed to this Notice.

Voting Results:

1. The Scrutinizer shall, after the conclusion of the AGM, electronically submit the Consolidated Scrutinizer's Report (i.e., votes cast through Remote e-voting and E-voting during AGM) of the total votes cast in favour or against the resolution and invalid votes, to the Chairman of the AGM or to any other person authorised by the Chairman of the Company.
2. Based on the Scrutinizer's Report, the Company will submit within 48 hours of the conclusion of the AGM to the Stock Exchanges, details of the voting results as required under Regulation 44(3) of the Listing Regulations.
3. The result declared along with Scrutinizer's Report will be placed on the website of the Company at www.steelcitynettrade.com and on the website of NSDL at www.nsdl.co.in

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

The remote e-voting period begins on Wednesday, the 23rd day of September, 2020 at 9:00 A.M. and ends on Friday, the 25th day of September, 2020 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.



Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.



- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/ folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 8. Now, you will have to click on “Login” button.
 9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- 1 Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who



- are authorized to vote, to the Scrutinizer by e-mail to asn@asnassociates.com with a copy marked to evoting@nsdl.co.in; investorrelations@steelcitynettrade.com
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investorrelations@steelcitynettrade.com

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investorrelations@steelcitynettrade.com

Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.



INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at investorrelations@steelcitynettrade.com
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at investorrelations@steelcitynettrade.com. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

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:

Name of the Director	G.V. Vandana
DIN	07548398
Date of first appointment	30.07.2016
Date of Birth	10.10.1978
Qualification	M. Com, MBA
Nature of expertise in specific	3 years in Capital Market
Directorship in the Boards of other Indian listed entities	Nil
Membership/ Chairmanship in Committees of other Indian listed entities	NIL



ANNEXURE TO THE NOTICE

The Statement under Section 102 of the Companies Act, 2013 (“the Act”)

ITEM NO. 5:

Pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board and subject to the approval of the Shareholders at the ensuing Annual General Meeting, your Directors recommend the re appointment of Sri. Satish Kumar Arya (DIN: 00046156) as Managing Director of the Company for a further period of 5Years w.e.f. 24th November, 2020.

He is having vast experience in the business of Financial services and is having an experience of more than two and a half decades in the capital market business. He is very efficient in general management, administration and maintaining relationship with employees, clients and other persons dealing with the Company and also overall operations. Sri. Satish Kumar Arya has been devoting his entire time to motivate the employees of the Company to achieve the plans conceived. His performance with great diligence in day to day operations will certainly forge the Company ahead. Further, he has been dealing with the all Regulating Authorities including Stock Exchanges, Commodity Exchanges, Depositories etc, relating to the affairs of the Company including the affairs of the Steel City Commodities Private Limited, which is the Wholly Owned Subsidiary Company of Steel City Securities Limited. He is the member of the Executive Committee of the Association of National Exchanges Members of India (ANMI), Andhra Chapter and National Executive Committee member of Commodity Participants Association of India (CPAI). He had been a member of various committees formed by NSE, BSE, MSEI and MCX. He had been on the Board of the Vizagapatam Chamber of Commerce and Industry. Under his leadership Company has grown manifold. In view of the above facts, and considering the vast and rich experience and his valuable contributions towards the growth of the Company, the Nomination and Remuneration Committee of the Company recommended to the Board his re appointment and payment of remuneration mentioned in notice supra.

The Profile of Sri Satish Kumar Arya:

Sl.No	Particulars	Details
1.	Director Identification Number (DIN)	00046156
2.	Full Name	Satish Kumar Arya
3.	Father’s Name	Ramanand
4.	Address	50-49-16/6, Flat No.401, Navya Soudha TPT Colony, Seethammadhara Visakhapatnam-530013 AP
5.	Email	arya.sk@steelcitynettrade.com
6.	Mobile Number	9848111488
7.	Income Tax PAN	ADPPA5763Q
8.	Occupation	BUSINESS
9.	Date of Birth	25/02/1960
10.	Nationality	INDIAN



11.	No. of companies in which as a Managing Director, Chief Executive Officer, Whole Time Director, Secretary, Chief Financial Officer, Manager.	Managing Director of Steel City Securities Limited only.
12.	Professional Experience	He is having vast experience in the business of Financial services and is having an experience of more than two and a half decades in the capital market business and also served Indian Navy for 15 years and is associated with the Company since 1996. He co-ordinates with all the Regulatory Authorities including SEBI, Stock Exchanges, Commodities Exchanges, Depositories etc, relating to the affairs of the Company and takes care of the day to day operations of the Company.

In accordance with the provisions of the Companies Act, 2013 read with Schedule V to the Act, the appointment and remuneration is to be approved by members in General Meeting.

Your Directors therefore, recommend for your approval the above proposed resolution in the best interest of the Company.

Except Sri. Satish Kumar Arya, being appointee, none of the Directors and KMP are concerned or interested in the aforesaid resolution.

Regd. Office:

49-52-5/4

Shantipuram

Visakhapatnam – 530 016

Andhra Pradesh

Place: Visakhapatnam

Date: 14.08.2020

**By Order of the Board of Directors
FOR STEEL CITY SECURITIES LIMITED**

**(K. SATYANARAYANA)
EXECUTIVE CHAIRMAN
(DIN: 00045387)**



DIRECTORS' REPORT

To,

The Members,

STEEL CITY SECURITIES LIMITED

49-52-5/4, Shanthipuram,
Visakhapatnam – 530016
Andhra Pradesh, India.

Your Directors have pleasure in presenting the Twenty-Sixth Annual Report on the business and operations of the Company along with the Audited Financial Statements for the Financial Year ended 31st March, 2020 and the Report of the Auditors thereon.

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

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Gross Income	4997.94	6148.55	5149.26	6388.71
Expenditure	3843.85	4682.95	4006.39	4892.36
Profit/ loss before Depreciation, Finance Costs, Exceptional Items & Taxation	1154.10	1419.11	1142.87	1496.35
Less: Depreciation	85.28	92.71	88.35	95.78
Profit/ loss after Depreciation and before Finance Costs, Exceptional Items & Taxation	1148.82	1326.40	1054.52	1400.57
Less: Finance Costs	47.91	31.05	51.80	34.28
Profit/ loss before Exceptional Items & Taxation	1020.90	1295.35	1002.72	1366.29
Add/ (Less): Exceptional Items	0.00	0.00	0.00	0.00
Profit/ loss before taxation	1020.90	1295.35	1002.72	1366.29
Less: Provision for Taxation				
For earlier years	4.11	52.72	5.43	52.23
For current year	267.04	386.54	270.78	402.72
Deferred Tax Liability	(9.44)	(10.84)	(18.80)	(8.74)
Provision for FBT	0.00	0.00	0.00	0.00
Net Profit after Taxation	759.19	866.93	745.29	920.08
Add: Share of Profit in Associate	-	-	(33.86)	(35.63)
Profit after Tax and Share of Profit in Associate	759.19	866.93	711.44	884.45
Less: Minority Interest	-	-	-	-



Particulars	Standalone		Consolidated	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Profit for the Year	759.19	866.93	711.44	884.45
Add: Balance brought forward from earlier year	4398.78	3458.85	4809.57	4488.56
Balance available for appropriations	4173.04	4325.78	5521.01	5373.01
Less: Amount transferred to Reserves	86.69	86.69	71.14	87.61
Less: Interim Dividend and Dividend Tax	273.19	364.24	273.19	364.24
Less: Proposed Dividend and Dividend Tax	0.00	87.51	0.00	111.58
Balance carried forward to P & L A/c	3950.36	3634.59	5224.65	4809.57

2. AMOUNT TRANSFERRED TO RESERVES:

The Board of Directors proposes to transfer an amount of Rs. 75.91 Lakhs to General Reserve for the Financial Year 2019-20.

3. DIVIDEND:

The Board of Directors of the Company at their meeting held on the 7th day of October, 2019 has declared 1st Interim Dividend @ 10% for every Equity Share of Rs. 10/- each and has declared 2nd Interim Dividend @5% for every Equity Share of Rs.10/- each at their meeting held on 28th day of February, 2020 after considering the Provisional Financials of the Company. On the whole the Company has declared a dividend of Rs. 1.50/- i.e, @15% for every Equity Share of Rs.10/- each for the Financial Year 2019-20.

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

Standalone:

During the year under review, the Company has recorded an Income of Rs.4997.94 Lakhs as compared to the previous year amount of Rs.6148.55 Lakhs. The Expenditure incurred before depreciation during the year was Rs.3891.76 Lakhs as against the amount of Rs.4714.01 Lakhs during the previous year. The depreciation and provision for taxes provided during the year were respectively Rs.85.28 Lakhs and Rs.261.70 Lakhs as compared to the depreciation and provision for taxes provided for the previous year were Rs.92.71 Lakhs and Rs.448.45 Lakhs respectively. Hence, the Company has earned a Net Profit of Rs.759.19 Lakhs as compared to the previous year amount of Rs.893.39 Lakhs. The decrease in Net Profit during the year was due to market fluctuations. The Board has taken all necessary steps to expand its activities by establishing new Branches / Centers in the 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 2019-20. The Company also proposes to get itself registered as a Mutual Fund Intermediary. Hence, the Company expects bright future in the years to come.



Consolidated :

During the year under review, the Company has recorded an Income of Rs.5149.26 Lakhs as compared to the previous year amount of Rs.6388.71 Lakhs. The Expenditure incurred before depreciation during the year was Rs.4058.20 Lakhs as against the amount of Rs.4926.64 Lakhs during the previous year. The depreciation and provision for taxes provided during the year were respectively Rs.88.35 Lakhs and Rs.257.41 Lakhs as compared to the depreciation and provision for taxes provided for the previous year were Rs.95.77 Lakhs and Rs.446.21 Lakhs respectively. Hence, the Company has earned a Net Profit of Rs.711.44 Lakhs as compared to the previous year amount of Rs.884.45 Lakhs.

i. IMPACT OF COVID –19 ON THE BUSINESS OF THE COMPANY:

We are in the clutch of the COVID-19 Pandemic and optimistically moving forward to ensure the business continuity. Due to this outbreak of Corona virus the global economy is in big chaos with indefinite time for recovery. All European and Asian markets are become fear-filled and no concrete direction to rebuild the economy in upcoming years.

Your Company has carried out its initial assessment of the likely adverse impact on economic environment and financial risk because of Covid-19. The Company is in the business of Stock Broking, DP Operations and E-Governance activities. The management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Company, in the long- term. The Company estimates to recover the carrying amount of/all its assets including receivables and loans in the ordinary course of business based on information available on current economic conditions. The Company is continuously monitoring any material change in future economic conditions.

ii. CHANGE IN THE NATURE OF BUSINESS:

There is no change in the nature of Business of the Company during the Financial Year 2019-20.

iii. CHANGE IN ACCOUNTING POLICIES:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The Company has adopted Ind AS from April 1, 2019 with effective transition date as April 1, 2018. The financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act"). The transition was carried out from Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("IGAAP" or "previous GAAP"). An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No.,35&36 of the Financial Statements.

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

During the year under review, Your Company Migrated to the Main Board of National Stock Exchange of India Limited(NSE) . For the purpose of convenience of operations, your Company has obtained the Memberships in the Commodity Exchanges i.e, Multi Commodity Exchange of India Limited and National Commodity Exchange of India Limited and surrendered the Memberships in the name of M/s. Steel City Commodities Private Limited.

v. MILESTONES ACHIEVED:

You're Directors are glad to inform that your Company is now migrated to the Main Board of National Stock Exchange of India on June 27th, 2019. The Company has obtained new memberships



in the Commodity Exchanges i.e., Multi Commodity Exchange of India and National Commodity Exchange of India Limited. The Company has also initiated the process of building its own building at the Company owned site situated on the main road of Seethammampeta, Visakhapatnam. Your Company is having its footprint in 34 States and Union Territories across India and is operating through more than 70 owned branches, 10000+ Franchises and is having more than 5000 Authorised Persons working under the Company.

vi. DEPOSITORY SYSTEM:

The Equity Shares of the Company are compulsorily tradable in electronic form. As on March 31, 2020, out of the Company's total paid-up Equity Share Capital comprising of 1,51,07,095 Equity Shares, only 1,36,800 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 2020:

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

The Government, the Regulators and the financial institutions have an important role to play in building a strong and robust capital market. The growth trajectory of a country's capital markets is significantly influenced by the actions of these stakeholders. Concerted efforts of the Government and the Regulators supported by a longterm vision and clarity in action can significantly help in fostering a climate that is conducive to growth and investments.

The COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the global economy is projected to contract sharply by -3 percent in 2020, much worse than during the 2008-09 financial crisis. The IMF on June 24 projected a sharp contraction of 4.5% for the Indian economy in 2020, a "historic low," citing the unprecedented coronavirus pandemic that has nearly stalled all economic activities, but said the country is expected to bounce back in 2021 with a robust 6% growth rate.

5. CAPITAL AND DEBT STRUCTURE:

a. AUTHORISED SHARE CAPITAL:

The present Authorised Share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only).

b. ISSUED AND PAID - UP SHARE CAPITAL OF EQUITY SHARES:

The present Issued and Paid-up Share Capital of the Company is Rs. 15,10,70,950/- (Fifteen Crores Ten Lakhs Seventy Thousand Nine Hundred and Fifty Only).

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:

The Company has not transferred any amounts to Investor Education and Protection Fund (IEPF).

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, Your Company has transferred 62500 Equity Shares of the Company to Investor Education and Protection Fund during the Financial year 2017-18 and there is no requirement of further transfer of Shares to IEPF during the Current Financial Year 2019-20.

8. MANAGEMENT:

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

Pursuant to the provisions of Section 196,197 and 203 of the Companies Act, 2013, the Company has re-appointed Mr. K. Satyanarayana, as Executive Chairman of the Company for a period of Three (3) Years w.e.f. 4th April, 2020 upon attaining the age of 70 Years by passing Resolution through Postal Ballot dated 19th February, 2020 during the F. Y. 2019-20. The Company has also re – appointed Mr. G. Satya Rama Prasad and Mr. Ch. Murali Krishna, Independent Directors for a Second consecutive term of Five Years w.e.f 01.04.2020 by passing Resolution through Postal Ballot dated 19th February, 2020.

(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 Murali Krishna Cherukuri, Sri. M. H. Jagannadha Rao and Sri. B. Krishna Rao continue as Independent Directors of the Company. Sri Godithi Satya Rama Prasad and Sri. Murali Krishna Cherukuri were re-appointed as Independent Directors for a Second consecutive term of Five (5) years by passing a resolution through Postal Ballot dated 19th February, 2020.

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 Smt. G. V. Vandana, Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offered herself for re-appointment.



The Board confirms that none of the Directors of the Company is 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; Sri. T. V. Srikanth, Whole – Time Director; 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 MD/ WTD FROM SUBSIDIARY COMPANY:

None of the Whole Time Director's or Managing Director of the Company does not draw any remuneration from the Subsidiary Company.

11. DIRECTORS' RESPONSIBILITY STATEMENT:

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 2020, 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 Commodity Broking.



During the year under review, for the purpose of convenience of operations, Steel City Commodities Private Limited has surrendered its Membership of Multi Commodity Exchange of India Ltd (MCX), National Commodity & Derivatives Exchange Limited (NCDEX) and Indian Commodity Exchange Limited (ICEX) and have obtained the Membership in the name of the Holding Company i.e., M/s. Steel City Securities Limited and the process of surrender of Membership in the name of M/s. Steel City Commodities Private Limited is still in process. During the Financial Year 2019-20, the Subsidiary has incurred a Loss of Rs. 13.90 Lakhs as against the Net of Rs. 26.69 Lakhs for the Financial Year 2018-19.

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 Personal Loans etc., to its clients. During the Financial Year 2019-20, the Associate Company has earned a Net Loss of Rs. 77.41 Lakhs as against the Net Loss of Rs. 139.70 Lakhs for the Financial Year 2018-19.

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, 2020, the Company has not received any complaint pertaining to sexual harassment.

14. ISO CERTIFICATION:

The Company continues to hold ISO 9001 : 2015 Certification with the scope of "Service Provision for Stock/ Securities Market Operations, Depository Participant Services, Other Allied and Customer Support Services" from TUV India Pvt. Ltd. The Company has been complying with the concerned procedure in this regard.

15. NUMBER OF MEETINGS OF THE BOARD:

During the F.Y. 2019-20 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 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. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

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 1st September, 2018, M/s. SARC & Associates, Chartered Accountants, Visakhapatnam (FRN: 006085N) were appointed as Statutory Auditors of the Company and shall hold office for a period of 4 years from the Financial Year 2018-19 till the conclusion of the Annual General Meeting to be held in the calendar year 2022. Since the appointment of the Statutory Auditors is to be ratified at every Annual General Meeting of the Company, the Board recommend the ratification of appointment of M/s. SARC & Associates, Chartered Accountants, Visakhapatnam (FRN: 006085N) as Statutory Auditors of the Company.

(b) **Internal Auditors:**

M/s. Rao & Manoj Associates, Chartered Accountants, Visakhapatnam were appointed as the Internal Auditors of the Company for the Financial Year 2019-20, 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 in the next Board meeting as Internal Auditors for the Financial Year 2020-21 also. These Auditors Report directly to the Chairman of the Board of Directors.

Sri. Y.S.N. Murthy, Chartered Accountant, Visakhapatnam were appointed as Internal Auditors of the Company for the Financial Year 2019-20, who are acting independently and also responsible for regulatory and legal requirements relating to D.P Operations and the Internal Audit relating to 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 them in the next Board meeting as Internal Auditors for the Financial Year 2020-21 also. These Auditors Report directly to the Chairman of the Board of Directors.

M/s. T.R. Chadha & Co, Chartered Accountants, Hyderabad were appointed as Internal Auditors as per the Circular issued by Securities Exchange Board of India for the Financial Year 2019-20. As the Board is satisfied with the performance of these Auditors the Board Proposes to Appoint them in the next Board meeting as Internal Auditors for the Financial Year 2020-21 also.

M/s. RK Sangu & Associates, Chartered Accountants, Visakhapatnam were appointed as GST Auditors of the Company for the Financial Year 2019-20 to conduct GST Audit of the Company. As the Board is satisfied with the performance of these Auditors the Board proposes to appoint them in the next Board meeting as Internal Auditors for the Financial Year 2020-21 also.

(c) **Systems Auditors:**

M/s. Kochar & Associates, Chartered Accountants, Mumbai were appointed as the Systems Auditors of the company and also as per the NSE, BSE and MCX-SX Exchanges notified Rules & Regulation from time to time for the Year 2019-20. As the Board is satisfied with the performance of these Auditors the Board Proposes to appoint them in the next Board meeting as Internal Auditors for the Financial Year 2020-21 also.

(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 2019-20. The Secretarial Audit Report for the Financial Year 2019-20 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 in the next Board meeting as Secretarial Auditors for the Financial Year 2020-21 also.

19. AUDITORS' REPORT:

The Notes on Financial Statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remarks.

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:

The Board hereby declares that the Company hereby follows all the procedures which are in compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India.

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. 23,71,992.45, 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, 2020, 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. EXTRACT OF ANNUAL RETURN:

In accordance with Section 134(3)(a) of the Companies Act, 2013, an Extract of the Annual Return as per Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 in the prescribed Format MGT-9 is annexed to this report as Annexure - 8 and is also available on the website of our Company 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.

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 given as your Company has not paid any remuneration attracting these provisions.



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 FOR DIRECTORS AND EMPLOYEES:

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013. Employees can 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. Any incidents that are reported are investigated and suitable action taken in line with the Whistle Blower Policy. 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.

34. BOARD EVALUATION:

The Board of Directors has carried out an Annual Evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Act.

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 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.



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 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: 29.06.2020

(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

(Amount in Rs.)

Sl.No.	Particulars	Steel City Commodities Private Limited
1.	CIN of the Subsidiary	U51399AP2002PTC039727
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2019 to 31.03.2020
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rupee (INR)
4.	Share capital	Rs. 1,00,00,000
5.	Reserves & surplus	Rs.12,75,78,823.19
6.	Total assets	Rs.11,87,17,374.75
7.	Total Liabilities	Rs.1,20,29,186.58
8.	Investments (Non- current)	Rs. 3,08,90,635.00
9.	Turnover	Rs.1,51,30,965.40
10.	Profit before taxation	(Rs.18,19,559.03)
11.	Provision for taxation	(Rs.4,29,735.23)
12.	Profit/Loss after taxation	(Rs.13,89,823.80)
13.	Proposed Dividend	Rs.0.00
14.	% of shareholding	100%



Part "B": Associates

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

S.No.	Name of associates/Joint Ventures	Steel City Financial Services Private Limited
		Associate Company
1.	Latest audited Balance Sheet Date	31.03.2020
2.	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. 96,00,000/-
	Extent of Holding%	21.87%
3.	Description of how there is significant influence	Holding 43.74% of equity share stake along with its subsidiary
4.	Reason why the associate/joint venture is not consolidated	NA
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	Total Networth of the Associate Company is Rs. 5,61,54,248.64
6.	Profit/Loss for the year	
	i. Considered in Consolidation	(Rs. 33,85,756.49)
	ii. Not Considered in Consolidation	NA

In terms of our report attached

For SARC Associates

Chartered Accountants

FRN:006085N

Chandra Sekhar Akula

Partner

Mem No: 206704

Place : Visakhapatnam

Date : 29.06.2020

For Steel City Securities Limited

K. Satyanarayana
Executive Chairman

Satish Kumar Arya
Managing Director

G.S.R.Prasad
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 arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions at Arm's length basis.

Name of the Related Party	Nature of Relationship	Duration of Contracts	Salient Terms	Amount (Rs. in Lakhs)
The Company has not entered into any contracts / agreements with related parties				

In terms of our report attached

For SARC Associates

Chartered Accountants
FRN:006085N

Chandra Sekhar Akula

Partner
Mem No: 206704

Place : Visakhapatnam
Date : 29.06.2020

For Steel City Securities Limited

K. Satyanarayana
Executive Chairman

Satish Kumar Arya
Managing Director

G.S.R.Prasad
Director

N.Ramu
Chief Financial Officer

M. Srividya
Company Secretary



ANNEXURE - 3 REPORT ON CORPORATE GOVERNANCE

Introduction

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. In 1998, the Company has achieved phenomenal growth in all aspects. 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 (P) Ltd. has become the Subsidiary of Parent Company and consequently became the Wholly Owned Subsidiary of M/s. Steel City Securities Limited. 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, ICEX, NCDEX and MCX for Stock, Derivative, Commodity and Currency segments. Our offices established at Remote Locations 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 through 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 10000 Franchisees across India with 1600+ Terminal Licenses being connected to the Central Location. We are proud to inform that we are having more than 2lakh 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**

The Steel City Group activities are carried out in accordance with Good Corporate Practices and the Company is constantly striving to better them by adopting the best practices.

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 behavior 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.

2. **BOARD OF DIRECTORS:**

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. As on March 31, 2020, the Board consists of Eight Directors comprising of Three Executive Directors, one Non Executive Woman Director and Four Independent Directors. As the Company has an Executive Chairman, 50% (Fifty Percent) of the total number of Directors are Independent. 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.

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.

a. MEETINGS OF THE BOARD OF DIRECTORS:

During FY 2019-20, 9(Nine) 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.

Name of Directors	Category	Board Meetings Attended	Whether present at previous AGM held on September 14, 2019
Sri Kamireddi Satyanarayana	Executive Director	9	Yes
Sri Satish Kumar Arya	Executive Director	9	Yes
Sri. T. V. Srikanth	Executive Director	9	Yes
Smt. G. V. Vandana	Non- Executive	9	Yes
Sri G.Satya Rama Prasad	Non-Executive Independent	9	Yes
Sri Murali Krishna Cherukuri	Non - Executive Independent	9	Yes
Sri Malla Hara Jagannadha Rao	Non – Executive Independent	9	Yes
Sri Bheri Krishna Rao	Non – Executive Independent	9	Yes

3. 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, 2020. 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

4. 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 on the 18th day of January, 2020, pursuant to the provisions of the Act and the Listing Regulations. The Chairman of said Meeting of Independent Directors was Sri. B. Krishna Rao.

5. 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:



SI No	Name of the Pomoter / Relative of Promoter	No. of Shares held	% of Shares held
1.	K. Satyanarayana	15,76,900	10.44
2.	Satish Kumar Arya	10,15,840	6.72
3.	G.V.Vandana	25,75,500	17.05
4.	G.Sirisha	24,43,731	16.18
5.	Steel City Financial Services Pvt. Ltd.	3,53,000	2.34
6.	K.S.V.Ramesh Babu	1,01,300	0.67
7.	K. Mahalakshmi	65,176	0.43
8.	K. Mrudula	61,138	0.40
9.	K.Geeta Vara Lakshmi	15,000	0.10
10.	Nirmala Devi	1,18,800	0.79
11.	Sachin Arya	2,10,000	1.39
12.	Suman Arya	1,600	0.01
13.	Alka Rajput	26,200	0.17
	Total	85,64,185	56.69

6. 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:

Name of the committee	Composition of the Committee	Duties, Responsibilities of the Committee
Audit Committee	<ol style="list-style-type: none"> G.Satya Rama Prasad - Chairman Murali Krishna Cherukuri - Member Krishna Rao Bheri - Member 	<ol style="list-style-type: none"> The recommendation for 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



Name of the committee	Composition of the Committee	Duties, Responsibilities of the Committee
Nomination and Remuneration Committee	<ol style="list-style-type: none"> 1. Murali Krishna Cherukuri - Chairman 2. G. Satya Rama Prasad - Member 3. Krishna Rao Bheri - Member 	<ol style="list-style-type: none"> 1. 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; 2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and 3. 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
Stakeholders Relationship Committee	<ol style="list-style-type: none"> 1. Murali Krishna Cherukuri - Chairman 2. Satish Kumar Arya - Member 3. Hara Jagannadha Rao Malla - Member 4. Sri. T. V. Srikanth - Member 	<ol style="list-style-type: none"> 1. The Committee reviews and ensures Redressal of Investor Grievances. 2. The Committee noted that all the Grievances of the Investors have been resolved during the year.
Corporate Social Responsibility Committee	<ol style="list-style-type: none"> 1. Kamireddi Satyanarayana - Chairman 2. Satish Kumar Arya - Member 3. G.Satya Rama Prasad - Member 	<ol style="list-style-type: none"> 1. Recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII 2. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and 3. Monitor the Corporate Social Responsibility Policy of the company from time to time.
Internal Compliants Committee	<ol style="list-style-type: none"> 1. G. V. Vandana - Chairperson 2. Satish Kumar Arya - Member 3. M. Srividya - Member 	<ol style="list-style-type: none"> 1. To act as Inquiry Authority on a complaint of sexual harassment. 2. To ensure that complainant and witnesses are not victimized or discriminated because of their complaint. 3. To ensure that all conflicts of interest are managed appropriately.

7. EMPLOYEES:

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

8. 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.

9. 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

10. CLIENTS:

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

11. OTHER STAKEHOLDERS:

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

12. SOCIETY:

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

13. 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. 23,71,992.45 on CSR activities during the Financial Year 2019-20.

14. 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.



15. GENERAL SHAREHOLDER INFORMATION:

- a) Annual General Meeting:
Date: 26th September, 2020
Time: 11.45 A. M
Venue: 49-52-5/4, Shanthipuram, Visakhapatnam – 530016
- b) Financial Year : 1st April, 2019 to 31st March, 2020.
- 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 2020-21 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' 19	63.00	54.10
May' 19	61.50	55.05
June ' 19	68.75	54.00
July'19	61.00	30.00
August'19	32.00	27.20
September'19	38.00	30.40
October ' 19	33.95	26.05
November '19	37.00	28.20
December '19	32.30	27.25
January '20	38.00	29.50
February ' 20	35.45	26.20
March'20	23.40	15.15

16. DISCLOSURES:

- a) 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 Board for its approval.
- b) During the last three years, there were no 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.
- c) To the extent possible, the Company has complied with the mandatory requirement of this clause.



d) Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2019 and the effective date of such transition is April 01, 2018, with comparative figures being restated to make them comparable. The financial statements have been prepared in accordance with the recognition and measurement principles laid down in Ind AS notified under Section 133 of Companies Act, 2013 read with relevant Rules issued thereunder and other accounting principles generally accepted in India.

e) 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

17. REGISTRAR AND SHARE TRANSFER SYSTEM & AGENTS:

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

18. ADDRESS FOR CORRESPONDENCE:

Steel City Securities Limited
49-52-5/4
Shantipuram,
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 - 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, 2020 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

Place: Visakhapatnam

Date: 29.06.2020

K. Surendra

Mem No: A34205

CP No: 12732



Annexure - 5

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
 49-52-5/4, Shanthipuram,
 Visakhapatnam – 530016

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 31.03.2020, 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

Sl No	Name of the Director	DIN
1	K. Satyanarayana	00045387
2	Satish Kumar Arya	00046156
3	T. V. Srikanth	07992172
4	G. Satya Rama Prasad	00045351
5	Ch. Murali Krishna	00045403
6	M. H. Jagannadha Rao	00045408
7	B. Krishna Rao	00274709
8	G. V. Vandana	07548398

For ASN Associates
Company Secretaries

K. Surendra
 Membership No: A34205
 CP No: 12732



ANNEXURE - 6

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	2019-20	2018-19
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

For Steel City Securities Limited

Date : 29.06.2020
Place: Visakhapatnam

K. Satyanarayana
Executive Chairman
(DIN: 00045387)

Satish Kumar Arya
Managing Director
(DIN: 00046156)



Annexure - 7

Annual Report on Corporate Social Responsibility (CSR)

[Pursuant to Section 135 of the Companies Act, 2013]

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), thus, is not limited to philanthropy, but also includes large initiatives that lead to social development.

REPORTING:

The period for which CSR is being reported is from 01/04/2019 to 31/03/2020. It does not include any information about subsidiary company or any other entity(s). The Company has its own CSR policy.

During the year under review the Company has been carrying out the CSR activities on its own and as per the guidelines laid down in the CSR policy of the Company.

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 CSR committee comprises of:

1. Sri K. Satyanarayana - Chairman
2. Sri Satish Kumar Arya - Member
3. Sri G.Satya Rama Prasad – Member

The below table itself is self explanatory of the amount to be spent and the amount spent by the Company on various CSR activities:

SNo.	Particulars	Rs.	Rs.
1.	Amount to be spent on CSR Activities for the F. Y. 2019-20		23,71,992.45
2.	Amount unspent during the F. Y. 2018-19		0.00
3.	Less: Details of CSR spent during the financial year 2019-20.		
	(i) Amount donated to GVMC Sweekaram Educational Society.	(10,85,621.00)	
	(ii) Amount donated to The Akshya Patra Foundation	(2,00,000.00)	
	(iii) Amount Transferred to Prime Minister National Relief Fund	(10,86,372.00)	
			(23,71,993.00)
	Balance Unspent amount as on 31.03.2020		NIL

For Steel City Securities Limited

Date : 29.06.2020
Place: Visakhapatnam

Satish Kumar Arya
Managing Director
(DIN: 00046156)

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



Annexure - 8

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.

1. Employed throughout the Financial Year 2019-20

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

2. 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 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2019-20, 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 2019-20 (Rs. in Lakhs)	% increase in Remuneration in the Financial Year 2019-20	Ratio of Remuneration of each Director/ KMP to median Employees
1.	K. Satyanarayana, Executive Chairman	33.00	-	12.38
2.	Satish Kumar Arya, Managing Director	30.00	-	11.26
3.	T. V. Srikanth, Whole Time Director	20.00	33.33	7.51
4.	N. Ramu, Chief Financial Officer	13.28	9.39	4.98
5.	M. Srividya, Company Secretary	6.16	4.41	2.31

- ii. The Median remuneration of Employees of the Company during the Financial Year was Rs. 2,66,482.89/-.
- iii. The Percentage increase in the Median remuneration of employees for the Financial Year is 15.09%.
- iv. In the financial year, there was an increase of Rs. 34,948/- p.a.in the median remuneration of employees.
- v. There were 343 permanent employees on the rolls and 41 probationers working with the Company as on 31st March, 2020.
- vi. Average percentile increase made in the salaries of employees other than the managerial Personnel in the financial year 2019-20 was 13.25%, whereas there is a decrease of Rs. 6,41,000/- 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 - 9
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31st March 2020

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.]

I REGISTRATION & OTHER DETAILS:

(i)	Corporate Identification Number (CIN):	L67120AP1995PLC019521
(ii)	Registration Date:	22/02/1995
(iii)	Name of the Company:	STEEL CITY SECURITIES LIMITED
(iv)	Category of Company: Sub-category of Company:	PUBLIC COMPANY LIMITED BY SHARES
(v)	Registered office:	49-52-5/4, SHANTHIPURAM, VISAKHAPATNAM, ANDHRA PRADESH – 530016 Ph: 0891-2796984/ 2720234/ 2549681 Fax: 0891-2720135/2762586 E-mail: ramu.n@steelcitynettrade.com Website: www.steelcitynettrade.com
(vi)	Whether Listed Company:	Yes, Listed on National Stock exchange of India Limited
(vii)	Name, Address and Contact details of Registrar and Transfer Agent:	M/s. Bigshare Services Private Limited 1st Floor, Bhart Tin Works Building, Opp. Vasant Oasis Apartments (Next to Keys Hostels) Marol maroshi Road, Andheri (E), Mumbai-400059. Ph: 040 - 23374967 Fax: 040- 27632184 E-mail: bsshyd@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to Total Turnover of the Company
1.	Shares & Stock Broking	4907	44.58
2.	E-Governance	4907	53.82
3.	Other Income	4907	1.59

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name of the Company	CIN/GLN	Holding/ Subsidiary / Associate
1.	Steel City Commodities Private Limited	U51399AP2002PTC039727	Wholly Owned Subsidiary
2.	Steel City Financial Services Private Limited	U65921AP1997PTC026158	Associate



IV. SHARE HOLDING PATTERN:

(Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1-April-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter & Promoter Group									
(1) Indian									
a) Individual/ HUF	77,69,671	--	77,69,671	51.43	82,11,185	--	82,11,185	54.35	2.92
b) Central Govt	--	--	--	--					--
c) State Govt(s)	--	--	--	--					--
d) Bodies Corp.	2,88,500	--	2,88,500	1.91	3,53,000	--	3,53,000	2.37	0.43
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter & Promoter Group (A)	80,85,471	--	80,85,471	53.52	85,64,185	0	85,64,185	56.69	3.16
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	-	-	-	-	-	-	-	-
b) Banks / FI	--	-	-	-	-	-	-	-	-
c) Central Govt	--	-	-	-	-	-	-	-	-
d) State Govt(s)	--	-	-	-	-	-	-	-	-
e) Venture Capital Funds	--	-	-	-	-	-	-	-	-
f) Insurance Companies	--	-	-	-	-	-	-	-	-
g) Foreign Portfolio Investors	22000	-	22000	0.15	27036	-	27036	0.18	0.03
h) Foreign Venture Capital Funds	--	-	-	-	-	-	-	-	-
i) Others (specify)	--	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	22000	-	22000	0.15	27036	-	27036	0.18	0.03
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	18,07,920	-	18,07,920	11.97	1192653	-	1192653	7.89	(4.08)
ii) Overseas	--	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 Lakh	2787908	169300	2957208	19.57	2443248	110706	2553954	16.91	(2.66)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 Lakh	20,26,881	-	20,26,881	13.42	1500634	-	1500634	9.93	(1.21)
c) Others (specify)		-	-	-	-	-	-	-	-
Non Resident Indians	100400	-	100400	0.66	65760	-	65760	0.43	(0.17)
IEPF	62500	-	62500	0.41	62500	-	62500	0.41	-
Overseas Corporate Bodies	--	-	-	-	-	-	-	-	-
Foreign Nationals	--	-	-	-	-	-	-	-	-
Clearing Members	104000	-	104000	0.68	902065	-	902065	5.97	(0.20)
Trusts	--	-	-	-	-	-	-	-	-
Foreign Bodies - D R	--	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	62,54,524	2,20,600	64,75,124	43.01	4974207	110706	5084913	33.66	(2.31)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	62,76,524	2,20,600	64,97,124	43.15	6166860	110706	6277566	41.55	(2.31)
C. Shares held by Custodian for GDRs & ADRs	--	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,48,86,495	2,20,600	15107095	100%	14937795	169300	15107095	100%	--

(ii) Shareholding of Promoter:

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1	K. Satyanarayana	15,76,900	10.44	0	15,76,900	10.44	0	-
2	Satish Kumar Arya	9,15,840	6.06	0	10,15,840	6.72	0	0.66
3	G. V. Vandana	25,75,500	17.05	0	25,75,500	17.05	0	-
4	G Sirisha	24,43,731	16.18	0	24,43,731	16.18	0	-
	Total	7511971	49.72	0	7611971	50.39	0	0.66



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

S.No.	Particulars	Share holding at the beginning of the year		Share holding at the End of year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Satish Kumar Arya	9,15,840	6.06	10,15,840	6.72

(iv) Shareholding Pattern of top ten Shareholders:

(other than Directors, Promoters and Holders of GDRs and ADRs):

S.No.	For Each of the Top 10 Share Holders	Shareholding at the beginning of the year		Shareholding at the End of year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Adesh Ventures LLP	8,48,000	5.61	8,42,993	5.58
2	Steel City Financial Services Private Limited	2,88,500	1.91	3,53,000	2.34
3	T. Appa Rao	2,82,000	1.87	3,25,321	2.15
4	Sachin Arya	800	0.001	2,10,000	1.39
5	Manoj Kumar Goel	1,98,000	1.31	1,99,000	1.32
6	Keynote Capitals Ltd	1,58,000	1.04	1,58,000	1.04
7	Nirmala Devi Arya	46,800	0.31	1,18,800	0.79
8	B. Krishna Rao	43,713	0.29	1,16,728	0.77
9	Guduru Raja Gopal Reddy	1,05,000	0.70	1,05,000	0.70
10	R. B. K. Share Broking LTD.	1,02,000	0.68	1,02,000	0.68

(v) Shareholding of Directors and Key Managerial Personnel:

S.No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the End of year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	K. Satyanarayana	15,76,900	10.44	15,76,900	10.44
2.	Satish Kumar Arya	9,15,840	6.06	10,15,840	6.72
3	G. Satya Rama Prasad	400	0.01	400	0.01
4.	M. H. Jagannadha Rao	10,400	0.07	19,427	0.13
5.	B. Krishna Rao	43,713	0.29	43,713	0.29
6.	Ch. Murali Krishna	0	0.00	7,115	0.05
7.	G. V. Vandana	25,75,500	17.05	25,75,500	17.05
8.	N. Ramu	473,28	0.31	47,328	0.31



V. INDEBTEDNESS:

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

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year				
i)	Principal Amount	11,83,643.00	-	-	11,83,643.00
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	11,83,643.00	-	-	11,83,643.00
	Change in Indebtedness during the financial year				
	* Addition	15,16,84,036.77	-	-	15,16,84,036.77
	* Reduction	15,22,16,872.77	-	-	15,22,16,872.77
	Net Change	(5,32,836.00)	-	-	(5,32,836.00)
	Indebtedness at the end of the financial year				
i)	Principal Amount	6,50,807.00	-	-	6,50,807.00
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	6,50,807.00	-	-	6,50,807.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No.	Particulars of Remuneration	K. Satyanarayana (Executive Chairman)	Satish Kumar Arya (Managing Director)	T.V. Srikanth (Whole Time Director)	Total Amount
1	Gross salary	33,00,000	30,00,000	20,00,000	83,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total (A)	33,00,000	30,00,000	20,00,000	83,00,000
	Ceiling as per the Act	N. A.	N. A.	N. A.	N. A.



B. Remuneration to other Directors:

S. No.	Particulars of Remuneration	G. Satya Rama Prasad	Ch. Murali Krishna	M. H. Jagannadha Rao	B. Krishna Rao	G. V. Vandana	Total Amount Rs.
1	Independent Directors						
	Fee for attending board committee meetings	40,000	40,000	40,000	40,000	-	1,60,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	40,000	40,000	40,000	40,000	-	1,60,000
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	-	-	-	-	40,000	40,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	40,000	40,000
	Total (B)=(1+2)	40,000	40,000	40,000	40,000	40,000	2,00,000
	Total Managerial Remuneration	40,000	40,000	40,000	40,000	40,000	2,00,000
	Overall Ceiling as per the Act	-N.A.-	-N.A.-	-N.A.-	-N.A.-	-N.A.-	-N.A.-

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
1	Gross salary	13,27,500	6,15,500	19,43,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total	13,27,500	6,15,500	19,43,000



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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



Annexure - 10
Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2020

[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
49-52-5/4, Sankarmatam Road,
Shantipuram,
Visakhapatnam – 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: L67120 AP1995PLC019521) (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, 2020, 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, 2020 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 thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder 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; *The Company could not sent intimation to Stock Exchange for two Board Meetings. Except this all the regulations were complied with.*
 - 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 ESOP during the financial year under review;*
 - 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 under
- We 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.
- 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. No changes in the composition of the Board of Directors took place during the period under review.
 - 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, 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 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 except that the exchange has levied for the first time a penalty of Rs. 2000/_ plus GST for delayed compliance with regard to regulation 27(2) of SEBI (LODR) Regulations for a period of 1 day and the Company assures to strictly comply the same next time;
 - 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. 16,17,151/- are pending at various courts/Forums.
 - (ii) Show cause notices from Service Tax Department amounting to Rs. 1,15,28,598/- for which the Company has filed replied.
 - (iii) The Company has not deposited Service Tax due along with interest amount for the period 2012-13 to 2014-15 .
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.: 12702

Place: Visakhapatnam

Date: 29.06.2020

*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**
49-52-5/4, Sankarmatam Road,
Shantipuram,
Visakhapatnam – 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.: 12702

Place: Visakhapatnam

Date: 29.06.2020



ANNEXURE -11

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY OVERVIEW:

Indian stocks had a roller-coaster ride in 2019 as uncertainties stemmed from the general election, a tax surcharge on the superrich and its rollback, a slowing economy and much more. NDA secured second term in the general elections and announced several economic measures to revive domestic economic growth that has slumped to lowest in decade led by weak auto sales, muted growth in personal and consumer loans and sluggish rural demand.

On global front the major events that made headlines include escalation in US China trade tensions and subsequently agreement on phase I of trade deal, sharp rate cuts by US Fed and European Central Bank (ECB) bringing it back to all-time lows, completion of BREXIT, and fall in oil prices etc. However, the single biggest event of the year, which happened in last quarter, was spread of corona virus pandemic.

The COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity As a result of the pandemic, the global economy is projected to contract sharply by –3 percent in 2020, much worse than during the 2008–09 financial crisis. The IMF on June 24 projected a sharp contraction of 4.5% for the Indian economy in 2020, a "historic low," citing the unprecedented coronavirus pandemic that has nearly stalled all economic activities, but said the country is expected to bounce back in 2021 with a robust 6% growth rate.

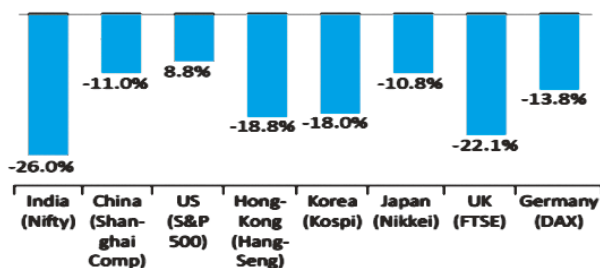
INDIAN EQUITY MARKET

The Nifty 50 returned decent gains from the start of the year, until July 5, when our Honorable Finance Minister Nirmala Sitharaman presented the Union Budget 2019-20. The 50-stock gauge began to decline as increased tax on the superrich, including foreign portfolio investors and buyback tax spooked investors. That led to the index erasing 2019 gains. The finance minister, on Aug. 23, however, decided to roll back the enhanced surcharge on overseas investors. The markets continued to fluctuate until Sept. 20, until Finance Minister surprised by slashing corporate tax rates. Both Sensex and Nifty closed at an all-time high of 42,273 and 12,430 respectively in the month of January 2020. Then came corona virus and as the pandemic rampaged across the world,

Sensex and Nifty ended the year with large negative returns. With India in midst of a complete lockdown, Sensex and Nifty closed at 29,469 and 8,598 levels respectively in March, 2020.

FII's sold massively during the month of March, 2020 with net equity outflows of Rs 620 billion but still ended FY2020 with net inflows of Rs 65 billion. The size of outflow in March, 2020 was highest ever in one month and was around 0.4% of Indian market capitalization.

Benchmark Indices Performance in FY2020



Source: Bloomberg



Future Outlook:

Better news on vaccines and treatments, and additional policy support can lead to a quicker resumption of economic activity. Despite the short-term impact of COVID-19, India is expected to be a relatively high growth economy in the medium to longer term and this augurs well for the capital markets.

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

- ❖ One of the significant initiative, we have launched completely digital on-boarding process (Quick KYC) whereby clients can open SCSL Demit& Trading accounts instantly.
- ❖ Advances in technology, increasing smart phone penetration, and increasing digitization at systemic level are expected to lead more retail consumers to adopt and consume financial services through Online. We have witness significant growth of business transactions through our Mobile app (Steel City SMART) during past quarter and we strongly believe this will grow further.
- ❖ We have launched new partnerships with Future Generali and ICICI prudential to offer General and Life insurance policies to our customer base
- ❖ We have also partnered with HDFC one of the leading credit card issuer in India, to provide credit cards to our customers.
- ❖ We have plans to broaden and deepen geographical presence and expand distribution networks in the Northern and Western market of India
- ❖ Plans to set up over 12,000+ E-governance centers by FY21
- ❖ 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 i.e., Loans, mutual funds, insurance schemes, credit cards and IPO's.

SWOT ANALYSIS :

STRENGTHS:

The following are the Strengths that Your Company Possess:

- **Human resources**

Since foundation of this organization, whoever has taken part to develop this organization is very dynamic in their professional outlook. Our Board has mentored and developed the skill-set of each employee to suit our business environment. Each employee of this organization is very dedicated and trustworthy to deliver qualitative work output in any functional operations. Our Board of Directors is very strong in maintaining the equilibrium at market competition in all aspects. Our organization has always retained the employee's morale and never encouraged lay-offs or shutting the business establishments at any market conditions in the past and even in future.

- **Physical resources**

Our offices established at remote locations 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.

- **Financial Resources**

We are financially strong and debt free company. Our business volumes, various markets products and customer strength are at par with other leading Broking Companies. We have good rapport with all



leading nationalized banks to avail banking facilities and services 24/7 basis for our customer base. Our brand and market goodwill is the actual strength to enable us to approach any nationalized banks to avail the financial resources as per the business operational demands.

- **Activities and processes**

Our business promotional activities are intact and it is 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.

- **Past experience**

Since December 1995 to till date, our organization has crossed many mile stones with high success rate. Comparing with earlier days the broking industry has seen phenomenal changes in its behavior, procedures and communication. The refining process of legacy systems and procedures into present market practices is really great effort and intelligence being sacrificed by our Board of Directors. From past to present times, our organization is a leading broking firm in southern parts of India. This is our market good-will and stands for ever.

Opportunities

Broaden and deepen geographical presence

- Expand distribution networks in the Northern and Western market of India
- Plans to set up over 10,000 E-governance centers by FY20

Extension of service offerings

- 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 and IPO's.
- Integration of TIN centers for rendering financial services while leveraging e-governance database to tap new customer base

Threats

Swiftness in government policies

- The company's business is dependent on government policies towards financial inclusion and the speed of implementation. Thus, any change in the policy framework and restrictions on the transaction may affect the profitability of business.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are properly authorized recorded and reported correctly. Further, the internal control system is designed to ensure that all the financial and other records are reliable for preparing financial statements and for maintaining accountability of the assets. On the basis of the appraisal, potential risks are identified and preventive measures are initiated depending on the perceived gravity of the risk.



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, 2020 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

Satish Kumar Arya
Managing Director

N. Ramu
Chief Financial Officer

Place: Visakhapatnam
Date : 29.06.2020

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.

For Steel City Securities Limited

Satish Kumar Arya
Managing Director
(DIN: 00046156)

Place: Visakhapatnam
Date: 29.06.2020



INDEPENDENT AUDITOR'S REPORT

To the Members of Steel City Securities Limited

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, 2020, 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, 2020, and profit, and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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, 2020 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.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with Rules 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, as applicable.



- e. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, 2020 - 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.

For SARC & ASSOCIATES
Chartered Accountants
FRN:006085N

Place: VISAKHAPATNAM
Date: 29.06.2020

CHANDRA SEKHAR AKULA
(Partner)
Membership No. :206704



"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2020:

- 1)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed assets have been physically verified by the management during the year and no material discrepancies between the books of account and the physical fixed assets have been noticed.
 - (c) The title deeds of immovable properties are held in the name of the company.
- 2) The nature of business of the Company does not require it to have any inventory. Hence the required Clause '2' is not applicable to the Company.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7)
 - (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, GST, Duty of Customs, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanation given to us, there are no dues of sales tax, GST, duty of customs, duty of excise, value added tax outstanding on account of any dispute. However, according to information and explanations given to us, the following dues of service tax have not been deposited by the Company on account of disputes:



Name of the statute	Nature of dues	Amount in Rs.	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service tax and interest	5,39,77,462	FY 2012-2013 to FY 2014-2015	CESTAT, Hyderabad

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him and hence the provision of Section 192 of the Act are not applicable.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause (xvi) of the Order are not applicable to the Company and hence not commented upon.

For SARC & ASSOCIATES
Chartered Accountants
 FRN:006085N

CHANDRA SEKHAR AKULA
(Partner)
 Membership No. :206704

Place: VISAKHAPATNAM
 Date: 29.06.2020



"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, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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, 2020, 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 SARC & ASSOCIATES
Chartered Accountants
FRN:006085N

CHANDRA SEKHAR AKULA
(Partner)
Membership No. :206704

Place: VISAKHAPATNAM
Date: 29.06.2020



STANDALONE BALANCE SHEET AS AT 31st MARCH 2020

	Note No	As at 31-Mar-20 Rs.	As at 31-Mar-19 Rs.	As at 01-Apr-18 Rs.
I. ASSETS				
1. Non Current Assets				
(a) property plant and equipment	3	4,90,97,293.60	3,96,89,612.56	4,16,50,192.94
(b) Intangible Assets	4	4,76,690.85	17,45,503.93	33,42,108.06
(c) Deferred tax Asset (net)	5	1,68,38,234.84	1,58,93,961.30	1,68,12,559.82
(d) Financial Assets				
(i) Non Current Investments	6	6,84,14,000.00	7,07,61,796.55	4,56,72,971.40
(ii) Long term Loans and Advances	7	16,81,90,431.50	7,52,59,137.64	10,20,75,445.00
2. Current Assets				
(a) Financial Assets				
(i) Trade Receivables	8	41,75,43,640.74	43,73,47,252.27	47,81,46,782.78
(ii) Cash and Cash Equivalents	9	53,90,84,613.55	50,16,42,485.94	42,47,99,011.36
(iii) Short-term loans and advances	10	1,72,17,982.36	1,62,93,933.86	1,45,80,364.40
(b) Other Current Assets	11	5,27,98,118.80	9,19,08,369.88	8,89,03,622.58
Total		1,32,96,61,006.24	1,25,05,42,053.93	1,21,59,83,058.34
II. EQUITY AND LIABILITIES				
1. Equity				
(a) Equity Share Capital	12	15,10,70,950.00	15,10,70,950.00	15,10,70,950.00
(b) Other Equity		59,87,46,580.51	55,95,77,431.15	51,54,14,309.94
2. Non- Current Liabilities				
(a) Deferred tax liabilities (net)	5	-	-	-
3. Current Liabilities				
(a) Financial Liabilities				
(i) Long-term borrowings	13	6,50,807.00	11,83,643.00	3,12,175.00
(ii) Short-term borrowings	14	-	-	-
(iii) Trade Payables	15	37,82,23,615.58	25,98,86,783.67	26,12,71,501.90
(b) Other Current Liabilities	16	17,28,00,196.15	24,01,68,486.11	24,40,11,462.50
(c) Short-term Provisions	17	2,81,68,857.00	3,86,54,760.00	4,39,02,659.00
Total		1,32,96,61,006.24	1,25,05,42,053.93	1,21,59,83,058.34
Overview & Significant Accounting policies	1 & 2			
The accompanying notes are an integral part of these Financial Statements				

In terms of our report attached
For SARC & ASSOCIATES
 Chartered Accountants
 Firm Reg.No.006085N

For STEEL CITY SECURITIES LIMITED

CHANDRA SEKHAR AKULA
 Partner
 Membership No.206704

K SATYANARAYANA
 EXECUTIVE CHAIRMAN

SATISH KUMAR ARYA
 MANAGING DIRECTOR

G S R PRASAD
 DIRECTOR

PLACE: VISAKHAPATNAM
 DATE : 29.06.2020

N RAMU
 CHIEF FINANCIAL OFFICER

M SRIVIDYA
 COMPANY SECRETARY



**STANDALONE STATEMENT OF PROFIT AND LOSS FOR
THE PERIOD ENDED 31st MARCH 2020**

	Note No	Year Ended 31-Mar-20 Rs.	Year Ended 31-Mar-19 Rs.
I. Revenue from Operations	18	47,44,56,115.21	58,78,03,448.71
II. Other Income	19	2,53,38,469.97	2,70,52,046.31
III. Total Revenue (I+II)		49,97,94,585.18	61,48,55,495.02
IV. Expenses			
Expenditure on Trading Operations	20	45,37,064.34	67,43,692.19
Impairment of Financial Instruments	21	(25,79,959.34)	(3,98,289.48)
Employee benefits expense	22	10,25,59,821.60	9,97,58,512.90
Finance Costs	23	47,91,371.50	31,05,432.75
Depreciation and amortisation expense	3 & 4	85,28,346.89	92,70,687.53
Other expenses	24	27,98,67,784.47	36,21,91,187.20
Loss/(profit) on Sale of Assets		-	-
Total Expenses		39,77,04,429.46	48,06,71,223.09
V. Profit before tax (III-IV)		10,20,90,155.72	13,41,84,271.93
VI. Tax Expense			
1) Current Tax		2,67,04,320.00	3,86,54,760.00
2) Tax relating to prior years		4,10,519.90	52,72,276.70
3) Deferred tax		(9,44,273.54)	9,18,598.52
Total Tax Expenses		2,61,70,566.36	4,48,45,635.22
VII. Profit for the year (V-VI)		7,59,19,589.35	8,93,38,636.71
VIII Other Comprehensive income			
A) (i) Items that will not be reclassified subsequently to statement of profit and loss		-	-
(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		7,59,19,589.35	8,93,38,636.71
X. Earnings per share (of Rs.10/- each)	25		
a) Basic		5.03	5.91
b) Diluted		5.03	5.91
Overview & Significant Accounting policies	1 & 2		
The accompanying notes are an integral part of these Financial Statements			

For SARC & ASSOCIATES

Chartered Accountants
Firm Reg.No.006085N

CHANDRA SEKHAR AKULA

Partner
Membership No.206704

For STEEL CITY SECURITIES LIMITED

K SATYANARAYANA

EXECUTIVE CHAIRMAN

SATISH KUMAR ARYA

MANAGING DIRECTOR

G S R PRASAD

DIRECTOR

PLACE: VISAKHAPATNAM

DATE : 29.06.2020

N RAMU

CHIEF FINANCIAL OFFICER

M SRIVIDYA

COMPANY SECRETARY



STATEMENT OF CHANGES IN EQUITY

Equity Share Capital

Balance as at April 1, 2019	Change in Equity Share Capital	Balance as at March, 2020
15,10,70,950.00	-	15,10,70,950.00
Balance as at April 1, 2018	Change in Equity Share Capital	Balance as at March, 2019
15,10,70,950.00	-	15,10,70,950.00

Other Equity

Particulars	Securities Premium Reserve	General Reserve	Surplus in statement of Profit and Loss	Total Other Equity
Balance as at April 1, 2018	10,44,47,825.07	8,30,01,383.69	32,79,65,101.18	51,54,14,309.94
Add: Received during the period/Transfer from Surplus		86,69,189.51		86,69,189.51
Add: Net Profit/(Loss) for the current period			8,93,38,636.71	8,93,38,636.71
Amount available for appropriation	10,44,47,825.07	9,16,70,573.20	41,73,03,737.89	61,34,22,136.16
Appropriations:				
Transfer to General Reserve			(86,69,189.51)	(86,69,189.51)
Interim Dividend			(3,02,14,190.00)	(3,02,14,190.00)
Interim Dividend Tax			(62,10,616.00)	(62,10,616.00)
Provision for Final Dividend			(75,53,547.50)	(75,53,547.50)
Provision for Final Dividend Tax			(11,97,162.00)	(11,97,162.00)
closing balance before Ind AS adjustment	10,44,47,825.07	9,16,70,573.20	36,34,59,032.88	55,95,77,431.15
Ind AS adjustment on valuation of financial assets				-
Ind AS adjustment on provision for bad and doubtful debts				-
Balance as at March 31, 2019	10,44,47,825.07	9,16,70,573.20	36,34,59,032.88	55,95,77,431.15

Particulars	Securities Premium Reserve	General Reserve	Surplus in statement of Profit and Loss	Total Other Equity
Balance as at April 1, 2019	10,44,47,825.07	9,16,70,573.20	36,34,59,032.89	55,95,77,431.16
Add: Received during the period/Transfer from Surplus		75,91,958.94		75,91,958.94
Add: Net Profit/(Loss) for the current period			7,59,19,589.35	7,59,19,589.35
Amount available for appropriation	10,44,47,825.07	9,92,62,532.14	43,93,78,622.24	64,30,88,979.45
Appropriations:				
Transfer to General Reserve			(75,91,958.94)	(75,91,958.94)
Interim Dividend			(2,26,60,642.50)	(2,26,60,642.50)
Interim Dividend Tax			(46,57,962.00)	(46,57,962.00)
Final Dividend			(75,53,547.50)	(75,53,547.50)
Final Dividend Tax			(18,78,288.00)	(18,78,288.00)
closing balance before Ind AS adjustment	10,44,47,825.07	9,92,62,532.14	39,50,36,223.31	59,87,46,580.51
Ind AS adjustment on valuation of financial assets				-
Ind AS adjustment on provision for bad and doubtful debts	-	-		
Balance as at March 31, 2020	10,44,47,825.07	9,92,62,532.14	39,50,36,223.31	59,87,46,580.51

For SARC & ASSOCIATES

Chartered Accountants
Firm Reg.No.006085N

CHANDRA SEKHAR AKULA

Partner

Membership No.206704

PLACE: VISAKHAPATNAM

DATE : 29.06.2020

For STEEL CITY SECURITIES LIMITED

K SATYANARAYANA
EXECUTIVE CHAIRMAN

N RAMU
CHIEF FINANCIAL OFFICER

SATISH KUMAR ARYA
MANAGING DIRECTOR

M SRIVIDYA
COMPANY SECRETARY

G S R PRASAD
DIRECTOR



STANDALONE CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH 2020

	As at 31-Mar-20 Rs.	As at 31-Mar-19 Rs.
A. Cash flow from Operating Activities		
Net Profit Before Tax	10,20,90,155.72	13,41,84,271.93
Adjustment for:		
Depreciation and amortization expense	85,28,346.89	92,70,687.53
Finance Costs	47,91,371.50	31,05,432.75
Interest Income	(2,45,81,708.97)	(2,14,82,276.14)
Dividend Income	(2,46,651.00)	(2,49,337.50)
Diminution in value of Investments	-	21,50,181.99
Operating Profit before Working Capital Changes	9,05,81,514.14	12,69,78,960.56
Trade Receivables	1,98,03,611.53	4,07,99,530.51
Other Receivables	(9,47,99,615.90)	(4,54,05,443.78)
Other Assets	3,91,10,251.47	6,75,03,434.38
Trade Payables	11,83,36,831.91	(13,84,718.23)
Other Payables & Provisions	(7,78,54,192.96)	(60,60,599.69)
Change in Working Capital	45,96,886.05	5,54,52,203.19
Cash generated from Operations	9,51,78,400.19	18,24,31,163.75
Income tax paid	(2,61,70,566.36)	(4,69,57,312.40)
Net Cash generated from Operating Activities	6,90,07,833.82	13,54,73,851.35
B. Cash flow from Investing Activities		
Purchase of Fixed Assets	(1,66,67,214.85)	(57,13,503.02)
Proceeds from Sale of Fixed Assets	-	-
Proceeds from Sale/(purchase) of Investments	23,47,796.55	(2,72,39,007.14)
Income from Investments	2,46,651.00	2,49,337.50
Interest Received	2,45,81,708.97	2,14,82,276.14
Net cash used in investing activities	1,05,08,941.67	(1,12,20,896.52)
C. Cash flow from Financing Activities		
Interest paid	(47,91,371.50)	(31,05,432.75)
Proceeds from borrowings	-	-
Repayment of borrowings	(5,32,836.00)	8,71,468.00
Dividend paid including tax on dividend	(3,67,50,440.00)	(4,51,75,515.50)
Net cash used in Financing activities	(4,20,74,647.50)	(4,74,09,480.25)
D. Net Increase / (Decrease) in Cash & Cash Equivalents	3,74,42,127.99	7,68,43,474.58
E. Cash & Cash Equivalents (Opening) as on 1st April 2019 / 1st April 2018	50,16,42,485.94	42,47,99,011.36
F. Cash & Cash Equivalents (Closing)	53,90,84,613.93	50,16,42,485.94
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:		
Cash in hand	20,19,705.90	14,82,809.53
Cheques, draft on hand	95,04,950.01	97,85,790.80
Balances with Schedule banks in current accounts	20,29,95,375.84	17,04,37,008.01
in deposit accounts	32,26,98,372.80	31,82,51,652.60
in unclaimed dividend accounts	18,66,209.00	16,85,225.00

For SARC & ASSOCIATES

Chartered Accountants
Firm Reg.No.006085N

CHANDRA SEKHAR AKULA

Partner
Membership No.206704

For STEEL CITY SECURITIES LIMITED

K SATYANARAYANA

EXECUTIVE CHAIRMAN

SATISH KUMAR ARYA

MANAGING DIRECTOR

G S R PRASAD

DIRECTOR

PLACE: VISAKHAPATNAM
DATE : 29.06.2020

N RAMU
CHIEF FINANCIAL OFFICER

M SRIVIDYA
COMPANY SECRETARY



Note No.1 : Company Over View

Steel City Securities Limited ("the Company") was incorporated on 22 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 and offering services as EA for UIDAI. The Shares of the Company are listed on National Stock Exchange of India Limited (NSE). The company registered office is at Dwarkanagar, Sankarmatam 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.

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The Company has adopted Ind AS from April 1, 2019 with effective transition date as April 1, 2018. These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act"). The transition was carried out from Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("IGAAP" or "previous GAAP"). An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No.,35&36.

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, TINFC's Operations and UIDAI EA 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. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2019, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment

iii. 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.

iv. 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 0-90 days	0.00%	0.00%
0-90 days 91-180 days	10.00%	10.00%
91-180 days 181-365 days	10.00%	10.00%
181-365 days	10.00%	10.00%
> 365 days 365 days Uncollectible	70.00%	20.00%

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 (including dividend distribution tax)

Dividend including dividend distribution tax is recognised at the time of payment to equity shareholders.



Note No. 3 : Property plant and equipment

Description	Gross Block at Cost				Depreciation				Net Block		
	As at 01.04.2019	Additions as on 31.03.2020	Deletions as on 31.03.2020	As at 31.03.2020	Up to 31.03.2019	Useful Life	Dep during the period	Del. during the period	Up to 31.03.2020	As at 31.03.2020	As at 31.03.2019
Land	62,66,670.00	1,20,00,000.00	-	1,82,66,670.00	-	-	-	-	-	1,82,66,670.00	62,66,670.00
Buildings	62,02,030.00	-	-	62,02,030.00	14,71,616.66	60 Yrs	98,198.81	-	15,69,815.47	46,32,214.53	47,30,413.34
Buildings WIP	6,15,752.00	20,24,360.00	-	34,40,112.00	-	-	-	-	-	34,40,112.00	6,15,752.00
Furniture & Fixtures	56,77,642.69	10,65,132.00	1,42,363.31	66,00,411.38	17,16,786.63	10 Yrs	6,27,199.84	1,42,363.31	22,01,623.16	43,98,788.22	39,60,856.06
Electrical Equipments	2,24,05,383.12	6,45,508.13	30,69,948.00	1,99,80,943.25	1,29,73,312.29	10 Yrs	20,69,182.09	30,69,948.00	1,19,72,546.38	80,08,396.87	94,32,070.83
Computers	1,57,80,162.12	91,030.74	27,01,373.20	1,31,69,819.66	46,58,635.81	3-6 Yrs	35,32,003.14	27,01,373.20	54,89,265.75	76,80,553.91	1,11,21,526.31
Vehicles	73,98,330.72	-	4,18,386.00	69,79,944.72	40,45,111.45	8 Yrs	8,54,190.43	4,18,386.00	44,80,915.88	24,99,028.84	33,53,219.27
Cycles	14,640.00	-	7,240.00	7,400.00	10,408.64	10 Yrs	862.83	7,240.00	4,031.47	3,368.53	4,231.36
Other Assets	4,08,897.14	41,183.98	52,880.00	3,97,201.12	2,04,023.75	5 Yrs	77,896.67	52,880.00	2,29,040.42	1,68,160.70	2,04,873.39
Total	6,47,69,507.79	1,66,67,214.85	63,92,190.51	7,50,44,532.13	2,50,79,895.23		72,59,533.81	63,92,190.51	2,59,47,238.53	4,90,97,293.60	3,96,89,612.56

Note No. 4 : Intangible Assets

Description	Gross Block at Cost			Depreciation			Net Block				
	As at 01.04.2019	Additions as on 31.03.2020	Deletions as on 31.03.2020	As at 31.03.2020	Up to 31.03.2019	Useful Life	Dep during the period	Del. during the period	Up to 31.03.2020	As at 31.03.2020	As at 31.03.2019
Software	47,34,373.60	-	10,66,201.00	36,68,172.60	29,88,869.67	3 Yrs	12,68,813.08	10,66,201.00	31,91,481.75	4,76,690.85	17,45,503.93
Total	47,34,373.60	-	10,66,201.00	36,68,172.60	29,88,869.67		12,68,813.08	10,66,201.00	31,91,481.75	4,76,690.85	17,45,503.93



	As at 31-Mar-20 Rs.	As at 31-Mar-19 Rs.
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	10,73,205.66	6,33,923.71
- Provision for Doubtful Debts	1,51,87,871.30	1,58,37,195.47
- Impairment of Investments	5,77,157.88	(5,77,157.88)
Tax effect of items constituting deferred tax Asset (B)	1,68,38,234.84	1,58,93,961.30
Deferred Tax Asset (net) (B-A)	1,68,38,234.84	1,58,93,961.30
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	10,20,90,155.72	13,41,84,271.93
Applicable Income Tax Rate	25.168%	29.12%
Expected Income Tax Expense	2,56,94,045.30	3,90,74,459.99
Effect of Income exempt from tax	(62,077.12)	(72,607.08)
Effect of expenses/provisions not deductible in determining taxable profit	1,28,078.29	5,71,505.62
Adjustment related to tax of prior years	4,10,519.90	52,72,276.70
Reported Income Tax Expense	2,61,70,566.37	4,48,45,635.22
Note No.6		
Non Current Investments		
Other investments (quoted) - Trade Investment in Equity Instruments		
0 (P.Y 197) equity shares of Rs.2/- each of Bse Ltd	-	30.31
0 (P.Y 1000) equity shares of Rs.10/- each of Medicamen Biotech Ltd	-	6,51,161.54
0 (P.Y 10000) equity shares of Rs.2/- each of Tata Motors Ltd	-	36,97,845.60
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	5,54,89,000.00	5,54,89,000.00
Associate:		
960000 (PY 960000) equity shares of Rs.10/- each of Steel City Financial Services Pvt Ltd at cost	1,29,00,000.00	1,29,00,000.00
Other investments (unquoted) - Non-Trade		
2,500 (P.Y 2500) equity shares of Rs.10/- each of Steel City Infotech Pvt Ltd	25,000.00	25,000.00
	6,84,14,000.00	7,27,63,037.45
Provision for Diminution in value of Investments	-	(20,01,240.90)
	6,84,14,000.00	7,07,61,796.55
Book Value of Quoted Investments	-	43,49,037.45
Market Value of Quoted Investments	-	23,47,796.55
Book Value of Unquoted Investments	6,84,14,000.00	6,84,14,000.00



	As at 31-Mar-20 Rs.	As at 31-Mar-19 Rs.
Note No.7		
Long term Loans and Advances		
Unsecured, considered good		
Interest free Security Deposits with Exchanges	15,61,69,422.50	6,46,76,296.64
V Sat Deposits with Exchanges	50,000.00	50,000.00
Telephone Deposits	7,32,241.00	7,32,742.00
Rental Deposits	65,31,732.00	62,88,608.00
Electricity Deposits	8,43,121.00	8,06,371.00
Other Deposits	38,63,915.00	27,05,120.00
	16,81,90,431.50	7,52,59,137.64
Note No.8		
Trade Receivables		
outstanding for a period exceeding Six months		
Unsecured, considered good	5,11,12,158.37	8,86,59,929.60
Unsecured, considered doubtful	5,23,33,569.61	1,77,89,106.92
	10,34,45,727.98	10,64,49,036.52
Less: Provision for doubtful Debts	5,23,34,033.25	1,77,89,106.92
Less: Provision for doubtful Debts expected credit loss	-	3,71,24,885.67
	5,11,11,694.73	5,15,35,043.93
outstanding for a period between three to Six months		
Unsecured, considered good	29,24,452.37	21,37,051.05
Other Debts - Less than Three Months		
Secured, considered good	36,35,07,493.64	38,36,75,157.29
	41,75,43,640.74	43,73,47,252.27
Note No.9		
Cash and Cash Equivalents		
Cash on hand	20,19,705.90	14,82,809.53
Cheques, drafts on hand and transit	95,04,950.01	97,85,790.80
Balances with Banks		
- in current accounts	20,29,95,375.84	17,04,37,008.01
- Unclaimed dividend account	18,66,209.00	16,85,225.00
- in deposit accounts (Earmarked)		
Against Bank Guarantees & other commitments	31,31,98,372.80	25,73,12,982.60
Deposit original maturity less than 12 months	95,00,000.00	5,19,38,670.00
Deposit original maturity more than 12 months	-	90,00,000.00
	53,90,84,613.55	50,16,42,485.94

- a) deposit accounts includes an amount of Rs.18.00 Cr placed with banks (HDFC Bank Rs.12.50 cr, Karur vysya bank Rs. 4.00 Cr and Karnataka bank Rs.1.50 Cr) 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-20 Rs.	As at 31-Mar-19 Rs.
Note No.10		
Short-term loans and advances		
Unsecured, considered good		
Advance to suppliers	5,95,844.20	25,071.00
Other loans and advances		
Advance to employees	1,70,242.14	15,64,836.88
Receivable from E-Governance Centres	1,17,41,803.83	1,06,77,640.58
Receivable from Authorised Persons/Dp Franchises	47,10,092.19	5,72,572.60
Others	-	34,53,812.80
	1,72,17,982.36	1,62,93,933.86
Note No.11		
Other Current Assets		
Interest accrued on Fixed Deposits & Others	1,00,25,206.22	1,07,07,327.30
Refund Due from IT Dept	-	3,51,02,200.00
Other Receivables	1,28,85,771.20	98,61,351.85
Advance Income Tax	2,69,85,277.90	3,49,33,280.90
Prepaid expenses	29,01,863.48	13,04,209.83
	5,27,98,118.80	9,19,08,369.88
Note No.12		
Share Capital		
Authorised		
2,50,00,000 (P.Y 2,50,00,000) Equity Shares of Rupees 10/- each	25,00,00,000.00	25,00,00,000.00
Total	25,00,00,000.00	25,00,00,000.00
Issued subscribed and paid up capital		
1,51,07,095(P.Y 1,51,07,095) Equity Shares of Rupees 10/- each, fully paid-up	15,10,70,950.00	15,10,70,950.00
	15,10,70,950.00	15,10,70,950.00

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, 2020			
- Number of shares	15107095	0	15107095
- Amount Rs.	151070950	0	151070950
Period ended 31st March, 2019			
- Number of shares	151070950	0	151070950
- Amount Rs.	1510709500	0	1510709500

(i) Reconciliation of number of Shares

Name of the Shareholder	As at March, 2020		As at March, 2019	
	No of Shares	Amount (Rs.)	No of Shares	Amount (Rs.)
Equity shares				
Opening Balance	15107095	15,10,70,950.00	15107095	15,10,70,950.00
Issued during the year	0	-	0	-
Closing Balance	15107095	15,10,70,950.00	15107095	15,10,70,950.00



(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. 1.50 (previous year Rs.2.00) and final Dividend recommended for distribution to equity shareholders is Rs.0.00 (previous year Rs.0.50)

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, 2020		As at March, 2019	
	No of Shares	% of Holding	No of Shares	% of Holding
K.Satyanarayana	1576900	10.44	1576900	10.44
Satish Kumar Arya	1015840	6.72	915840	6.06
G Sirisha	2443731	16.18	2443731	16.18
G Vishnu Vandhana	2575500	17.05	2575500	17.05
Adesh Ventures LLP	842993	5.58	848000	5.61

(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

	As at 31-Mar-20 Rs.	As at 31-Mar-19 Rs.
Note No.13		
Long-term borrowings		
Secured		
Vehicle Loans from Banks & Others	6,50,807.00	11,83,643.00
	6,50,807.00	11,83,643.00

Vehicle Loan Received from HDFC Bank & Others, which is payable in monthly installments i.e.Rs. 44,403

Note No.14		
Short-term borrowings		
Secured		
Loan repayable on demand from banks	-	-
Unsecured	-	-
Total	-	-

- 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.2.15 Cr.
- 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.6.95 Cr.
- 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.4.45 Cr.



	As at 31-Mar-20 Rs.	As at 31-Mar-19 Rs.
Note No.15		
Trade payables		
Trade Payables	12,92,31,470.81	5,33,05,765.83
Margin money from Trade Clients	24,89,92,144.77	20,65,81,017.84
	37,82,23,615.58	25,98,86,783.67

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

Note No.16		
Other Current Liabilities		
Liability for expenses, Authorised Persons/franchises	5,56,17,115.84	6,81,22,823.03
Margin money from E-Governance Centres	5,96,99,238.40	6,41,81,638.23
Liability against E-Governance Processings	4,72,57,824.84	9,78,18,991.78
Unclaimed dividends	18,66,209.00	16,85,225.00
V Sat Deposits	83,59,808.07	83,59,808.07
	17,28,00,196.15	24,01,68,486.11

- There is no interest payable on Vsat Deposits taken from Franchises and the same was paid to Vsat Providers for purchase of VSATs
- Unpaid dividends do not include any amount due and outstanding to be credited to investor education and protection funds
- During the period ended 31st March, 2020 an amount of Rs.0 has been transferred to Investor Education and Protection Fund

Note No.17		
Short term provisions		
Provision for Employee benefits		
- provision for gratuity	14,64,537.00	-
Provision for Taxation	2,67,04,320.00	3,86,54,760.00
	2,81,68,857.00	3,86,54,760.00

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.18		
Revenue from Operations		
Income from Broking Operations	19,06,93,060.60	20,07,09,459.93
Income from DP Operations	75,77,610.02	62,68,970.29
Income from E-Governance Operations	25,53,61,578.45	37,80,29,020.77
Interest from Margin Trading Operations	2,08,23,866.14	27,95,997.72
	47,44,56,115.21	58,78,03,448.71

Note No.19		
Other Income		
Interest from Fixed Deposits & Others	2,45,81,708.97	2,14,82,276.14
Interest on IT Refund	5,10,110.00	53,02,887.00
Profit(loss) on sale of Investments	-	-
Bad Debts Recoveries	-	17,545.67
Dividend Income	2,46,651.00	2,49,337.50
Impairment of PBDD	-	-
	2,53,38,469.97	2,70,52,046.31

Dividend amount of Rs.2,40,000/- (PY Rs.2,40,000/-) received from Steel City Financial Services Private Limited



	As at 31-Mar-20 Rs.	As at 31-Mar-19 Rs.
Note No.20		
Expenditure on Trading Operations		
Transaction Charges	20,35,245.36	25,55,424.90
Trading Expenses	(7,24,219.70)	21,367.38
Annual Subscription to Exchanges	1,00,000.00	-
Insurance	4,45,146.33	4,43,073.80
V Sat Charges and Maintenance	9,26,564.35	20,78,555.87
Batteries, UPS Maintenance	17,54,328.00	16,45,270.24
	45,37,064.34	67,43,692.19

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.21		
Impairment of Financial Instruments		
Trade Receivables	(25,79,959.34)	(23,99,530.38)
Investments	-	20,01,240.90
	(25,79,959.34)	(3,98,289.48)

Note No.22		
Employee benefits expense		
Salaries, wages and bonus	9,34,33,982.00	9,14,31,361.00
Contribution to;		
- Provident Fund and other Funds	60,84,134.00	63,87,056.00
- Gratuity	22,78,349.00	10,47,079.00
Staff Welfare Expenses	7,63,356.60	8,93,016.90
	10,25,59,821.60	9,97,58,512.90

- Salaries, wages and bonus includes an amount of Rs. 83,00,000/- (PY Rs.78,00,000/-) paid to the Directors as Remuneration as per Schedule V of the Companies Act, 2013
- 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.
- 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.
- Leave encashment: Leave encashment amount is paid to the employees at the end of the each calendar year.

Note No.23		
Finance Cost		
Interest Expenses	17,54,521.42	3,90,962.00
BG Commission and Charges	29,57,456.08	26,62,423.75
Other Borrowings cost	79,394.00	52,047.00
	47,91,371.50	31,05,432.75



	As at 31-Mar-20 Rs.	As at 31-Mar-19 Rs.
Note No.24		
Other Expenses		
A C Maintenance	1,75,828.00	1,42,557.00
Advertisements	1,73,068.08	1,86,668.20
Bad Debts Written off	-	20,610.82
Bank Charges & Payment Gateway Charges	14,20,386.62	86,40,161.93
Books & Periodicals	3,09,119.00	3,01,016.00
Business Development	34,92,432.74	46,80,406.83
Computer maintenance including parts	47,85,289.27	44,24,329.43
Conveyance	3,11,653.82	3,15,139.00
CSR Expenses	23,71,993.00	18,89,506.00
Current Repairs to lease hold buildings	-	1,94,779.00
Demat charges	31,129.41	85,627.90
Donations	15,000.00	15,000.00
Duties and Taxes	40,06,679.20	-
E-Governance Commission	16,88,29,275.09	25,21,66,018.12
Electricity Charges and maintenance	60,49,358.00	60,53,603.66
Fee to Company Secretary	1,26,000.00	1,26,000.00
Fees & Charges, Filing fee	24,46,723.09	13,28,919.87
Generator maintenance	1,99,930.88	1,99,376.00
Insurance	12,38,934.00	11,50,651.00
Legal, Consultancy and Professional fee	26,44,648.50	41,64,336.71
Meeting & Conferences	43,006.00	-
Loss on sale of Investment	6,09,049.31	1,48,941.09
Office Maintenance	39,90,891.40	44,42,552.40
Office Rent	1,77,85,158.00	1,47,29,690.00
Payment to Auditors (Refer Note No.24.1)	13,89,867.00	10,17,144.00
Printing & Stationery, Postage and Other Charges	11,88,744.04	17,24,340.48
Sub-brokerage	4,94,88,868.79	4,64,82,353.51
Subscriptions	2,57,895.67	6,65,374.00
Telephone Charges & Maintenance	40,21,372.61	44,31,047.41
Tours and Travels	8,35,251.80	10,45,455.38
Transportation charges	1,93,900.00	1,47,910.00
Vehicle maintenance	12,99,409.91	12,10,067.88
Xerox and coolers maintenance	1,36,921.24	61,603.58
	27,98,67,784.47	36,21,91,187.20
Note No.24.1		
Payment to Auditors includes payments to Statutory Auditors towards		
Statutory Audit Fee	2,00,000.00	2,00,000.00
Taxation Matters	-	-
Certifications	-	-
	2,00,000.00	2,00,000.00



	As at 31-Mar-20 Rs.	As at 31-Mar-19 Rs.
Note No.25		
Earnings per share (EPS)		
Earnings (as reported)	7,59,19,589.35	8,93,38,636.71
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	5.03	5.91
- Diluted	5.03	5.91

Note No.26

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

Sl no.	Particulars	As at 31st March, 2020	As at 31st March, 2019
1	Corporate Guarantee provided to Subsidiary Company	1,00,00,000	4,00,00,000
2	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	35,45,00,000	26,45,00,000
3	Cases against the Company not acknowledged as debts:	16,17,151	74,45,151
4	Income tax Demands pending in appeals	N I L	1,84,45,423
5	Show cause notices from Service tax department for which the Company has filed replies	1,15,28,598	98,45,755
6	Service tax demands, pending in appeal (See Note No. 26.1)	5,31,87,962	5,66,09,852

26.1

- (a) Demands against the Company not acknowledged as debts, amounting to Rs.16,17,151/- are pending at various courts/forums
- (b) Service tax demands against the Company;
- (i) The Company has deposited an amount of Rs.13,49,186/- 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.4,49,729/- on 01.08.2018

Note No.27

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.28

Due to outbreak of Covid-19 globally and in India, the Company has carried out its initial assessment of the likely adverse impact on economic environment and financial risk because of Covid-19. The Company is in the business of Stock Broking, DP Operations and E-Governance activities. The management believes



that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Company, in the long- term. The Company estimates to recover the carrying amount of/all its assets including receivables and loans in the ordinary course of business based on information available on current economic conditions. These estimates are subject to uncertainty and may be affected by the severity and duration of pandemic. The Company is continuously monitoring any material change in future economic conditions.

Note No.29

Duties and Taxes include of Rs.26,27,498.20 paid under the Scheme of Sabka Visawas - (Legacy Dispute Resolution) scheme 2019 (SVLDRS) in respect of Long Pending Service Tax dispute on Transaction Charges against the original Demand of Rs.58,78,992.00

Note No.30

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: (in Rupees)

Sl No.	Nature of Relationship	Name of the Related Party	Nature of Transaction					
			Remu-neration	Corporate guarantee given	Advance Returned	Advance Taken	Dividend Paid/ (received)	Brokerage Received
1	Subsidiary Company	Steel City Commodities Private Ltd	0.00	1,00,00,000.00	4,17,277.85	4,17,277.85	0.00	0.00
2	Associate Company	Steel City Financial Services Private Ltd	0.00	0.00	0.00	0.00	3,37,000.00	0.00
3	Executive Chairman	K Satyanarayana	33,00,000.00	0.0	0.00	0.00	31,53,800.00	535.66
4	Managing Director	Satish Kumar Arya	30,00,000.00	0.00	0.00	0.00	19,81,680.00	17,60,772.39
5	Director - IT	T V Srikanth	20,00,000.00	0.00	0.00	0.00	0.00	0.00
6	Director	G Vishnu Vandana	0.00	0.00	0.00	0.00	51,51,000.00	0.00
7	Relative of Key Management - Wife of Sri K Satyanarayana	K Mahalakshmi	0.00	0.00	0.00	0.00	1,09,988.00	4,889.24
8	Relative of Key Management - son of Sri K Satyanarayana	K S V Ramesh Babu	6,54,500.00	0.00	0.00	0.00	2,02,600.00	138.00
9	Relative of Key Management - wife of Sri Satish Kumar Arya	Nirmala Devi Arya	0.00	0.00	0.00	0.00	1,17,100.00	7,915.85
10	Relative of Key Management - wife of Sri T V Srikanth	G Sirisha	0.00	0.00	0.00	0.00	48,87,462.00	1,19,364.60
11	Relative of Key Management - Husband of Smt G Vishnu Vandana	P Madhu	20,00,000.00	0.00	0.00	0.00	0.00	0.00
	Total		1,09,54,500.00	1,00,00,000.00	4,17,277.85	4,17,277.85	1,59,40,630.00	18,93,615.74

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

(Amount in Rs.)

Nature of Transaction	Due to / (from)
Steel City Commodities Private Limited	-
Steel City Financial Services Private Limited	6,01,840.00
K Satyanarayana	-
Satish Kumar Arya	-
T V Srikanth	-

Note No. 31

Defined Benefit Plan – Gratuity

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

(Amount in Rs. Lakhs)

Particulars	31-Mar-20 Rs.	31-Mar-19 Rs.
Net Asset / (Liability) recognised in the Balance Sheet:		
Present Value of Defined Obligation	1,24,94,836	1,00,31,181
Fair Value of Plan Assets	1,10,30,299	1,00,34,993
Funded Status [Surplus / (Deficit)]	-	3,812
Unrecognised Past Services Costs	-	-
Net Asset / (Liability) recognised in the Balance Sheet	-	3,812
Change in Defined Benefit Obligations (DBO) during the year:		
Present Value of DBO at the beginning of the Year	1,00,31,181	89,98,968
Current Service Cost	10,42,413	9,86,578
Interest Cost	7,36,267	6,63,644
Actuarial (Gains) / Losses	-	-
Past Service Cost	-	-
Benefits Paid	(6,35,785)	(7,82,789)
Actuarial loss / (gain) on obligation (balancing figure)	13,20,760	1,64,780
Present Value of DBO at the end of the Year	1,24,94,836	1,00,31,181
Change in Fair Value of Assets during the Year :		
Plan Assets at the beginning of the Year	1,00,34,993	90,49,859
Expected Return on Plan Assets	7,63,841	6,91,464
Actual Company Contributions	8,00,000	10,00,000
Actuarial Gain / (Loss)	67,250	76,459
Benefits Paid	(6,35,785)	(7,82,789)
Plan Assets at the end of the Year	1,10,30,299	1,00,34,993
Actual Return on Plan Assets	8,31,091	7,67,923
Composition of Plan Assets is as follows:		
Government Bonds	Not Received	Not Received
Debentures and Bonds	Not Received	Not Received
Fixed Deposits	Not Received	Not Received
Others	Not Received	Not Received
* - Funds are managed by Life Insurance Corporation of India and composition of the fund as at the balance sheet date was not provided by the insurer	1,10,30,299	1,00,34,993
Assumption used in accounting for Gratuity Plan:		
Discount Rate	6.62	7.58
Salary Escalation Rate	5.00	5.00
Expected rate of return on plan assets	7.44	7.59



Note No.32

Corporate Social Responsibility

- a) Gross Amount required to be spent by the Company during the year Rs.23,71,993.00
- b) Total Amount spent during the year is Rs.23,71,933.00 as detailed below:

Particulars	Amount (Rs.)
Amount Contributed to Sweekaram Education Society of Greater Visakhapatnam Municipal Corporation, Visakhapatnam	10,85,621.00
Amount Contributed to Prime Minister National Relief Fund	10,86,372.00
Amount Contributed to The Akshaya Patra Foundation, Visakhapatnam	2,00,000.00
Total	23,71,993.00

Note No.33

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 :

Particulars	Stock Broking & Dp Operations	E-Governance Operations	Grand Total
A. Segment Revenue			
External Segment	24,44,33,006.73	25,53,61,578.45	49,97,94,585.18
Internal Segment	-	-	-
Total Revenue	24,44,33,006.73	25,53,61,578.45	49,97,94,585.18
B. Segment Results Profit/(Loss)	4,23,00,256.29	6,83,18,246.32	11,06,18,502.61
Less: Depreciation			85,28,346.89
Less: Income Taxes (Current, Deferred Tax)			2,61,70,566.36
Profit/(Loss) After Tax			7,59,19,589.35
C. Segment Assets	1,15,46,40,908.23	17,50,20,098.01	1,32,96,61,006.24
D. Segment Liabilities	46,45,06,148.92	11,53,37,326.81	57,98,43,475.73
E. Capital Expenditure	1,54,94,128.30	11,73,086.55	1,66,67,214.85
F. Depreciation	66,15,490.87	19,12,856.02	85,28,346.89

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.34

Transition to INDAS as per Ind AS 101

1) First time Adoption of Ind AS

The Company has adopted Ind AS as notified by the Ministry of Corporate Affairs with effect from April 1, 2019, with a transition date of April 1, 2018. The Financial Statements for the year ended March 31, 2020 are the first financial statements, that the Company has prepared under Ind AS. For all years up to and including the year ended March 31, 2019, the Company prepared its Financial Statements in accordance with Previous GAAP. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared Financial Statements which comply with Ind AS for the year ended March 31, 2019 and the opening Ind AS Balance Sheet as at April 1, 2018, the date of transition to Ind AS and also as at March 31, 2018. In preparing these Ind AS Financial Statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as in Note No. 35 & 36 . The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). Note No.35&36 explains the adjustments made by the Company in restating its Financial Statements prepared under Previous GAAP, including the Statement of Profit and Loss account for the year ended March 31, 2019 and the Balance Sheet as at April 1, 2018 and as at March 31, 2019.

2) Explanation of transition to Ind AS

This note explains the principal adjustments made by the Company in restating its IGAAP financial statements, including the Balance Sheet as at April 01, 2018 and the financial statements for the year ended March 31, 2019 and how the transition from IGAAP to Ind AS has affected the Company's financial position and financial performance.

3) Exemptions from retrospective application:

The Company has applied the following exemptions: (a) Investments in subsidiaries, joint ventures and associates. The Company has elected to adopt the carrying value under IGAAP as on the date of transition i.e. April 1, 2018 in its separate financial statements. (b) depreciation on Fixed Assets for transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE measured as per IGAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2018.

4) Reconciliation between IGAAP and Ind AS

i Equity reconciliation

Particulars	Note	As at31.03.2019	As at31.03.2018
equity as reported under IGAAP		574495442.82	533334555.19
Adjusted for reduction			
Indas adjustment in P&L a/c	D	(26,46,741.58)	2,66,70,954.75
Final dividend paid	D	-	(75,53,547.50)
Final Dividend Tax paid	D	(3,55,492.00)	(11,97,162.00)
Indas adjustment in opening balance of P&L a/c	D	1,79,20,245.25	-
Equity under Ind As		55,95,77,431.15	51,54,14,309.94

5) Reconciliation of balance sheet as at 31st March, 2019 and 31st March 2018

* in Note no. 35 & 36



Note No.35

Comparative Balance Sheet and Statement of Profit and Loss Account as at 1st April, 2018

STANDALONE BALANCE SHEET AS AT 1st April, 2018

Particulars	note no	As at date of 1st April, 2018		
		previous GAAP	adjustment on transition to Ind AS	Ind AS
I. ASSETS				
1. Non Current Assets				
(a) Property,Plant and Equipmnet		4,16,50,192.94		4,16,50,192.94
(b) Intangible Assets		33,42,108.06		33,42,108.06
(c) financial Assets				
(i) Non Current Investments	A	4,55,24,030.31	1,48,941.09	4,56,72,971.40
(d) Deferred tax Asset (net)	B	17,09,404.82	1,51,03,154.99	1,68,12,559.81
(e) Long term Loans and Advances		10,20,75,445.00		10,20,75,445.00
(f) Other Non-current Assets		7,69,24,617.75	(7,69,24,617.75)	-
2. Current Assets				
(a) Trade Receivables	C	52,00,69,833.62	(4,19,23,050.84)	47,81,46,782.78
(b) Cash and Cash Equivalent		42,47,99,011.36		42,47,99,011.36
(c) Short-term loans and advances		1,45,80,364.40		1,45,80,364.40
(d) Other Current Assets		1,19,79,004.83	7,69,24,617.75	8,89,03,622.58
TOTAL		1,24,26,54,013.09	(2,66,70,954.76)	1,21,59,83,058.33
II. EQUITY AND LIABILITIES:				
1. Shareholders' Funds				
a) Share Capital		15,10,70,950.00		15,10,70,950.00
b) Other equity	D	53,33,34,555.19	(1,79,20,245.25)	51,54,14,309.94
2. Non- Current Liabilities				
a) Long-term borrowings		3,12,175.00		3,12,175.00
b) Deferred tax liabilities (net)		-		-
3. Current Liabilities				
a) Short-term borrowings		-		-
b) Trade Payables		26,12,71,501.90		26,12,71,501.90
c) Other Current Liabilities		24,40,11,462.50		24,40,11,462.50
d) Short-term Provisions		5,26,53,368.50	(87,50,709.50)	4,39,02,659.00
TOTAL		1,24,26,54,013.09	(2,66,70,954.75)	1,21,59,83,058.34



STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 1st April 2018

Particulars	note no	As at date of 1st April, 2018		
		previous GAAP	adjustment on transition to Ind AS	Ind AS
I. Revenue from Operations		61,64,55,005.56		61,64,55,005.56
II. Other Income		1,97,11,893.18		1,97,11,893.18
III. Total Revenue (I+II)		63,61,66,898.74		63,61,66,898.74
IV. Expenses				
Expenditure on Trading Operations		1,15,93,789.98		1,15,93,789.98
Employee benefits expense		8,88,84,114.60		8,88,84,114.60
Finance Costs		36,14,830.47		36,14,830.47
Depreciation and amortisation expense		86,27,809.94		86,27,809.94
Other expenses		36,62,62,366.13	35,89,504.44	36,26,72,861.69
Impairment on Financial Instruments		-	4,53,63,614.19	4,53,63,614.19
Total Expenses		47,89,82,911.12		52,07,57,020.87
V. Profit before tax (III-IV)		15,71,83,987.62		11,54,09,877.87
VI. Tax Expense			-	
1) Current Tax		4,39,53,550.00		4,39,53,550.00
2) Tax relating to prior years		22,83,028.80		22,83,028.80
3) Deferred tax		1,61,014.16	(1,51,03,155.00)	(1,49,42,140.84)
Total Tax Expenses		4,63,97,592.96		3,12,94,437.96
VII. Profit for the year (V-VI)		11,07,86,394.66	(2,66,70,954.75)	8,41,15,439.91
VIII. Other Comprehensive income				
A) (i) Items that will not be reclassified subsequently to statement of profit and loss		-	-	-
A) (ii) Income tax relating to items that will not be reclassified as subsequently to statement of profit and loss		-	-	-
B) (i) Items that will be reclassified subsequently to statement of profit and loss		-	-	-
B) (ii) Income tax relating to items that will be reclassified subsequently to statement of profit and loss		-	-	-
IX. Total comprehensive income for the period		11,07,86,394.66	(2,66,70,954.75)	8,41,15,439.91
X. Earnings per share (of Rs.10/- each)			-	
a) Basic		7.33		5.57
b) Diluted		7.33		5.57



STANDALONE CASH FLOW STATEMENT FOR THE PERIOD ENDED 1ST April, 2018

Particulars	note no	As at date of 1st April, 2018		
		previous GAAP	adjustment on transition to Ind AS	Ind AS
A. Cash flow from Operating Activities				
Net Profit Before Tax		15,71,83,987.62	(4,17,74,109.75)	11,54,09,877.87
Adjustment for:				
Depreciation and amortization expense		86,27,809.94		86,27,809.94
Finance Costs		36,14,830.47		36,14,830.47
Interest Income		(1,63,85,095.16)		(1,63,85,095.16)
Dividend Income		(17,34,516.00)		(17,34,516.00)
Loss/(profit) on Sale of Fixed assets (net)				
Diminution in value of Investments		-	(1,48,941.09)	(1,48,941.09)
Operating Profit before Working Capital Changes		15,13,07,016.87		10,93,83,966.03
Trade Receivables		62,47,313.68	4,19,23,050.84	4,81,70,364.52
Other Receivables		(1,16,49,256.02)		(1,16,49,256.02)
Other Assets		(7,63,26,020.99)	-	(7,63,26,020.99)
Trade Payables		2,45,40,827.32		2,45,40,827.32
Other Payables & Provisions		14,88,00,679.02	(87,50,709.50)	14,00,49,969.52
Change in Working Capital		9,16,13,543.01		12,47,85,884.35
Cash generated from Operations		24,29,20,559.88		23,41,69,850.38
Income tax paid		(4,39,68,064.50)		(4,39,68,064.50)
Net Cash generated from Operating Activities		19,89,52,495.38		19,02,01,785.88
B. Cash flow from Investing Activities				
Purchase of Fixed Assets		(1,31,17,698.26)		(1,31,17,698.26)
Proceeds from Sale of Fixed Assets				
Proceeds from Issue of Additional Capital				
Proceeds from Sale/(purchase) of Investments		307.69	-	307.69
Income from Investments		17,34,516.00		17,34,516.00
Interest Received		1,63,85,095.16		1,63,85,095.16
Net cash used in investing activities		50,02,220.59		50,02,220.59
C. Cash flow from Financing Activities				
Interest paid		(36,14,830.47)		(36,14,830.47)
Proceeds from borrowings				
Repayment of borrowings		(96,248.00)		(96,248.00)
Dividend paid including tax on dividend		(4,51,15,799.50)		(3,63,65,090.00)
Net cash used in Financing activities		(4,88,26,877.97)	87,50,709.50	(4,00,76,168.47)
D. Net Increase / (Decrease) in Cash & Cash Equivalents		15,51,27,838.00		15,51,27,838.00
E. Cash & Cash Equivalents (Opening) as on 1st April 2017 / 1st April 2016		26,96,71,173.36		26,96,71,173.36
F. Cash & Cash Equivalents (Closing)		42,47,99,011.36		42,47,99,011.36
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:				
Cash in hand		11,18,300.18		11,18,300.18
Cheques, draft on hand		62,45,019.09		62,45,019.09
Balances with Schedule banks				
in current accounts		18,15,77,678.29		18,15,77,678.29
in deposit accounts		23,44,37,738.80		23,44,37,738.80
in unclaimed dividend accounts		14,20,275.00		14,20,275.00



Note A Particulars	note no	As at date of 1st April, 2018		
		previous GAAP	adjustment on transition to Ind AS	Ind AS
Other investments (unquoted) -Trade Investment in Equity Instruments				
Associate:				
960000 (PY 960000) equity shares of Rs.10/- each of Steel City Financial Services Pvt Ltd at cost		1,29,00,000.00		1,29,00,000.00
Other investments (unquoted) - Non-Trade				
2,500 (P.Y 2500) equity shares of Rs.10/- each of Steel City Infotech Pvt Ltd		25,000.00		25,000.00
Subsidiary:				
8,36,500 (P.Y 8,36,500) equity shares of Rs.10/- each of Steel City Commodities Pvt Ltd at cost		3,25,99,000.00		3,25,99,000.00
Total		4,55,24,000.00		4,55,24,000.00
Other investments (quoted) - Trade Investment in Equity Instruments				
197 (P.Y 2,197) equity shares of Rs.2/- each of Bse Ltd		30.31	1,48,941.09	1,48,971.40
Closing balance		4,55,24,030.31	-	4,56,72,971.40
closing balance after provision for diminution		4,55,24,030.31	-	4,56,72,971.40

Note B	1st April, 2018
Deferred tax Asset	
deferred tax Liability on depreciation	2,40,385.18
deferred tax asset on Trade Receivables	1,65,29,220.03
deferred tax asset on Investments	42,954.61
Closing balance of Deferred Tax asset	1,68,12,559.82

Note C Trade receivables	1st April, 2018		
	previous GAAP	adjustment on transition to Ind AS	Ind AS
outstanding for a period exceeding Six months			
Unsecured, considered good	9,10,50,870.32		9,10,50,870.32
Unsecured, considered Doubtful	1,53,90,472.13		1,53,90,472.13
	10,64,41,342.45		10,64,41,342.45
Less: Provision for Doubtful Debts	1,53,90,472.13	4,19,23,050.84	5,73,13,522.97
	9,10,50,870.32	-4,19,23,050.84	4,91,27,819.48
outstanding for a period between three to Six months			
Unsecured, considered good	12,88,466.72		12,88,466.72
Other Debts - Less than Three Months			
Secured, considered good	42,77,30,496.58		42,77,30,496.58
Closing balance	52,00,69,833.62	-4,19,23,050.84	47,81,46,782.78



Note D		1st April, 2018		
Other Equity	note no	previous GAAP	adjustment on transition to Ind AS	Ind AS
Other equity				
Securities Premium Reserve				
Opening Balance		10,44,47,825.07		10,44,47,825.07
Add: Received during the period		-		-
Closing Balance		10,44,47,825.07		10,44,47,825.07
General Reserve				
Opening Balance		7,19,22,744.22		7,19,22,744.22
Add: Transfer from Surplus		1,10,78,639.47	0.00	1,10,78,639.47
Closing Balance		8,30,01,383.69	0.00	8,30,01,383.69
Surplus in statement of Profit and Loss				
Opening Balance		29,12,93,390.74	-	29,12,93,390.74
Add: Net Profit/(Loss) for the current period		11,07,86,394.66	(2,66,70,954.75)	8,41,15,439.91
Amount available for appropriation		40,20,79,785.40		37,54,08,830.65
Appropriations:				
Transfer to General Reserve		(1,10,78,639.47)	(0.00)	(1,10,78,639.47)
Interim Dividend		(3,02,14,190.00)		(3,02,14,190.00)
Interim Dividend Tax		(61,50,900.00)		(61,50,900.00)
Provision for Final Dividend		(75,53,547.50)	75,53,547.50	-
Provision for Final Dividend Tax		(11,97,162.00)	11,97,162.00	-
closing balance before Ind AS adjustment		34,58,85,346.44	(1,79,20,245.25)	32,79,65,101.18
Ind AS adjustment on valuation of financial assets				-
Ind AS adjustment on provision on bad and doubtful debts				-
Closing Balance		34,58,85,346.44	(1,79,20,245.25)	32,79,65,101.18
Total		53,33,34,555.19	(1,79,20,245.25)	51,54,14,309.94



Note No.36

Comparative Balance Sheet and Statement of Profit and Loss Account as at 31st March, 2019

STANDALONE BALANCE SHEET AS AT 31ST March, 2019

Particulars	note no	As at date of 31st March, 2019		
		previous GAAP	adjustment on transition to Ind AS	Ind AS
I ASSETS				
1. Non Current Assets				
(a) Property,Plant and Equipmnet		3,96,89,612.56	-	3,96,89,612.56
(b) Intangible Assets		17,45,503.93		17,45,503.93
(c) financial Assets				
(i) Non Current Investments	A	7,07,61,796.55		7,07,61,796.55
(d) Deferred tax Asset (net)	B	27,93,288.79	1,31,00,672.51	1,58,93,961.30
(e) Long term Loans and Advances		7,52,59,137.64		7,52,59,137.64
(f) Other Non-current Assets		9,19,08,369.88	-	9,19,08,369.88
2. Current Assets				
(a) Trade Receivables	C	47,44,72,137.94	(3,71,24,885.67)	43,73,47,252.27
(b) Cash and Cash Equivalentents		50,16,42,485.94		50,16,42,485.94
(c) Short-term loans and advances		1,62,93,933.86		1,62,93,933.86
(d) Other Current Assets				
TOTAL		1,27,45,66,267.10	(2,40,24,213.16)	1,25,05,42,053.93
II. EQUITY AND LIABILITIES:				
1. Shareholders' Funds				
a) Share Capital		15,10,70,950.00		15,10,70,950.00
b) Other equity	D	57,44,95,442.82	(1,49,18,011.66)	55,95,77,431.15
2. Non- Current Liabilities				
a) Long-term borrowings		11,83,643.00		11,83,643.00
b) Deferred tax liabilities (net)		-		-
3. Current Liabilities				
a) Short-term borrowings		-		-
b) Trade Payables		25,98,86,783.67		25,98,86,783.67
c) Other Current Liabilities		24,01,68,486.11		24,01,68,486.11
d) Short-term Provisions		4,77,60,961.50	(91,06,201.50)	3,86,54,760.00
TOTAL		1,27,45,66,267.10	(2,40,24,213.16)	1,25,05,42,053.93



STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st March, 2019

Particulars	note no	previous GAAP	adjustment on transition to Ind AS	Ind AS
I. Revenue from Operations		58,78,03,448.71		58,78,03,448.71
II. Other Income		2,70,52,046.31	-	2,70,52,046.31
III. Total Revenue (I+II)		61,48,55,495.02		61,48,55,495.02
IV. Expenses				-
Expenditure on Trading Operations		67,43,692.19		67,43,692.19
Employee benefits expense		9,97,58,512.90		9,97,58,512.90
Finance Costs		31,05,432.75		31,05,432.75
Depreciation and amortisation expense		92,70,687.53		92,70,687.53
Other expenses		36,64,42,121.80	42,50,934.60	36,21,91,187.20
Impairment on Financial Instruments		-	(3,98,289.48)	(3,98,289.48)
Total Expenses		48,53,20,447.17		48,06,71,223.09
V. Profit before tax (III-IV)		12,95,35,047.85		13,41,84,271.93
VI. Tax Expense				-
1) Current Tax		3,86,54,760.00		3,86,54,760.00
2) Tax relating to prior years		52,72,276.70		52,72,276.70
3) Deferred tax		(10,83,883.97)	20,02,482.50	9,18,598.52
Total Tax Expenses		4,28,43,152.73		4,48,45,635.22
VII. Profit for the year (V-VI)		8,66,91,895.12	26,46,741.58	8,93,38,636.71
VIII Other Comprehensive income				
A) (i) Items that will not be reclassified subsequently to statement of profit and loss		-	-	-
A) (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		-	-	-
B) (ii) Income tax relating to items that will be reclassified subsequently to statement of profit and loss		-	-	-
IX Total comprehensive income for the period		8,66,91,895.12	26,46,741.58	8,93,38,636.71
X. Earnings per share (of Rs.10/- each)				
a) Basic		5.74		5.91
b) Diluted		5.74		5.91



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

Particulars	note no	previous GAAP	adjustment on transition to Ind AS	Ind AS
A. Cash flow from Operating Activities				
Net Profit Before Tax		12,95,35,047.85	46,49,224.08	13,41,84,271.93
Adjustment for:				-
Depreciation and amortization expense		92,70,687.53		92,70,687.53
Finance Costs		31,05,432.75		31,05,432.75
Interest Income		(2,14,82,276.14)		(2,14,82,276.14)
Dividend Income		(2,49,337.50)		(2,49,337.50)
Loss/(profit) on Sale of Fixed assets (net)				-
Diminution in value of Investments		-	21,50,181.99	21,50,181.99
Operating Profit before Working Capital Changes		12,01,79,554.49		12,69,78,960.56
Trade Receivables		4,55,97,695.68	(47,98,165.17)	4,07,99,530.51
Other Receivables		(4,54,05,443.78)		(4,54,05,443.78)
Other Assets		6,75,03,434.38	-	6,75,03,434.38
Trade Payables		(13,84,718.23)		(13,84,718.23)
Other Payables & Provisions		(57,05,107.69)	(3,55,492.00)	(60,60,599.69)
Change in Working Capital		6,06,05,860.36		5,54,52,203.19
Cash generated from Operations		18,07,85,414.85		18,24,31,163.75
Income tax paid		(4,69,57,312.40)		(4,69,57,312.40)
Net Cash generated from Operating Activities		13,38,28,102.45		13,54,73,851.35
B. Cash flow from Investing Activities				-
Purchase of Fixed Assets		(57,13,503.02)		(57,13,503.02)
Proceeds from Sale of Fixed Assets				-
Proceeds from Issue of Additional Capital				-
Proceeds from Sale/(purchase) of Investments		(2,52,37,766.24)	(20,01,240.90)	(2,72,39,007.14)
Income from Investments		2,49,337.50		2,49,337.50
Interest Received		2,14,82,276.14		2,14,82,276.14
Net cash used in investing activities		(92,19,655.62)		(1,12,20,896.52)
C. Cash flow from Financing Activities				-
Interest paid		(31,05,432.75)		(31,05,432.75)
Proceeds from borrowings		-		-
Repayment of borrowings		8,71,468.00		8,71,468.00
Dividend paid including tax on dividend		(4,55,31,007.50)		(4,51,75,515.50)
Net cash used in Financing activities		(4,77,64,972.25)	3,55,492.00	(4,74,09,480.25)
D. Net Increase / (Decrease) in Cash & Cash Equivalents		7,68,43,474.58		7,68,43,474.58
E. Cash & Cash Equivalents (Opening) as on 1st April 2017 / 1st April 2016		42,47,99,011.36		42,47,99,011.36
F. Cash & Cash Equivalents (Closing)		50,16,42,485.94		50,16,42,485.94
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:				-
Cash in hand		14,82,809.53		14,82,809.53
Cheques, draft on hand		97,85,790.80		97,85,790.80
Balances with Schedule banks				-
in current accounts		17,04,37,008.01		17,04,37,008.01
in deposit accounts		31,82,51,652.60		31,82,51,652.60
in unclaimed dividend accounts		16,85,225.00		16,85,225.00



Note A Particulars	note no	As at date of 31st March, 2019		
		previous GAAP	adjustment on transition to Ind AS	Ind AS
Other investments (unquoted) -Trade Investment in Equity Instruments				
Associate:				
960000 (PY 960000) equity shares of Rs.10/- each of Steel City Financial Services Pvt Ltd at cost		1,29,00,000.00		1,29,00,000.00
Other investments (unquoted) - Non-Trade				
2,500 (P.Y 2500) equity shares of Rs.10/- each of Steel City Infotech Pvt Ltd		25,000.00		25,000.00
Subsidiary:				
10,00,000 (P.Y 8,36,500) equity shares of Rs.10/- each of Steel City Commodities Pvt Ltd at cost		5,54,89,000.00		5,54,89,000.00
Total		6,84,14,000.00		6,84,14,000.00
Other investments (quoted) - Trade Investment in Equity Instruments				
197 (P.Y 197) equity shares of Rs.2/- each of Bse Ltd		30.31		30.31
1000 (P.Y 0) equity shares of Rs.10/- each of Medicamen Biotech Ltd		6,51,161.54		6,51,161.54
10000 (P.Y 10) equity shares of Rs.2/- each of Tata Motors Ltd		36,97,845.60		36,97,845.60
Total		43,49,037.45	-	43,49,037.45
Closing balance		7,27,63,037.45	-	7,27,63,037.45
Provision for Diminution in value of Investments		(20,01,240.90)		(20,01,240.90)
closing balance after provision for diminution		7,07,61,796.55	-	7,07,61,796.55

Note B	As at date of 31st March 2019
Deferred tax Asset	
deferred tax Liability on depreciation	6,33,923.71
deferred tax asset on Trade Receivables	1,58,37,195.47
deferred tax asset on Investments	(5,77,157.88)
Closing balance of Deferred Tax asset	1,58,93,961.30

Note C	As at date of 31st March 2019		
	previous GAAP	adjustment on transition to Ind AS	Ind AS
Trade receivables			
outstanding for a period exceeding Six months			
Unsecured, considered good	8,86,59,929.60		8,86,59,929.60
Unsecured, considered Doubtful	1,77,89,106.92		1,77,89,106.92
	10,64,49,036.52		10,64,49,036.52
Less: Provision for Doubtful Debts	1,77,89,106.92	3,71,24,885.67	5,49,13,992.59
	8,86,59,929.60	-3,71,24,885.67	5,15,35,043.93
outstanding for a period between three to Six months			
Unsecured, considered good	21,37,051.05		
Other Debts - Less than Three Months			
Secured, considered good	38,36,75,157.29		
Closing balance	47,44,72,137.94	-3,71,24,885.67	5,15,35,043.93



Note D Particulars	note no	As at date of 31st March, 2019		
		previous GAAP	adjustment on transition to Ind AS	Ind AS
Other equity				
Securities Premium Reserve				
Opening Balance		10,44,47,825.07	-	10,44,47,825.07
Add: Received during the period		-		-
Closing Balance		10,44,47,825.07		10,44,47,825.07
General Reserve				
Opening Balance		-		-
Opening Balance		8,30,01,383.69		8,30,01,383.69
Add: Transfer from Surplus		86,69,189.51		86,69,189.51
Closing Balance		9,16,70,573.20	-	9,16,70,573.20
Surplus in statement of Profit and Loss		-		-
Opening Balance		34,58,85,346.43	(1,79,20,245.25)	32,79,65,101.18
Add: Net Profit/(Loss) for the current period		8,66,91,895.12	26,46,741.58	8,93,38,636.71
Amount available for appropriation		43,25,77,241.56		41,73,03,737.89
Appropriations:				
Transfer to General Reserve		(86,69,189.51)	0.00	(86,69,189.51)
Interim Dividend		(3,02,14,190.00)		(3,02,14,190.00)
Interim Dividend Tax		(62,10,616.00)		(62,10,616.00)
Provision for Final Dividend		(75,53,547.50)	-	(75,53,547.50)
Provision for Final Dividend Tax		(15,52,654.00)	3,55,492.00	(11,97,162.00)
closing balance before Ind AS adjustment		37,83,77,044.54	(1,49,18,011.66)	36,34,59,032.88
Ind AS adjustment on valuation of financial assets				-
Ind AS adjustment on provision on bad and doubtful debts				-
Closing Balance		37,83,77,044.54	(1,49,18,011.66)	36,34,59,032.88
Total		57,44,95,442.82	(1,49,18,011.66)	55,95,77,431.15

Note No.37

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

In terms of our report attached
For SARC & ASSOCIATES
 Chartered Accountants
 Firm Reg.No.006085N

For STEEL CITY SECURITIES LIMITED

CHANDRA SEKHAR AKULA
 Partner
 Membership No.206704

K SATYANARAYANA
 EXECUTIVE CHAIRMAN

SATISH KUMAR ARYA
 MANAGING DIRECTOR

G S R PRASAD
 DIRECTOR

PLACE: VISAKHAPATNAM
 DATE : 29.06.2020

N RAMU
 CHIEF FINANCIAL OFFICER

M SRIVIDYA
 COMPANY SECRETARY



INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of STEEL CITY SECURITIES LIMITED.

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, 2020, 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, 2020, of consolidated profit and its consolidated cash flows for the year then ended.

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 opinion.

Key Audit Matters

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

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, 2020 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.

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 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 Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities 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 and of its associates and jointly controlled entities 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 and its associates and jointly controlled entities 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 and its associates and jointly controlled entities 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 Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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

(a) 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. 1496.08 Lakhs as at 31st March, 2020, total revenues of Rs.151.31 Lakhs and net cash flows amounting to Rs.(280.13) 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.(13.90) Lakhs for the year ended 31st March, 2020, 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, jointly controlled entities and 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, jointly controlled entities 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, 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, 2020 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, 2020 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) 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, 2020 - 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.

For SARC & ASSOCIATES
Chartered Accountants
FRN:006085N

CHANDRA SEKHAR AKULA
(Partner)
Membership No. :206704
UDIN No : 20206704AAAAAY7905

Place: VISAKHAPATNAM
Date: 29.06.2020



"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, 2020 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' judgment, 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, 2020, 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.

For SARC & ASSOCIATES
Chartered Accountants
FRN:006085N

CHANDRA SEKHAR AKULA
(Partner)
Membership No. :206704

Place: VISAKHAPATNAM
Date: 29.06.2020



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2020

	Note No	As at 31-Mar-20 Rs.	As at 31-Mar-19 Rs.	As at 01-Apr-18 Rs.
I. ASSETS				
1. Non Current Assets				
(a) Property plant and equipment	3	5,04,26,741.48	4,13,25,809.60	4,35,93,625.64
(b) Goodwill on Consolidation		4,54,89,000.00	4,54,89,000.00	2,42,34,000.00
(c) Intangible Assets	4	4,76,690.85	17,45,503.93	33,42,108.06
(d) Deferred tax Asset (net)	5	1,98,06,542.45	1,79,26,275.30	1,70,52,408.38
(e) Financial Assets				
(i) Non Current Investments	6	4,62,78,297.03	5,20,11,850.06	4,78,81,393.58
(ii) Long term Loans and Advances	7	18,05,06,061.50	8,75,74,767.64	11,31,41,075.00
2. Current Assets				
(a) Financial Assets				
(i) Current Investments	8	98,64,257.75	1,33,90,357.00	83,33,025.75
(ii) Trade Receivables	9	42,26,61,480.21	44,39,23,099.61	48,71,68,817.17
(iii) Cash and Cash Equivalents	10	58,21,77,310.52	57,27,48,149.88	50,46,56,502.16
(iv) Short-term loans and advances	11	5,59,58,382.36	5,50,84,333.86	4,90,76,662.02
(b) Other Current Assets	12	5,80,86,913.87	9,60,73,174.53	9,16,44,937.75
Total		1,47,17,31,678.03	1,42,72,92,321.41	1,39,01,24,555.51
II. EQUITY AND LIABILITIES				
1. Equity				
(a) Share Capital	13	15,10,70,950.00	15,10,70,950.00	15,10,70,950.00
(b) Other Equity				
Equity attributable to owners of the company		72,87,88,065.72	69,43,94,496.63	63,08,15,783.71
Non Controlling Interests		-	-	2,26,78,501.88
2. Non-Current Liabilities				
(a) Deferred tax liability (net)	5	-	-	-
3. Current Liabilities				
(a) Financial Liabilities				
(i) Long-term borrowings	14	6,50,807.00	11,83,643.00	3,12,175.00
(ii) Short-term borrowings	15	-	-	-
(iii) Trade Payables	16	38,59,05,047.97	29,58,70,369.11	29,12,46,134.09
(b) Other Current Liabilities	17	17,67,74,010.34	24,45,00,892.65	24,88,69,201.80
(c) Short-term Provisions	18	2,85,42,797.00	4,02,71,970.00	4,51,31,809.00
Total		1,47,17,31,678.03	1,42,72,92,321.41	1,39,01,24,555.51
Overview & Significant Accounting policies The accompanying notes are an integral part of these Financial Statements	1 & 2			

In terms of our report attached
For SARC & ASSOCIATES
Chartered Accountants
Firm Reg.No.006085N

For STEEL CITY SECURITIES LIMITED

CHANDRA SEKHAR AKULA
Partner
Membership No.206704

KSATYANARAYANA
EXECUTIVE CHAIRMAN

SATISH KUMAR ARYA
MANAGING DIRECTOR

G S R PRASAD
DIRECTOR

PLACE: VISAKHAPATNAM
DATE : 29.06.2020

N RAMU
CHIEF FINANCIAL OFFICER

M SRIVIDYA
COMPANY SECRETARY



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH, 2020

	Note No	Year Ended 31-Mar-20 Rs.	Year Ended 31-Mar-19 Rs.
I. Revenue from Operations	19	48,52,30,237.91	60,27,69,548.91
II. Other Income	20	2,96,95,312.67	3,61,01,320.01
III. Total Revenue (I+II)		51,49,25,550.58	63,88,70,868.92
IV. Expenses			
Expenditure on Trading Operations	21	50,29,098.34	69,94,129.95
Impairment of Financial Instruments	22	9,25,798.73	39,79,961.24
Employee benefits expense	23	10,60,83,315.60	10,41,81,834.90
Finance Costs	24	51,80,308.04	34,28,171.07
Depreciation and amortisation expense	3 & 4	88,35,096.05	95,77,923.19
Other expenses	25	28,86,01,337.13	37,40,80,106.88
Loss/(profit) on Sale of Assets			
IV. Total Expenses		41,46,54,953.89	50,22,42,127.23
V. Profit before tax (III-IV)		10,02,70,596.69	13,66,28,741.69
VI. Tax Expense			
1) Current Tax		2,70,78,260.00	4,02,71,970.00
2) Tax relating to prior years		5,42,838.30	52,22,628.40
3) Deferred tax		(18,80,267.17)	(8,73,866.92)
Total Tax Expenses		2,57,40,831.13	4,46,20,731.48
VII. Profit after tax and before Share in Associate (V-VI)		7,45,29,765.56	9,20,08,010.21
VIII. Share of Profit in Associate (net)		(33,85,756.49)	(35,63,123.66)
IX. Profit for the year before Non-controlling Interest (VII-VIII)		7,11,44,009.07	8,84,44,886.55
X. Non-controlling Interest		-	-
XI. Profit for the Year		7,11,44,009.07	8,84,44,886.55
XII. Other Comprehensive income			
A) (i) Items that will not be reclassified subsequently to statement of profit and loss		-	-
(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		7,11,44,009.07	8,84,44,886.55
XIV. Earnings per share (of Rs.10/- each)	26		
a) Basic		4.71	5.85
b) Diluted		4.71	5.85
Overview & Significant Accounting policies	1 & 2		
The accompanying notes are an integral part of these Financial Statements			

In terms of our report attached

For SARC & ASSOCIATES

Chartered Accountants

Firm Reg.No.006085N

CHANDRA SEKHAR AKULA

Partner

Membership No.206704

KSATYANARAYANA

EXECUTIVE CHAIRMAN

SATISH KUMAR ARYA

MANAGING DIRECTOR

G S R PRASAD

DIRECTOR

PLACE: VISAKHAPATNAM

DATE : 29.06.2020

N RAMU
CHIEF FINANCIAL OFFICER

M SRIVIDYA
COMPANY SECRETARY

For STEEL CITY SECURITIES LIMITED



STATEMENT OF CHANGES IN EQUITY

Equity Share Capital

Balance as at April 1, 2019	Change in Equity Share Capital	Balance as at March, 2020
15,10,70,950.00	-	15,10,70,950.00
Balance as at April 1, 2018	Change in Equity Share Capital	Balance as at March, 2019
15,10,70,950.00	-	15,10,70,950.00

Other Equity

Particulars	Securities Premium Reserve	General Reserve	Surplus in statement of Profit and Loss	Total Other Equity
Balance as at April 1, 2018	10,44,47,825.07	10,02,28,511.81	44,88,55,948.71	65,35,32,285.59
Add: Received during the period/Transfer from Surplus		87,61,320.37		87,61,320.37
Add: Net Profit/(Loss) for the current period			8,84,44,886.55	8,84,44,886.55
Amount available for appropriation	10,44,47,825.07	10,89,89,832.18	53,73,00,835.25	75,07,38,492.50
Appropriations:				
Transfer to General Reserve			(87,61,320.37)	(87,61,320.37)
Interim Dividend			(3,02,14,190.00)	(3,02,14,190.00)
Interim Dividend Tax			(62,10,616.00)	(62,10,616.00)
Final Dividend			(95,53,547.50)	(95,53,547.50)
Final Dividend Tax			(16,04,322.00)	(16,04,322.00)
closing balance before Ind AS adjustment	10,44,47,825.07	10,89,89,832.18	48,09,56,839.38	69,43,94,496.63
Ind AS adjustment on valuation of financial assets				-
Ind AS adjustment on provision on bad and doubtful debts				-
Balance as at March 31, 2019	10,44,47,825.07	10,89,89,832.18	48,09,56,839.38	69,43,94,496.63

Particulars	Securities Premium Reserve	General Reserve	Surplus in statement of Profit and Loss	Total Other Equity
Balance as at April 1, 2019	10,44,47,825.07	10,89,89,832.18	48,09,56,839.38	69,43,94,496.63
Add: Received during the period/Transfer from Surplus		(71,14,400.91)		(71,14,400.91)
Add: Net Profit/(Loss) for the current period			7,11,44,009.07	7,11,44,009.07
Amount available for appropriation	10,44,47,825.07	10,18,75,431.27	55,21,00,848.46	75,84,24,104.80
Appropriations:				
Transfer to General Reserve			71,14,400.91	71,14,400.91
Interim Dividend			(2,26,60,642.50)	(2,26,60,642.50)
Interim Dividend Tax			(46,57,962.00)	(46,57,962.00)
Final Dividend			(75,53,547.50)	(75,53,547.50)
Final Dividend Tax			(18,78,288.00)	(18,78,288.00)
closing balance before Ind AS adjustment	10,44,47,825.07	10,18,75,431.27	52,24,64,809.37	72,87,88,065.71
Ind AS adjustment on valuation of financial assets				-
Ind AS adjustment on provision on bad and doubtful debts				-
Balance as at March 31, 2020	10,44,47,825.07	10,18,75,431.27	52,24,64,809.37	72,87,88,065.72

In terms of our report attached
For SARC & ASSOCIATES
 Chartered Accountants
 Firm Reg.No.006085N

CHANDRA SEKHAR AKULA
 Partner
 Membership No.206704

PLACE: VISAKHAPATNAM
 DATE : 29.06.2020

K SATYANARAYANA
 EXECUTIVE CHAIRMAN

N RAMU
 CHIEF FINANCIAL OFFICER

For STEEL CITY SECURITIES LIMITED

SATISH KUMAR ARYA
 MANAGING DIRECTOR

M SRIVIDYA
 COMPANY SECRETARY

G S R PRASAD
 DIRECTOR



CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2020

	Year Ended 31-Mar-20 Rs.	Year Ended 31-Mar-19 Rs.
A. Cash flow from Operating Activities		
Net Profit Before Tax	10,02,70,596.69	13,66,28,741.69
Adjustment for:		
Depreciation and amortization expense	88,35,096.05	95,77,923.19
Finance Costs	51,80,308.04	34,28,171.07
Interest Income	(2,81,60,678.61)	(2,93,86,624.85)
Dividend Income	(5,54,535.75)	(8,84,301.00)
Impairment of Financial Assets	35,26,099.25	39,79,961.24
Operating Profit before Working Capital Changes	8,90,96,885.67	12,33,43,871.34
Trade Receivables	2,12,61,619.40	4,32,21,880.51
Other Receivables	(9,47,42,672.35)	(4,99,68,408.54)
Other Assets	3,49,86,632.46	6,69,63,545.85
Trade Payables	9,00,34,678.86	46,24,235.02
Other Payables & Provisions	(7,61,05,087.57)	(94,18,182.05)
Change in Working Capital	(2,45,64,829.20)	5,54,23,070.79
Cash generated from Operations	6,45,32,056.47	17,87,66,942.13
Income tax paid	(2,70,35,107.95)	(4,73,56,232.50)
Net Cash generated from Operating Activities	3,74,96,948.52	13,14,10,709.63
B. Cash flow from Investing Activities		
Purchase of Fixed Assets	(1,66,67,214.85)	(57,13,503.02)
Proceeds from Sale of Fixed Assets	-	-
Proceeds from Sale/(Purchase) of Investments	23,47,796.55	(4,01,44,266.16)
Dividend Income	5,54,535.75	8,84,301.00
Interest Received	2,81,60,678.61	2,93,86,624.85
Net cash used in Investing Activities	1,43,95,796.06	(1,55,86,843.33)
C. Cash flow from Financing Activities		
Interest paid	(51,80,308.04)	(34,28,171.07)
Proceeds from borrowings	-	-
Repayment of borrowings	(5,32,836.00)	8,71,468.00
Dividend paid including tax on dividend	(3,67,50,440.00)	(4,51,75,515.50)
Net cash used in Financing activities	(4,24,63,584.04)	(4,77,32,218.57)
D. Net Increase / (Decrease) in Cash & Cash Equivalents	94,29,160.54	6,80,91,647.73
E. Cash & Cash Equivalents (Opening) as on 1st April 2019 / 1st April 2018	57,27,48,149.88	50,46,56,502.15
F. Cash & Cash Equivalents (Closing)	58,21,77,310.42	57,27,48,149.88
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:		
Cash in hand	22,15,147.90	18,23,794.53
Cheques, draft on hand	95,04,950.01	99,40,790.80
Balances with Schedule banks		
in current accounts	20,76,13,174.58	19,10,17,230.72
in deposit accounts	36,09,77,829.03	36,82,81,108.83
in unclaimed dividend accounts	18,66,209.00	16,85,225.00

In terms of our report attached

For SARC & ASSOCIATES

Chartered Accountants

Firm Reg.No.006085N

For STEEL CITY SECURITIES LIMITED

CHANDRA SEKHAR AKULA

Partner

Membership No.206704

K SATYANARAYANA

EXECUTIVE CHAIRMAN

SATISH KUMAR ARYA

MANAGING DIRECTOR

G S R PRASAD

DIRECTOR

PLACE: VISAKHAPATNAM

DATE : 29.06.2020

N RAMU

CHIEF FINANCIAL OFFICER

M SRIVIDYA

COMPANY SECRETARY



Note No.1 : Company Over View

Steel City Securities Limited (“the Company”) along with its subsidiary i.e Steel City Commodities Pvt Ltd having 100% of shares are primarily engaged in the business of retail broking (securities and commodity broking), DP Services, E-Governance, Services of EA of UIDAI, Corporate insurance agents, marketing support services. The Shares of the Company are listed on National Stock Exchange SME platform. i.e. “NSE EMERGE”. The company registered office is at Dwarkanagar, Sankarmatam Road, Visakhapatnam-530016 Andhra Pradesh, India.

Steel City Securities Limited (“the Company”) along with its subsidiary i.e Steel City Commodities Pvt Ltd is having 43.74% of share (P Y 43.74%) in the associate i.e. Steel City Financial Services Private Limited.

Note No.2 : Significant Accounting Policies

A Basis of Preparation and Presentation of financial statements

The Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of entering into the transaction

The financial Statements are prepared in accordance with the principles and procedures required for the preparation and presentation of Consolidated Financial Statements as laid down under the Indian Accounting Standards (Ind AS) 110, ‘Consolidated Financial Statements’. The financial statements of Steel City Securities Limited - the Holding Company and its subsidiary i.e Steel City Commodities Private Limited have been combined on a line-by-line basis by adding together book values like items of assets, liabilities, income and expenses after eliminating intra group balances and transactions if any. The Consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Non controlling interests have been excluded. Non controlling interest represent that part of the net profit or loss and net assets of subsidiary that are not, directly or indirectly, owned or controlled by the Company.

In accordance with the notification issued by the Ministry of Corporate Affairs, the company has adopted Indian Accounting Standards (referred to as “Ind As”) notified under the Companies (Indian Accounting Standards) Rules, 2015. The company has adopted Ind As from 1st April, 2019 with effective transition date as 1st April, 2018. The consolidated Financial Statements of Steel City Securities Limited and its subsidiaries and associates have been prepared in accordance with the Ind As as notified under the Companies (Indian Accounting Standard) Rules, 2015 read with section 133 of the Companies Act, 2013. The transition was carried out from Accounting Principles generally accepted in India as prescribed under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Account) Rules, 2014 (“ I GAAP”). An explanation on how transition to Ind As has affected previously reported financial position, financial performance and cash flows is provided in Note No.36&37

The Balance Sheet, the statement of Profit and Loss and the statement of changes in Equity are prepared and presented in the format prescribed in schedule III to the Companies Act, 2013. The Statement of Consolidated Financial Statements are prepared as per the requirement of Ind AS. Amounts in the financial statements are presented in Indian Rupees

B Principles of consolidation

The Company is able to exercise control over the operating decision of the investee companies, resulting in variable returns to the Company and accordingly, the same are classified as investment in subsidiary and line by line consolidation is carried out under the principles of consolidation. The Consolidated Financial Statements of the Company have been prepared on the following basis:

- i) The financial statements of the subsidiaries and associates used in the consolidation are drawn



up to the same reporting date as that of the Company i.e., March 31, 2020, except for certain associates for which financial statements as on the reporting date are not available. These have been consolidated based on their latest available financial statements. Necessary adjustments have been made for the effects of significant transactions and other events between the reporting dates of such financial statements and the Consolidated Financial Statements.

ii) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

iii) The Consolidated Financial Statements include the share of profit/ (loss) of associates, which have been accounted for using the equity method as per Ind AS 28- (Accounting for Investments in Associates and Joint Ventures). Accordingly, the share of profit/ (loss) of the associates (the loss being restricted to the cost of the investment) have been added/deducted to the costs of investments.

iv) The excess of cost to the company of its investments in the subsidiaries over its share of equity of the subsidiaries, at the dates on which the investments in the subsidiaries were made, is recognised as "Goodwill on Consolidation" and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiaries as on the date of investment is in excess of cost of investments of the company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus' in the Consolidated Financial Statements.

v) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the Consolidated Financial Statements as Goodwill or Capital Reserve as the case may be and adjusted against the carrying amount of investment in the associate.

vi) Non-controlling interest (NCI) in the net assets of the subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiaries were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit/ loss for the year of the subsidiaries attributable to NCI is identified and adjusted against the profit after tax of the company in order to arrive at the profit attributable to shareholders of the Group.

C Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated

D 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

E Use of Estimates

The preparation of financial statements requires the management of the Company to make judgements, assumptions and estimates that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses for the reporting period. The application of accounting



policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in the financial statements have been disclosed as applicable in the respective notes to accounts. Accounting estimates could change from period to period. Future results could differ from these estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Assumptions and estimation uncertainties

The preparation of the financial statements in conformity with Ind AS requires management to make 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 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 judgments 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 carryforwards become 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 judgement 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.

F 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

G 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, TINFC's Operations and UIDAI EA 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.

H 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

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. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2019, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment

iii. 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.

iv. 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		
365 days	70.00%	20.00%
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 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.

L 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 at 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.

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

M 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.

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

N 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.

O 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.

P 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

Q 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.

R 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

S Dividend payable (including dividend distribution tax)

Dividend including dividend distribution tax is recognised at the time of payment to equity shareholders.



Note No. 3 : Property plant and equipment

Description	Gross Block at Cost				Depreciation				Net Block		
	As at 01.04.2019	Additions as on 31.03.2020	Deletions as on 31.03.2020	As at 31.03.2020	Up to 31.03.2019	Useful Life	Dep during the period	Del. during the period	Up to 31.03.2020	As at 31.03.2020	As at 31.03.2019
Land	62,66,670.00	1,20,00,000.00	-	1,82,66,670.00	-	-	-	-	-	1,82,66,670.00	62,66,670.00
Buildings	62,02,030.00	-	-	62,02,030.00	14,71,616.66	60 Yrs	98,198.81	-	15,69,815.47	46,32,214.53	47,30,413.34
Buildings WIP	6,15,752.00	28,24,360.00	-	34,40,112.00	-	-	-	-	-	34,40,112.00	6,15,752.00
Furniture & Fixtures	59,15,227.69	10,65,132.00	1,42,363.31	68,37,996.38	17,98,489.73	10 Yrs	6,49,770.42	1,42,363.31	23,05,896.84	45,32,099.54	41,16,737.96
Electrical Equipments	2,43,55,549.12	6,45,508.13	30,69,948.00	2,19,31,109.25	1,37,15,779.32	10 Yrs	22,54,447.86	30,69,948.00	1,29,00,279.18	90,30,830.07	1,06,39,769.80
Computers	1,57,80,162.12	91,030.74	27,01,373.20	1,31,69,819.66	46,58,635.81	3-6 Yrs	35,32,003.14	27,01,373.20	54,89,265.75	76,80,553.91	1,11,21,526.31
Vehicles	82,31,280.72	-	4,18,386.00	78,12,894.72	46,05,445.28	8 Yrs	9,53,103.24	4,18,386.00	51,40,162.52	26,72,732.20	36,25,835.44
Cycles	14,640.00	-	7,240.00	7,400.00	10,408.64	10 Yrs	862.83	7,240.00	4,031.47	3,368.53	4,231.36
Other Assets	4,08,897.14	41,183.98	52,880.00	3,97,201.12	2,04,023.75	5 Yrs	77,896.67	52,880.00	2,29,040.42	1,68,160.70	2,04,873.39
Total	6,77,90,208.79	1,66,67,214.85	63,92,190.51	7,80,65,233.13	2,64,64,399.19		75,66,282.97	63,92,190.51	2,76,38,491.65	5,04,26,741.48	4,13,25,809.60

Note No. 4 : Intangible Assets

Description	Gross Block at Cost			Depreciation			Net Block				
	As at 01.04.2019	Additions as on 31.03.2020	Deletions as on 31.03.2020	As at 31.03.2020	Up to 31.03.2019	Useful Life	Dep during the period	Del. during the period	Up to 31.03.2020	As at 31.03.2020	As at 31.03.2019
Software	47,34,373.60	-	10,66,201.00	36,68,172.60	29,88,869.67	3 Yrs	12,68,813.08	10,66,201.00	31,91,481.75	4,76,690.85	17,45,503.93
Total	47,34,373.60	-	10,66,201.00	36,68,172.60	29,88,869.67		12,68,813.08	10,66,201.00	31,91,481.75	4,76,690.85	17,45,503.93



	As at 31-Mar-20 Rs.	As at 31-Mar-19 Rs.
Note No.5		
Deferred tax Asset (net)		
<u>Tax effect of items constituting deferred tax liability</u>		
- Provision for Doubtful Debts		-
- Depreciation on fixed assets	70,359.28	-
Tax effect of items constituting deferred tax liability (A)	70,359.28	-
<u>Tax effect of items constituting deferred tax Asset</u>		
- Depreciation on fixed assets	10,73,205.66	5,09,900.01
- Provision for Doubtful Debts	1,55,73,385.23	1,62,27,828.87
- Impairment of Investments	32,30,310.84	11,88,546.42
Tax effect of items constituting deferred tax Asset (B)	1,98,76,901.73	1,79,26,275.30
Deferred Tax Asset (net) [opening DTA+(B-A)]	1,98,06,542.45	1,79,26,275.30
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	10,02,70,596.69	13,66,28,741.69
Applicable Income Tax Rate	25.168%	29.12%
Expected Income Tax Expense	2,52,36,095.99	3,97,10,022.13
Effect of Income exempt from tax	(1,39,565.55)	(2,37,697.59)
Effect of expenses / provisions not deductible in determining taxable profit	1,01,462.40	(74,221.46)
Adjustment related to tax of prior years	5,42,838.30	52,22,628.40
Reported Income Tax Expense	2,57,40,831.14	4,46,20,731.48
Note No.6		
Non Current Investments		
Other investments (quoted) - Trade		
Investment in Equity Instruments		
0 (P.Y 197) equity shares of Rs.2/- each of Bse Ltd	-	30.31
0 (P.Y 1000) equity shares of Rs.10/- each of Medicamen Biotech Ltd	-	6,51,161.54
0 (P.Y 10000) equity shares of Rs.2/- each of Tata Motors Ltd	-	36,97,845.60
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	2,82,62,662.03	3,16,48,418.51
Other investments (unquoted) - Non-Trade		
2,500 (P.Y 2500) equity shares of Rs.10/- each of Steel City Infotech Pvt Ltd	25,000.00	25,000.00
4,00,000 (P.Y 4,00,000) 9% Compulsory Convertible Cumulative Preference Shares of MELIORA ARC LTD	1,00,00,000.00	1,00,00,000.00
517 (P.Y 517) 9% CCDs of Redcliffe Hygiene Private Limited	79,90,635.00	79,90,635.00
	4,62,78,297.03	5,40,13,090.96
Provision for Diminution in value of Investments	-	(20,01,240.90)
	4,62,78,297.03	5,20,11,850.06
Book Value of Quoted Investments	-	43,49,037.45
Market Value of Quoted Investments	-	23,47,796.55
Book Value of Unquoted Investments	4,62,78,297.03	4,96,64,053.51

Note: Investments in Subsidiary Company mutually cancelled on Consolidation of Financials

Name of the Associate	ownership interest	Original Cost Rs.	Carrying amount Rs.
Steel City Financial Services Pvt Ltd	43.74%	2,58,00,000.00	2,82,62,662.03



	As at 31-Mar-20 Rs.	As at 31-Mar-19 Rs.
Note No.7		
Long term Loans and Advances		
Unsecured, considered good		
Interest free Security Deposits with Exchanges	16,79,19,422.50	7,64,26,296.64
V Sat Deposits with Exchanges	50,000.00	50,000.00
Telephone Deposits	7,32,241.00	7,32,742.00
Rental Deposits	70,61,732.00	68,18,608.00
Electricity Deposits	8,78,751.00	8,42,001.00
Other Deposits	38,63,915.00	27,05,120.00
	18,05,06,061.50	8,75,74,767.64

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	1,20,000.00	1,20,000.00
Asian Paints Ltd 865 Qty (P.Y 865) of Rs.1/- (PY Rs.1/-) each	10,00,278.48	10,00,278.48
Cipla Ltd 3235 Qty (P.Y 3235) of Rs.2/- (PY Rs.2/-) each	20,05,279.61	20,05,279.61
DLF Ltd 3950 Qty (P.Y 3950) of Rs.2/- (PY Rs.2/-) each	10,03,564.14	10,03,564.14
India Cements Ltd 11000 Qty (P.Y 11000) of Rs.10/- (PY Rs.10/-) each	20,20,944.80	20,20,944.80
Lupin Ltd 1000 Qty (P.Y 1000) of Rs.10/- (PY Rs.10/-) each	8,09,130.55	8,09,130.55
Shivalik Rasaayan Ltd 15000 Qty (P.Y 15000) of Rs.10/- (PY Rs.10/-) each	48,90,000.00	48,90,000.00
Tata Motors Ltd 14690 Qty (P.Y 14690) of Rs.10/- (PY Rs.10/-) each	57,17,278.79	57,17,278.79
Wockhardt Pharma Ltd 2190 Qty (P.Y 2190) of Rs.10/- (PY Rs.10/-) each	20,03,529.10	20,03,529.10
	1,95,70,005.47	1,95,70,005.47
Provision for Diminution in value of Investments	(97,05,747.72)	(61,79,648.47)
	98,64,257.75	1,33,90,357.00
Book Value of Quoted Investments	1,95,70,005.47	1,95,70,005.47
Market Value of Quoted Investments	98,64,257.75	1,33,90,357.00

Note No.9		
Trade Receivables		
outstanding for a period exceeding Six months		
Unsecured, considered good	5,61,64,834.01	9,59,76,320.80
Unsecured, considered doubtful	5,35,95,887.13	1,78,95,913.00
	10,97,60,721.14	11,38,72,233.80
Less: Provision for doubtful Debts	5,35,96,325.46	5,61,96,625.98
	5,61,64,395.68	5,76,75,607.82
outstanding for a period between three to Six months		
Unsecured, considered good	29,64,473.61	22,51,273.18
Other Debts - Less than Three Months		
Secured, considered good	36,35,32,610.92	38,39,96,218.61
	42,26,61,480.21	44,39,23,099.61



Note No.10		
Cash and Cash Equivalents		
Cash on hand	22,15,147.90	18,23,794.53
Cheques, drafts on hand and transit	95,04,950.01	99,40,790.80
Balances with Banks		
- in current accounts	20,76,13,174.58	19,10,17,230.72
- Unclaimed dividend account	18,66,209.00	16,85,225.00
- in deposit accounts (Earmarked)		
Against Bank Guarantees & other commitments	34,39,77,829.03	28,23,42,438.83
- Deposit original maturity less than 12 months	1,70,00,000.00	7,69,38,670.00
- Deposit original maturity more than 12 months	-	90,00,000.00
	58,21,77,310.52	57,27,48,149.88

- a) deposit accounts includes an amount of Rs.18.50 Cr placed with banks (HDFC Bank Rs.13.00 cr, Karur vysya bank Rs. 4.00 Cr and Karnataka bank Rs.1.50 Cr) 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	5,95,844.20	25,071.00
Other loans and advances		
Advance to employees	9,20,242.14	15,64,836.88
Receivable from E-Governance Centres	1,17,41,803.83	1,06,77,640.58
Receivable from Authorised Persons/Dp Franchises	47,10,092.19	5,72,572.60
Others	3,79,90,400.00	4,22,44,212.80
	5,59,58,382.36	5,50,84,333.86

Others includes an amount of Rs.3,79,90,400/- given as Inter-corporate loan to M/s. Omcon infrastructure Pvt Ltd.

Note No.12		
Other Current Assets		
Interest accrued on Fixed Deposits	1,14,75,431.69	1,25,16,966.53
Refund due from IT Department	-	3,51,02,200.00
Other Receivables	1,53,56,975.90	1,17,07,439.09
Advance Income Tax	2,83,52,642.80	3,53,61,649.30
Prepaid expenses	29,01,863.48	13,84,919.61
	5,80,86,913.87	9,60,73,174.53

Note No.13		
Share Capital		
Authorised		
2,50,00,000 (P.Y 2,50,00,000) Equity Shares of Rupees 10/- each	25,00,00,000.00	25,00,00,000.00
Total	25,00,00,000.00	25,00,00,000.00
Issued subscribed and paid up capital		
1,51,07,095(P.Y 1,51,07,095) Equity Shares of Rupees 10/- each, fully paid-up	15,10,70,950.00	15,10,70,950.00
	15,10,70,950.00	15,10,70,950.00



(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, 2020			
- Number of shares	15107095	0	15107095
- Amount Rs.	151070950	0	151070950
Period ended 31st March, 2019			
- Number of shares	15107095	0	15107095
- Amount Rs.	151070950	0	151070950

Notes: (i) Reconciliation of number of Shares

Name of the Shareholder	As at March, 2020		As at March, 2019	
	No of Shares	Amount (Rs.)	No of Shares	Amount (Rs.)
Equity shares				
Opening Balance	15107095	15,10,70,950.00	15107095	15,10,70,950.00
Issued during the year	0	-	0	-
Closing Balance	15107095	15,10,70,950.00	15107095	15,10,70,950.00

(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. 1.50 (previous year Rs.2.00) and final Dividend recommended for distribution to equity shareholders is Rs.0.00 (previous year Rs.0.50)

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, 2020		As at March, 2019	
	No of Shares held	% of Holding	No of Shares held	% of Holding
K.Satyanarayana	1576900	10.44	1576900	10.44
Satish Kumar Arya	1015840	6.72	915840	6.06
G Sirisha	2443731	16.18	2443731	16.18
G Vishnu Vandhana	2575500	17.05	2575500	17.05
Adesh Ventures LLP	842993	5.58	848000	5.61

(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



	As at 31-Mar-20 Rs.	As at 31-Mar-19 Rs.
Note No.14		
Long-term borrowings		
Secured		
Vehicle Loans from Banks & Others	6,50,807.00	11,83,643.00
	6,50,807.00	11,83,643.00

Vehicle Loan Received from HDFC Bank & Others, which is payable in monthly installments i.e.Rs. 44,403

Note No.15		
Short-term borrowings		
Secured		
Loan repayable on demand from banks	-	-
Unsecured	-	-
Total	-	-

- 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.2.15 Cr.
- 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.6.95 Cr.
- 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.4.45 Cr.

Note No.16		
Trade payables		
Trade Payables	13,30,09,407.66	5,51,61,259.71
Margin money from Trade Clients	25,28,95,640.31	24,07,09,109.40
	38,59,05,047.97	29,58,70,369.11

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

Note No.17		
Other Current Liabilities		
Liability for expenses, Authorised Persons/franchises	5,95,90,930.03	7,24,55,229.57
Margin money from E-Governance Centres	5,96,99,238.40	6,41,81,638.23
Liability against E-Governance Processings	4,72,57,824.84	9,78,18,991.78
Unpaid dividends	18,66,209.00	16,85,225.00
V Sat Deposits	83,59,808.07	83,59,808.07
	17,67,74,010.34	24,45,00,892.65

- There is no interest payable on Vsat Deposits taken from Franchises and the same was paid to Vsat Providers for purchase of VSATs
- Unpaid dividends do not include any amount due and outstanding to be credited to investor education and protection funds
- During the period ended 31st March, 2020 an amount of Rs.0 has been transferred to Investor Education and Protection Fund



	As at 31-Mar-20 Rs.	As at 31-Mar-19 Rs.
Note No.18		
Short term provisions		
Provision for Employee benefits		
- provision for gratuity	14,64,537.00	-
Provision for Taxation	2,70,78,260.00	4,02,71,970.00
	2,85,42,797.00	4,02,71,970.00

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 of the year

Note No.19		
Revenue from Operations		
Income from Broking Operations	20,14,67,183.30	21,56,75,560.13
Income from DP Operations	75,77,610.02	62,68,970.29
Income from E-Governance Operations	25,53,61,578.45	37,80,29,020.77
Interest from Margin Trading Operations	2,08,23,866.14	27,95,997.72
	48,52,30,237.91	60,27,69,548.91

Note No.20		
Other Income		
Interest from Fixed Deposits & Others	2,81,60,678.61	2,93,86,624.85
Interest on IT Refund	5,10,110.00	53,02,887.00
Profit(loss) on sale of Investments	-	-
Insurance Commission	4,69,988.31	1,29,486.76
Prof.Dividend carrying 9% coupon rate	-	3,60,000.00
Bad Debts Recoveries	-	17,545.67
Dividend Income	5,54,535.75	5,24,301.00
Interest - Others	-	3,80,474.73
	2,96,95,312.67	3,61,01,320.01

Note No.21		
Expenditure on Trading Operations		
Transaction Charges	20,35,245.36	25,59,743.66
Trading Expenses	(7,24,219.70)	21,367.38
Annual Subscription to Exchanges	3,05,000.00	1,73,333.00
Insurance	4,45,146.33	4,43,073.80
V Sat Charges and Maintenance	12,13,598.35	20,60,441.87
Batteries, UPS Maintenance	17,54,328.00	17,36,170.24
	50,29,098.34	69,94,129.95

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-20 Rs.	As at 31-Mar-19 Rs.
Note No.22		
Impairment of Financial Instruments		
Trade Receivables	(26,00,300.52)	(23,75,693.34)
Investments	35,26,099.25	63,55,654.58
	9,25,798.73	39,79,961.24

Note No.23		
Employee benefits expense		
Salaries, wages and bonus	9,68,55,051.00	9,56,10,913.00
Contribution to;		
- Provident Fund and other Funds	63,23,052.00	66,93,865.00
- Gratuity	21,00,521.00	9,32,351.00
Staff Welfare Expenses	8,04,691.60	9,44,705.90
	10,60,83,315.60	10,41,81,834.90

- Salaries, wages and bonus includes an amount of Rs. 83,00,000/- (PY Rs.78,00,000/-) paid to the Directors as Remuneration as per Schedule V of the Companies Act, 2013
- 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.
- 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.
- Leave encashment: Leave encashment amount is paid to the employees at the end of the each calendar year.

Note No.24		
Finance Costs		
Interest Expenses	21,43,457.96	3,90,962.00
BG Commission and Charges	29,57,456.08	29,85,162.07
Other Borrowings cost	79,394.00	52,047.00
	51,80,308.04	34,28,171.07



	As at 31-Mar-20 Rs.	As at 31-Mar-19 Rs.
Note No.25		
Other Expenses		
A C Maintenance	1,75,828.00	1,42,557.00
Advertisements	1,73,068.08	1,86,668.20
Bad Debts written off	-	20,610.82
Bank Charges & Payment Gateway Charges	14,20,386.62	86,40,161.93
Books & Periodicals	3,09,119.00	3,01,016.00
Business Development	39,68,571.43	49,34,947.54
Computer maintenance including parts	55,25,071.27	55,04,384.43
Conveyance	3,11,653.82	3,15,139.00
CSR Expenses	23,71,993.00	18,89,506.00
Current Repairs to Leasehold buildings	8,00,000.00	1,94,779.00
Demat charges	31,129.41	85,664.80
Donations	15,000.00	20,000.00
Duties and Taxes	40,06,679.20	-
E-Governance Commission	16,88,29,275.09	25,21,66,018.12
Electricity Charges and maintenance	68,12,641.00	67,94,927.66
Fee to Company Secretary	1,56,000.00	1,56,000.00
Fees & Charges, Filing fee	29,41,849.09	16,05,660.79
Generator maintenance	1,99,930.88	2,17,871.00
Insurance	12,56,634.00	11,61,802.00
Legal, Consultancy and Professional fee	28,08,648.50	44,88,336.71
Meeting & Conferences	43,006.00	-
Loss on Sale of Investment	6,09,049.31	1,48,941.09
Office Maintenance	41,15,891.40	46,04,552.40
Office Rent	1,91,15,158.00	1,62,17,690.00
Payment to Auditors (Refer Note No.25.1)	16,44,867.00	12,12,144.00
Printing & Stationery, Postage and Other Charges	11,94,069.04	17,26,897.48
Sub-brokerage	5,29,60,975.76	5,37,44,865.66
Subscriptions	2,94,895.67	7,02,374.00
Telephone Charges & Maintenance	40,21,372.61	44,19,547.41
Tours and Travels	8,35,251.80	10,45,455.38
Transportation charges	1,93,900.00	1,47,910.00
Vehicle maintenance	13,22,500.91	12,22,074.88
Xerox and coolers maintenance	1,36,921.24	61,603.58
	28,86,01,337.13	37,40,80,106.88
Note No.25.1		
Payment to Auditors includes payments to Statutory Auditors towards		
Statutory Audit Fee	2,40,000.00	2,40,000.00
Taxation Matters	-	-
Certifications	-	-
	2,40,000.00	2,40,000.00



	As at 31-Mar-20 Rs.	As at 31-Mar-19 Rs.
Note No.26		
Earnings per share (EPS)		
Earnings (as reported)	7,11,44,009.07	8,84,44,886.55
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	4.71	5.85
- Diluted	4.71	5.85

Note No.27

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

Sl. No.	Particulars	As at 31-Mar-20 Rs.	As at 31-Mar-19 Rs.
1	Corporate Guarantee provided to Subsidiary Company	1,00,00,000	4,00,00,000
2	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	35,45,00,000	26,45,00,000
3	Cases against the Company not acknowledged as debts:	16,17,151	74,45,151
4	Income tax Demands pending in appeals	N I L	1,84,45,423
5	Show cause notices from Service tax department for which the Company has filed replies	1,15,28,598	98,45,755
6	Service tax demands, pending in appeal (See Note No. 27.1)	5,31,87,962	5,66,09,852

27.1

- (a) Cases against the Company and not acknowledged as debts, amounting to Rs.16,17,151/- are pending at various courts/forums
- (b) Service tax demands against the Company;
- (i) The Company has deposited an amount of Rs. Rs.13,49,186/- 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 Commissioner (Appeals) before CESTAT by depositing additional Pre-deposit of Rs.4,49,729/- 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

Duties and Taxes are inclusive of Rs.26,27,498.20 paid under the Scheme of Sabka Visawas - (Legacy Dispute Resolution) scheme 2019 (SVLDRS) in respect of Long Pending Service Tax dispute on Transaction Charges against the original Demand of Rs.58,78,992.00

Note No.30

Due to outbreak of Covid-19 globally and in India, the Company has carried out its initial assessment of the likely adverse impact on economic environment and financial risk because of Covid-19. The Company including subsidiary is in the business of Stock Broking, Commodity Broking, DP Operations and E-Governance activities. The management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Company, in the long- term. The Company estimates to recover the carrying amount of/all its assets including receivables and loans in the ordinary course of business based on information available on current economic conditions. These estimates are subject to uncertainty and may be affected by the severity and duration of pandemic. The Company is continuously monitoring any material change in future economic conditions.

Note No.31

Related party disclosures:

Nature of Relationship	Name of the Party
(a) Related Parties where Control Exists: Subsidiaries Group Companies	Steel City Commodities Private Limited 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:

(in Rupees)

Sl. No.	Nature of Relationship	Name of the Related Party	Nature of Transaction					Brokerage Received
			Remu-neration	Corporate guarantee given	Advance Returned	Advance Taken	Dividend Paid/(received)	
1	Subsidiary Company	Steel City Commodities Private Ltd	0.00	1,00,00,000.00	4,17,277.85	4,17,277.85	0.00	0.00
2	Associate Company	Steel City Financial Services Private Ltd	0.00	0.00	0.00	0.00	3,37,000.00	0.00
3	Executive Chairman	K Satyanarayana	33,00,000.00	0.00	0.00	0.00	31,53,800.00	535.66
4	Managing Director	Satish Kumar Arya	30,00,000.00	0.00	0.00	0.00	19,81,680.00	17,60,772.39
5	Director – IT	T V Srikanth	20,00,000.00	0.00	0.00	0.00	0.00	0.00
6	Director	G Vishnu Vandana	0.00	0.00	0.00	0.00	51,51,000.00	0.00
7	Relative of Key Management – Wife of Sri K Satyanarayana	K Mahalakshmi	0.00	0.00	0.00	0.00	1,09,988.00	4,889.24
8	Relative of Key Management – Son of Sri K Satyanarayana	K S V Ramesh Babu	6,54,500.00	0.00	0.00	0.00	2,02,600.00	138.00
9	Relative of Key Management – wife of Sri Satish Kumar Arya	Nirmala Devi Arya	0.00	0.00	0.00	0.00	1,17,100.00	7,915.85
10	Relative of Key Management – wife of Sri T V Srikanth	G Sirisha	0.00	0.00	0.00	0.00	48,87,462.00	1,19,364.60
11	Relative of Key Management – Husband of Smt G Vishnu Vandana	P Madhu	20,00,000.00	0.00	0.00	0.00	0.00	0.00
	Total		1,09,54,500.00	1,00,00,000.00	4,17,277.85	4,17,277.85	1,59,40,630.00	18,93,615.74

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.)

Nature of Transaction	Due to /(From)
Steel City Commodities Private Limited	-
Steel City Financial Services Private Limited	6,01,840.00
K Satyanarayana	-
Satish Kumar Arya	-
T V Srikanth	-

Note No.32

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:

	31st March, 2020	31st March, 2019
Net Asset / (Liability) recognised in the Balance Sheet:		
Present Value of Defined Obligation	1,25,14,983	1,02,50,501
Fair Value of Plan Assets	1,14,61,982	1,04,78,021
Funded Status [Surplus / (Deficit)]	4,11,536	2,27,520
Unrecognised Past Services Costs	-	-
Net Asset / (Liability) recognised in the Balance Sheet	4,11,536	2,27,520
Change in Defined Benefit Obligations (DBO) during the year:		
Present Value of DBO at the beginning of the Year	1,02,50,501	93,48,526
Current Service Cost	10,86,823	10,66,545
Interest Cost	7,51,187	6,89,033
Actuarial (Gains) / Losses	-	-
Past Service Cost	-	-
Benefits Paid	(6,80,760)	(8,23,317)
Actuarial loss / (gain) on obligation (balancing figure)	11,07,232	(30,286)
Present Value of DBO at the end of the Year	1,25,14,983	1,02,50,501
Change in Fair Value of Assets during the Year :		
Plan Assets at the beginning of the Year	1,04,78,021	93,58,397
Expected Return on Plan Assets	7,95,592	7,18,891
Actual Company Contributions	8,00,000	11,50,000
Actuarial Gain / (Loss)	69,129	74,050
Benefits Paid	(6,80,760)	(8,23,317)
Plan Assets at the end of the Year	1,14,61,982	1,04,78,021
Actual Return on Plan Assets	8,64,721	7,92,941
Composition of Plan Assets is as follows:		
Government Bonds	Not Received	Not Received
Debentures and Bonds	Not Received	Not Received
Fixed Deposits	Not Received	Not Received
Others	Not Received	Not Received
* - Funds are managed by Life Insurance Corporation of India and composition of the fund as at the balance sheet date was not provided by the insurer	1,14,61,982	1,04,78,021
Assumption used in accounting for Gratuity Plan:		
Discount Rate	6.62	7.58
Salary Escalation Rate	5.00	5.00
Expected rate of return on plan assets	7.44	7.59



Note No.33

Corporate Social Responsibility

- a) Gross Amount required to be spent by the Company during the year Rs.23,71,993.00
- b) Total Amount spent during the year is Rs.23,71,933.00 as detailed below:

Particulars	Amount (Rs.)
Amount Contributed to Sweekaram Education Society of Greater Visakhapatnam Municipal Corporation, Visakhapatnam	10,85,621.00
Amount Contributed to Prime Minister National Relief Fund	10,86,372.00
Amount Contributed to The Akshaya Patra Foundation, Visakhapatnam	2,00,000.00
Total	23,71,993.00

Note No.34

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, Commodity 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 about the primary segment

Particulars	Stock Broking & Commodity Broking & DP Operations	E-Governance Operations	Grand Total
A. Segment Revenue			
External Segment	25,95,63,972.13	25,53,61,578.45	51,49,25,550.58
Internal Segment	-	-	-
Total Revenue	25,95,63,972.13	25,53,61,578.45	51,49,25,550.58
B. Segment Results Profit/(Loss)	4,07,87,446.42	6,83,18,246.32	10,91,05,692.74
Less: Depreciation			88,35,096.05
Less: Income Taxes (Current, Deferred Tax)			2,57,40,831.13
Less: Share of Associate			(33,85,756.49)
Profit/(Loss) After Tax			7,11,44,009.07
C. Segment Assets	1,29,67,11,580.02	17,50,20,098.01	1,47,17,31,678.03
D. Segment Liabilities	47,65,35,335.50	11,53,37,326.81	59,18,72,662.31
E. Capital Expenditure	1,54,94,128.30	11,73,086.55	1,66,67,214.85
F. Depreciation	69,22,240.03	19,12,856.02	88,35,096.05

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.35

Transition to INDAS as per Ind AS 101

1) First time Adoption of Ind AS

The Company has adopted Ind AS as notified by the Ministry of Corporate Affairs with effect from April 1, 2019, with a transition date of April 1, 2018. The Financial Statements for the year ended March 31, 2020 are the first financial statements, that the Company has prepared under Ind AS. For all years up to and including the year ended March 31, 2019, the Company prepared its Financial Statements in accordance with Previous GAAP. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared Financial Statements which comply with Ind AS for the year ended March 31, 2019 and the opening Ind AS Balance Sheet as at April 1, 2018, the date of transition to Ind AS and also as at March 31, 2018. In preparing these Ind AS Financial Statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as in Note No.35&36. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). Note No.35&36 explains the adjustments made by the Company in restating its Financial Statements prepared under Previous GAAP, including the Statement of Profit and Loss account for the year ended March 31, 2019 and the Balance Sheet as at April 1, 2018 and as at March 31, 2019.

2) Explanation of transition to Ind AS

This note explains the principal adjustments made by the Company in restating its IGAAP financial statements, including the Balance Sheet as at April 01, 2018 and the financial statements for the year ended March 31, 2019 and how the transition from IGAAP to Ind AS has affected the Company's financial position and financial performance.

3) Exemptions from retrospective application:

The Company has applied the following exemptions: (a) Investments in subsidiaries, joint ventures and associates. The Company has elected to adopt the carrying value under IGAAP as on the date of transition i.e. April 1, 2018 in its separate financial statements. (b) depreciation on Fixed Assets for transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE measured as per IGAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2018.

4) Reconciliation between IGAAP and Ind AS

Particulars	Note	As at31.03.2019	As at31.03.2018
equity as reported under IGAAP		708,067,527.77	642,296,387.01
Adjusted for Addition			
a) Provision for Dividened paid	C	2,000,000.00	(7,880,547.50)
b) Provision for Dividened Tax paid	C	51,668.00	(1,604,322.00)
c) IndAs Adjustment P&L	C	11,621,363.11	20,965,472.77
Equity under IndAs		694,394,496.66	630,815,783.74

5) Reconciliation of balance sheet as at 31st March, 2018 and 31st March 2019

* in Note no. 35 & 36



Note No.36

Comparative Balance Sheet and Statement of Profit and Loss Account as at 1st April, 2018

CONSOLIDATED BALANCE SHEET AS AT 1ST APRIL, 2018

Particulars	note no	As at date of 1st April, 2018		
		previous GAAP	adjustment on transition to Ind AS	Ind AS
I ASSETS				
1. Non Current Assets				
(a) Property, plant and equipment		4,35,93,625.64		4,35,93,625.64
(b) Intangible Assets		33,42,108.06		33,42,108.06
(c) Financial asset Non Current Investments	D	4,14,82,880.25	63,98,513.32	4,78,81,393.58
(d) Deferred tax assets(net)	A	15,96,720.59	1,54,55,687.78	1,70,52,408.37
(e) Long term Loans and Advances		11,31,41,075.00	-	11,31,41,075.00
(f) Other Non-current Assets		7,79,52,068.83	(7,79,52,068.83)	-
(e) Goodwill on consolidation		2,42,34,000.00		2,42,34,000.00
2. Current Assets				
(a) Current Investments		83,33,025.75		83,33,025.75
(b) Trade Receivables	B	53,02,43,858.27	(4,30,75,041.10)	48,71,68,817.17
(c) Cash and Cash Equivalents		50,46,56,502.16		50,46,56,502.16
(d) Short-term loans and advances		4,90,76,662.02		4,90,76,662.02
(e) Other Current Assets		1,36,92,868.92	7,79,52,068.83	9,16,44,937.75
Total		1,41,13,45,395.49	(2,12,20,840.03)	1,39,01,24,555.50
I. EQUITY AND LIABILITIES:				
1. Shareholders' Funds				
a) Share Capital		15,10,70,950.00		15,10,70,950.00
b) Reserves and Surplus	C	64,22,96,387.01	(1,14,80,603.30)	63,08,15,783.71
2. Non controlling Interest		2,29,33,869.10	(2,55,367.22)	2,26,78,501.88
3. Non- Current Liabilities				
a) Long-term borrowings		3,12,175.00		3,12,175.00
b) Deferred tax liabilities (net)		-		-
4. Current Liabilities				
a) Short-term borrowings		-		-
b) Trade Payables		29,12,46,134.09		29,12,46,134.09
c) Other Current Liabilities		24,88,69,201.80		24,88,69,201.80
d) Short-term Provisions		5,46,16,678.50	(94,84,869.50)	4,51,31,809.00
Total		1,41,13,45,395.49	(2,12,20,840.02)	1,39,01,24,555.51



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 1ST APRIL, 2018

Particulars	note no	As at date of 1st April, 2018		
		previous GAAP	adjustment on transition to Ind AS	Ind AS
I. Revenue from Operations		62,96,80,902.39		62,96,80,902.39
II. Other Income		3,17,04,854.70		3,17,04,854.70
III. Total Revenue (I+II)		66,13,85,757.09		66,13,85,757.09
IV. Expenses				
Expenditure on Trading Operations		1,17,88,128.16		1,17,88,128.16
Impairment of Financial Instruments			(4,83,40,839.24)	4,83,40,839.24
Employee benefits expense		9,63,04,842.60		9,63,04,842.60
Finance Costs		40,59,115.35		40,59,115.35
Depreciation and amortisation expense		89,55,594.08		89,55,594.08
Other expenses		37,96,99,784.96	54,14,739.23	37,42,85,045.73
Total Expenses		50,08,07,465.15		54,37,33,565.16
V. Profit before tax (III-IV)		16,05,78,291.94	4,29,26,100.01	11,76,52,191.93
VI. Tax Expense				
1) Current Tax		4,51,41,680.00		4,51,41,680.00
2) Tax relating to prior years		23,99,633.60		23,99,633.60
3) Deferred tax		1,46,750.57	1,54,55,687.79	(1,53,08,937.22)
Total Tax Expenses		4,76,88,064.17		3,22,32,376.38
VII. Profit after tax and before Share in Associate (V-VI)		11,28,90,227.77	2,74,70,412.22	8,54,19,815.55
VIII. Share of Profit in Associate (net)		15,24,843.12	(73,43,654.40)	88,68,497.53
IX. Profit for the year before Non Controlling Interest (VII-VIII)		11,44,15,070.89	2,01,26,757.82	9,42,88,313.08
X. Non Controlling interest		(7,42,168.14)	(2,55,367.22)	(4,86,800.92)
XI. Profit for the Year		11,36,72,902.76	1,98,71,390.60	9,38,01,512.16
XII. Other Comprehensive income				
A) (i) Items that will not be reclassified subsequently to statement of profit and loss		-		-
A) (ii) Income tax relating to items that will not be reclassified as subsequently to statement of profit and loss		-		-
B) (i) Items that will be reclassified subsequently to statement of profit and loss		-		-
B) (ii) Income tax relating to items that will be reclassified subsequently to statement of profit and loss		-		-
XII. Total comprehensive income for the period		11,36,72,902.76	1,98,71,390.60	9,38,01,512.16
XIII. Earnings per share (of Rs.10/- each)				
a) Basic - Annualised		7.52		5.65
b) Diluted - Annualised		7.52		5.65



CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 1ST APRIL, 2018

Particulars	note no	As at date of 1st April, 2018		
		previous GAAP	adjustment on transition to Ind AS	Ind AS
A. Cash flow from Operating Activities				
Net Profit Before Tax		16,05,78,291.94	4,29,26,100.01	11,76,52,191.93
Adjustment for:				
Depreciation and amortization expense		89,55,594.08		89,55,594.08
Finance Costs		40,59,115.35		40,59,115.35
Interest Income		(2,44,73,563.47)		(2,44,73,563.47)
Dividend Income		(1,17,256.00)	3,60,000.00	(4,77,256.00)
Loss/(profit) on Sale of Fixed assets (net)		-		-
Diminution in value of Investments		-	(16,76,293.70)	16,76,293.70
Operating Profit before Working Capital Changes		14,90,02,181.90		10,73,92,375.59
Trade Receivables		71,40,988.63	(4,30,75,041.10)	5,02,16,029.73
Other Receivables		(4,42,12,094.86)	16,73,000.00	(4,58,85,094.86)
Other Assets		(7,48,29,431.44)		(7,48,29,431.44)
Trade Payables		2,57,59,394.83		2,57,59,394.83
Other Payables & Provisions		13,03,67,197.13	(74,77,287.90)	13,78,44,485.03
Change in Working Capital		4,42,26,054.29		9,31,05,383.29
Cash generated from Operations		19,32,28,236.19		20,04,97,758.88
Income tax paid		(2,88,20,173.60)	1,69,62,157.40	(4,57,82,331.00)
Net Cash generated from Operating Activities		16,44,08,062.59		15,47,15,427.88
B. Cash flow from Investing Activities				
Purchase of Fixed Assets		(1,31,17,698.26)		(1,31,17,698.26)
Proceeds from Sale of Fixed Assets				-
Proceeds from Issue of Additional Capital				-
Proceeds from Sale/(purchase) of Investments		(1,08,28,598.06)	18,25,234.79	(1,26,53,832.85)
Income from Investments		1,17,256.00	(3,60,000.00)	4,77,256.00
Interest Received		2,44,73,563.47		2,44,73,563.47
Net cash used in investing activities		6,44,523.15		(8,20,711.64)
C. Cash flow from Financing Activities				
Interest paid		(40,59,115.35)		(40,59,115.35)
Proceeds from borrowings		-		-
Repayment of borrowings		(96,248.00)		(96,248.00)
Dividend paid including tax on dividend		(4,58,49,959.50)	(1,11,57,869.51)	(3,46,92,089.99)
Net cash used in Financing activities		(5,00,05,322.85)		(3,88,47,453.34)
D. Net Increase / (Decrease) in Cash & Cash Equivalents		11,50,47,262.89		11,50,47,262.90
E. Cash & Cash Equivalents (Opening)				
as on 1st April 2018 / 1st April 2017		38,96,09,239.26		38,96,09,239.26
F. Cash & Cash Equivalents (Closing)		50,46,56,502.15		50,46,56,502.16
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:				
Cash in hand		13,42,010.18		13,42,010.18
Cheques, draft on hand		63,20,019.09		63,20,019.09
Balances with Schedule banks				
in current accounts		19,37,57,822.86		19,37,57,822.86
in deposit accounts		30,18,16,375.03		30,18,16,375.03
in unclaimed dividend accounts		14,20,275.00		14,20,275.00



Note A	1st April, 2018
deferred tax asset on Trade receivables	1,69,13,655.80
deferred tax asset on Investments	42,954.61
deferred tax asset on Fixed assets	95,797.97
Closing balance of Deferred Tax asset	1,70,52,408.37

Note B	1st April, 2018		
	previous GAAP	adjustment on transition to Ind AS	Ind AS
Trade receivables			
Outstanding for a period exceeding Six months			
Unsecured, considered good	9,81,56,861.83		9,81,56,861.83
Unsecured, considered Doubtful	1,54,97,278.21		1,54,97,278.21
	11,36,54,140.04		11,36,54,140.04
Less: Provision for Doubtful Debts	1,54,97,278.21	4,30,75,041.10	5,85,72,319.31
	9,81,56,861.83	-4,30,75,041.10	5,50,81,820.73
Outstanding for a period between three to Six months			
Unsecured, considered good	14,26,832.85		14,26,832.85
Other Debts - Less than Three Months			
Secured, considered good	43,06,60,163.59		43,06,60,163.59
closing balance	53,02,43,858.27	-4,30,75,041.10	48,71,68,817.17

Note C	note no	As at date of 1st April, 2018		
		previous GAAP	adjustment on transition to Ind AS	Ind AS
Other equity				
Securities Premium Reserve				
Opening Balance		10,44,47,825.07		10,44,47,825.07
Add: Received during the period		-		-
Closing Balance		10,44,47,825.07		10,44,47,825.07
General Reserve				
Opening Balance		8,87,72,189.03	27,54,884.23	8,60,17,304.80
Add: Transfer from Surplus		1,14,56,322.78		1,14,56,322.78
Less: Minority Interest		(27,54,884.23)	(27,54,884.23)	-
Closing Balance		9,74,73,627.58	0.00	9,74,73,627.58
Surplus in statement of Profit and Loss				
Opening Balance		40,18,10,130.61	1,88,95,898.91	38,29,14,231.70
Add: Net Profit/(Loss) for the current period		11,36,72,902.76	1,98,71,390.60	9,38,01,512.16
Less: Minority Interest		(1,78,01,816.73)	(1,78,01,816.73)	-
Amount available for appropriation		49,76,81,216.63	2,09,65,472.77	47,67,15,743.86
Appropriations:				
Transfer to General Reserve		(1,14,56,322.78)		(1,14,56,322.78)
Interim Dividend		(3,02,14,190.00)		(3,02,14,190.00)
Interim Dividend Tax		(61,50,900.00)		(61,50,900.00)
Provision for Final Dividend		(78,80,547.50)	(78,80,547.50)	-
Provision for Final Dividend Tax		(16,04,322.00)	(16,04,322.00)	-
closing balance before Ind AS adjustment		44,03,74,934.35	1,14,80,603.27	42,88,94,331.08
Ind AS adjustment on valuation of financial assets				-
Ind AS adjustment on provision on bad and doubtful debts				-
Closing Balance		64,22,96,387.01	1,14,80,603.27	63,08,15,783.74



Note D Particulars	note no	1st April, 2018		
		previous GAAP	adjustment on transition to Ind AS	Ind AS
Non Current Investments				
Other investments (quoted) - Trade				
Investment in Equity Instruments				
0 (P.Y 197) equity shares of Rs.2/- each of Bse Ltd		30.31		30.31
0 (P.Y 1000) equity shares of Rs.10/- each of Medicamen Biotech Ltd				-
0 (P.Y 10000) equity shares of Rs.2/- each of Tata Motors Ltd				-
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		28961969.94	(62,49,572.23)	3,52,11,542.18
Other investments (unquoted) - Non-Trade				
2,500 (P.Y 2500) equity shares of Rs.10/- each of Steel City Infotech Pvt Ltd		25,000.00		25,000.00
4,00,000 (P.Y 4,00,000) 9% Compulsory Convertible Cumulative Preference Shares of MELIORA ARC LTD		1,00,00,000.00		1,00,00,000.00
517 (P.Y 517) 9% CCDs of Redcliffe Hygiene Private Limited		24,95,880.00		24,95,880.00
		41482880.25		47732452.49
		0	(1,48,941.09)	1,48,941.09
		41482880.25	(63,98,513.32)	4,78,81,393.58
Book Value of Quoted Investments		30.31		30.31
Market Value of Quoted Investments		148971.10		1,48,971.40
Book Value of Unquoted Investments		41482849.94		4,77,32,422.18



Note No.37

Comparative Balance Sheet and Statement of Profit and Loss Account as at 31st March, 2019

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2019

Particulars	note no	As at date of 31st March, 2019		
		previous GAAP	adjustment on transition to Ind AS	Ind AS
I ASSETS				
1. Non Current Assets				
(a) Property, plant and equipment		4,13,25,809.60		4,13,25,809.60
(b) Intangible Assets		17,45,503.93		17,45,503.93
(c) Financial asset				
Non Current Investments	D	5,17,15,476.93	2,96,373.13	5,20,11,850.06
(d) Deferred tax assets(net)	A	27,01,168.07	1,52,25,107.23	1,79,26,275.30
(e) Long term Loans and Advances		8,75,74,767.64		8,75,74,767.64
(f) Other Non-current Assets		3,67,46,568.91	(3,67,46,568.91)	
(e) Goodwill on consolidation		4,54,89,000.00		4,54,89,000.00
2. Current Assets				
(a) Current Investments		1,33,90,357.00		1,33,90,357.00
(b) Trade Receivables	B	48,22,23,812.59	(3,83,00,712.98)	44,39,23,099.61
(c) Cash and Cash Equivalents		57,27,48,149.88		57,27,48,149.88
(d) Short-term loans and advances		5,50,84,333.86		5,50,84,333.86
(e) Other Current Assets		5,93,26,605.62	3,67,46,568.91	9,60,73,174.53
Total		1,45,00,71,554.03	(2,27,79,232.62)	1,42,72,92,321.41
I. EQUITY AND LIABILITIES:				
1. Shareholders' Funds				
a) Share Capital		15,10,70,950.00		15,10,70,950.00
b) Reserves and Surplus	C	70,80,67,527.77	(1,36,73,031.11)	69,43,94,496.63
2. Non- Current Liabilities				
a) Long-term borrowings		11,83,643.00		11,83,643.00
b) Deferred tax liabilities (net)		-		-
3. Current Liabilities				
a) Short-term borrowings		-		-
b) Trade Payables		29,58,70,369.11		29,58,70,369.11
c) Other Current Liabilities		24,45,00,892.65		24,45,00,892.65
d) Short-term Provisions		4,93,78,171.50	(91,06,201.50)	4,02,71,970.00
Total		1,45,00,71,554.03	(2,27,79,232.61)	1,42,72,92,321.42



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

Particulars	note no	previous GAAP	adjustment on transition to Ind AS	Ind AS
I. Revenue from Operations		60,27,69,548.91		60,27,69,548.91
II. Other Income		3,61,01,320.01		3,61,01,320.01
III. Total Revenue (I+II)		63,88,70,868.92		63,88,70,868.92
IV. Expenses				
Expenditure on Trading Operations		69,94,129.95		69,94,129.95
Impairment of Financial Instruments		-	39,79,961.24	39,79,961.24
Employee benefits expense		10,41,81,834.90		10,41,81,834.90
Finance Costs		34,28,171.07		34,28,171.07
Depreciation and amortisation expense		95,77,923.19		95,77,923.19
Other expenses		38,26,85,455.16	86,05,348.28	37,40,80,106.88
Total Expenses		50,68,67,514.27		50,22,42,127.23
V. Profit before tax (III-IV)		13,20,03,354.65	(1,25,85,309.52)	13,66,28,741.69
VI. Tax Expense				
1) Current Tax		4,02,71,970.00		4,02,71,970.00
2) Tax relating to prior years		52,22,628.40		52,22,628.40
3) Deferred tax		(11,04,447.48)	(2,30,580.56)	(8,73,866.92)
Total Tax Expenses		4,43,90,150.92		4,46,20,731.48
VII. Profit after tax and before Share in Associate (V-VI)		8,76,13,203.73	(1,23,54,728.96)	9,20,08,010.21
VIII. Share of Profit in Associate (net)		23,90,075.44	59,53,199.10	(35,63,123.66)
IX. Profit for the year before Non Controlling Interest (VII-VIII)		9,00,03,279.17	(64,01,529.85)	8,84,44,886.55
X. Non Controlling interest				-
XI. Profit for the Year		9,00,03,279.17	15,58,392.62	8,84,44,886.55
XII. Other Comprehensive income				
A (i) Items that will not be reclassified subsequently to statement of profit and loss		-		-
A (ii) Income tax relating to items that will not be reclassified as subsequently to statement of profit and loss		-		-
B (i) Items that will be reclassified subsequently to statement of profit and loss		-		-
B (ii) Income tax relating to items that will be reclassified subsequently to statement of profit and loss		-		-
XII. Total comprehensive income for the period		9,00,03,279.17	15,58,392.62	8,84,44,886.55
XIII. Earnings per share (of Rs.10/- each)				
a) Basic - Annualised		5.96		6.09
b) Diluted - Annualised		5.96		6.09



CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2019

Particulars	note no	previous GAAP	adjustment on transition to Ind AS	Ind AS
A. Cash flow from Operating Activities				
Net Profit Before Tax		13,20,03,354.65	46,25,387.04	13,66,28,741.69
Adjustment for:				
Depreciation and amortization expense		95,77,923.19		95,77,923.19
Finance Costs		34,28,171.07		34,28,171.07
Interest Income		(2,93,86,624.85)		(2,93,86,624.85)
Dividend Income		(5,24,301.00)	(3,60,000.00)	(8,84,301.00)
Loss/(profit) on Sale of Fixed assets (net)		-		-
Diminution in value of Investments		-	39,79,961.24	39,79,961.24
Operating Profit before Working Capital Changes		11,50,98,523.06		12,33,43,871.34
Trade Receivables		4,80,20,045.68	(47,98,165.17)	4,32,21,880.51
Other Receivables		(5,16,41,408.54)	16,73,000.00	(4,99,68,408.54)
Other Assets		6,67,71,807.28	1,91,738.57	6,69,63,545.85
Trade Payables		46,24,235.02		46,24,235.02
Other Payables & Provisions		(2,62,81,240.95)	1,68,63,058.90	(94,18,182.05)
Change in Working Capital		4,14,93,438.49		5,54,23,070.79
Cash generated from Operations		15,65,91,961.55		17,87,66,942.13
Income tax paid		(2,88,20,173.60)	(1,85,36,058.90)	(4,73,56,232.50)
Net Cash generated from Operating Activities		12,77,71,787.95		13,14,10,709.63
B. Cash flow from Investing Activities				
Purchase of Fixed Assets		(2,69,68,503.02)	2,12,55,000.00	(57,13,503.02)
Proceeds from Sale of Fixed Assets		-		-
Proceeds from Issue of Additional Capital		-		-
Proceeds from Sale/(purchase) of Investments		(1,45,34,852.49)	(2,56,09,413.67)	(4,01,44,266.16)
Income from Investments		5,24,301.00	3,60,000.00	8,84,301.00
Interest Received		2,93,86,624.85		2,93,86,624.85
Net cash used in investing activities		(1,15,92,429.66)		(1,55,86,843.33)
C. Cash flow from Financing Activities				
Interest paid		(34,28,171.07)		(34,28,171.07)
Proceeds from borrowings		-		-
Repayment of borrowings		8,71,468.00		8,71,468.00
Dividend paid including tax on dividend		(4,55,31,007.50)	3,55,492.00	(4,51,75,515.50)
Net cash used in Financing activities		(4,80,87,710.57)		(4,77,32,218.57)
D. Net Increase / (Decrease) in Cash & Cash Equivalents		6,80,91,647.72		6,80,91,647.73
E. Cash & Cash Equivalents (Opening) as on 1st April 2018 / 1st April 2017		50,46,56,502.15		50,46,56,502.15
F. Cash & Cash Equivalents (Closing)		57,27,48,149.87		57,27,48,149.88
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:				
Cash in hand		18,23,794.53		18,23,794.53
Cheques, draft on hand		99,40,790.80		99,40,790.80
Balances with Schedule banks in current accounts		19,10,17,230.72		19,10,17,230.72
in deposit accounts		36,82,81,108.83		36,82,81,108.83
in unclaimed dividend accounts		16,85,225.00		16,85,225.00



Note A	As at date 31ST MARCH 2019
Deferred tax Asset	
deferred tax asset on Fixed assets	5,09,900.02
deferred tax asset on Trade receivables	1,62,27,828.86
deferred tax asset on Investments	11,88,546.42
Closing balance of Deferred Tax asset	1,79,26,275.30

Note B	As at date 31ST MARCH 2019			
	Trade receivables	previous GAAP	adjustment on transition to Ind AS	Ind AS
	Outstanding for a period exceeding Six months			
	Unsecured, considered good	9,59,76,320.80		9,59,76,320.80
	Unsecured, considered Doubtful	1,78,95,913.00		1,78,95,913.00
		11,38,72,233.80		11,38,72,233.80
	Less: Provision for Doubtful Debts	1,78,95,913.00	3,83,00,712.98	5,61,96,625.98
		9,59,76,320.80	-3,83,00,712.98	5,76,75,607.82
	Outstanding for a period between three to Six months			
	Unsecured, considered good	22,51,273.18		22,51,273.18
	Other Debts - Less than Three Months			
	Secured, considered good	38,39,96,218.61		38,39,96,218.61
	Closing balance	48,22,23,812.59	-3,83,00,712.98	44,39,23,099.61

Note C	Other equity	note no	As at date 31ST MARCH 2019		
			previous GAAP	adjustment on transition to Ind AS	Ind AS
	Securities Premium Reserve				
	Opening Balance		10,44,47,825.07		10,44,47,825.07
	Add: Received during the period		-		-
	Closing Balance		10,44,47,825.07		10,44,47,825.07
	General Reserve				
	Opening Balance		10,02,28,511.81	-	10,02,28,511.81
	Add: Transfer from Surplus		87,61,320.37		87,61,320.37
	Closing Balance		10,89,89,832.18	-	10,89,89,832.18
	Surplus in statement of Profit and Loss				
	Opening Balance		45,89,18,919.22	1,00,62,970.48	44,88,55,948.74
	Add: Net Profit/(Loss) for the current period		9,00,03,279.17	15,58,392.62	8,84,44,886.55
	Amount available for appropriation		54,89,22,198.39	1,16,21,363.11	53,73,00,835.28
	Appropriations:				
	Transfer to General Reserve		(87,61,320.37)		(87,61,320.37)
	Interim Dividend		(3,02,14,190.00)		(3,02,14,190.00)
	Interim Dividend Tax		(62,10,616.00)		(62,10,616.00)
	Provision for Final Dividend		(75,53,547.50)	20,00,000.00	(95,53,547.50)
	Provision for Final Dividend Tax		(15,52,654.00)	51,668.00	(16,04,322.00)
	closing balance before Ind AS adjustment		49,46,29,870.52	1,36,73,031.11	48,09,56,839.41
	Ind AS adjustment on valuation of financial assets				-
	Ind AS adjustment on provision on bad and doubtful debts				-
	Closing Balance		70,80,67,527.77	1,36,73,031.11	69,43,94,496.66



Note D	note no	As at date of 31st March, 2019		
		previous GAAP	adjustment on transition to Ind AS	Ind AS
Non Current Investments				
Other investments (quoted) - Trade Investment in Equity Instruments				
0 (P.Y 197) equity shares of Rs.2/- each of Bse Ltd		30.31		30.31
0 (P.Y 1000) equity shares of Rs.10/- each of Medicamen Biotech Ltd		6,51,161.54		6,51,161.54
0 (P.Y 10000) equity shares of Rs.2/- each of Tata Motors Ltd		36,97,845.60		36,97,845.60
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		3,13,52,045.38	(2,96,373.13)	3,16,48,418.51
Other investments (unquoted) - Non-Trade				
2,500 (P.Y 2500) equity shares of Rs.10/- each of Steel City Infotech Pvt Ltd		25,000.00		25,000.00
4,00,000 (P.Y 4,00,000) 9% Compulsory Convertible Cumulative Preference Shares of MELIORA ARC LTD		1,00,00,000.00		1,00,00,000.00
517 (P.Y 517) 9% CCDs of Redcliffe Hygiene Private Limited		79,90,635.00		79,90,635.00
		5,37,16,717.83		54,01,30,90.96
		(20,01,240.90)	-	(20,01,240.90)
		5,17,15,476.93	(2,96,373.13)	5,20,11,850.06
Book Value of Quoted Investments		43,49,037.45		43,49,037.45
Market Value of Quoted Investments		23,47,796.55		23,47,796.55
Book Value of Unquoted Investments		4,93,67,680.38		4,96,64,053.51

Note No.38

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

In terms of our report attached
For SARC & ASSOCIATES
 Chartered Accountants
 Firm Reg.No.006085N

For STEEL CITY SECURITIES LIMITED

CHANDRA SEKHAR AKULA
 Partner
 Membership No.206704

K SATYANARAYANA
 EXECUTIVE CHAIRMAN

SATISH KUMAR ARYA
 MANAGING DIRECTOR

G S R PRASAD
 DIRECTOR

PLACE: VISAKHAPATNAM
 DATE : 29.06.2020

N RAMU
 CHIEF FINANCIAL OFFICER

M SRIVIDYA
 COMPANY SECRETARY

26th Annual Report 2019-20

To

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STEEL CITY SECURITIES LIMITED

ISO 9001 : 2015 CERTIFIED COMPANY

CIN No. : L67120AP1995PLC019521

49-52-5/4, Shantipuram, Visakhapatnam - 530 016, A.P., India.

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