

☎ (O) : 2529246
Fax : 0891-2712695
Cell : 9640056555, 7799435494
email : asn@asnassociates.com

Secretarial Compliance Report
of Steel City Securities Limited for the financial year ended 31.03.2024

To
Steel City Securities Limited
CIN: L67120AP1995PLC019521
Registered Office: Steel City Heights,
50-81-18, Main Road, Seethammapeta,
Visakhapatnam (Urban)-530016, Andhra Pradesh, India

We M/s ASN Associates, have examined:

- (a) all the documents and records made available to us and explanation provided **Steel City Securities Limited** ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2024 ("Review Period") in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;



- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018 (other regulations as applicable) and circulars/ guidelines issued thereunder
- (j) Securities and Exchange Board of India (Stock Brokers) Regulations, 1992

(Note: The aforesaid list of Regulations is only illustrative. The list of such SEBI Regulations, as may be relevant and applicable to the listed entity for the review period, shall be added.)

We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS*
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	Nil
2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities • All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI 	Yes	Nil



3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> • The Listed entity is maintaining a functional website • Timely dissemination of the documents/ information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website 	Yes	Nil
4.	Disqualification of Director: None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	Nil
5.	Details related to Subsidiaries of listed entities have been examined w.r.t.: <ul style="list-style-type: none"> (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries 	Yes	Nil
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	Nil
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	Nil
8.	Related Party Transactions: <ul style="list-style-type: none"> (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been 	Yes	Nil



	obtained.		
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	Nil
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	Nil
11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein (**).	Yes	Nil
12.	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	Yes	Nil

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS*
1.	Compliances with the following conditions while appointing/re-appointing an auditor		



	<p>i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or</p> <p>ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or</p> <p>iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.</p>	NA	There was no resignation of auditors
2.	Other conditions relating to resignation of statutory auditor		
	<p>i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:</p> <p>a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p>	NA	There was no resignation of auditors



	<p>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information / explanation sought and not provided by the management, as applicable.</p> <p>c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p> <p>ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.</p>	NA	There was no resignation of auditors
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18 th October, 2019.	NA	There was no resignation of auditors

*Observations /Remarks by PCS are mandatory if the Compliance status is provided as 'No' or 'NA'

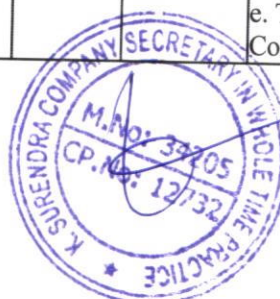
(a) (**) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:



Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action (Advisor y/ Clarification/ Fine/Show Cause Notice/ Warning, etc.)	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
1.	a) Section 12A(a), (b) and (c) of SEBI Act, 1992 r/w Regulations 3(a), (b), (c), (d) and Regulation 4(1), 4(2)(a) & (e) of PFUTP Regulations b) Clause A2 of the code of conduct for stock brokers as specified under Schedule II read with Regulation 9 of Stock Broker Regulations	a) SEBI Act, 1992, b) SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 c) SEBI (Stock Brokers) Regulations, 1992	Violation of Section 12A(a), (b) and (c) of SEBI Act, 1992 r/w Regulations 3(a), (b), (c), (d) and Regulation 4(1), 4(2)(a) & (e) of PFUTP Regulations by Sushil Agarwal and Seema Agarwal Violation by the Company of Clause A2 of the code of conduct for stock brokers as specified under Schedule II read with Regulation 9 of Stock Broker Regulations	SEBI	Show cause notice no EAD-6/AK/BS/14344/1-2/2023 dated April 10, 2023	Synchronized trading and reversal trading in the scrip of the Company by Sushil Agarwal and Seema Agarwal. The company facilitated the synchronized and reversal trading by Sushil Agarwal and Seema Agarwal	Nil	SEBI after conduct of inspection, issued an Adjudication order no: Order/AK/BS/2023-24/28351-28353) disposing off the notices issued to Sushil Agarwal, Seema Agarwal and the Company quoting that no violation has been established	Sushil Agarwal, Seema Agarwal and the Company have made individual applications to the SEBI requesting for inspection. SEBI after conduct of inspection, issued an Adjudication order no: Order/AK/BS/2023-24/28351-28353) disposing off the notices	Based on the adjudication order issued by the SEBI, there is no violation of the SEBI Act and Regulations



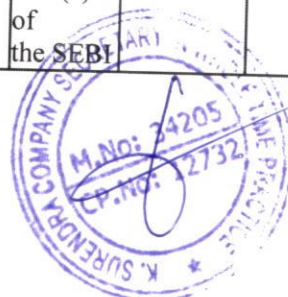
									issued to Sushil Agarwal, Seema Agarwal and the Company quoting that no violation has been established	
2.	SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015	SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015	the Company had failed to submit correct details of the Audit committee held prior to the Board meeting in the Corporate Governance Report	National Stock Exchange (NSE)	Advisory Letter dated December 27, 2023	the Company had failed to submit correct details of the Audit committee held prior to the Board meeting in the Corporate Governance Report	Nil	The Company had submitted the correct details as per the advisory letter.	The Company had submitted the correct details as per the advisory letter. The Company shall take the necessary steps and be careful in future to avoid recurrence of such lapses and exercise due diligence while submitting disclosures to the Stock Exchange. The Company	



									y shall ensure to file relevant and adequate information in compliance with the Regulations not only in letter but in spirit	
3.	SEBI Act, 1992 and Rules & Regulations framed there under	SEBI (Stock Brokers) Regulations, 1992 and circulars framed thereunder	with reference to the thematic inspection of the books and records of the Company, common mobile numbers, email ids mapped to multiple clients and others as mentioned in the show cause notice dated March 12, 2024.	SEBI	Administrative Warning Letter vide no SEBI/HO/MIRSD/SEC-5/P/OW/2024/10123 /1 dated March 12, 2024	Mapping of common mobile numbers and email ids to multiple clients and others as mentioned in the said show cause notice	Nil	The Company has rectified the deficiencies/discrepancies. The Company has submitted a detailed response to administrative warning and comprehensive overview of corrective actions along with the Action taken report on April 9, 2024.	The Company has rectified the deficiencies/discrepancies. The Company has submitted a detailed response to administrative warning and comprehensive overview of corrective actions along with the Action taken report on April 9, 2024.	-



4.	a) Regulation 57(1) of the ICDR Regulations and Clause 2(VIII)(E)(1)(a) of Part A of Schedule VIII read with Regulation 57(2)(a) of the ICDR Regulations b) Regulation 23(1) read with Regulation 23(2) of LODR Regulations c) Clause 2(XVI)(B)(2) of Part A of Schedule VIII read with Regulation 57(2)(a) of the ICDR Regulations	a) SEBI (LODR) Regulations b) EBI (ICDR) Regulations RPTs Policy of the Company contained a clause to ratify RPTs by the Audit Committee entered without prior approval. An incorrect declaration by Satish Kumar Arya, Director (Noticee 2) in the prospectus dated 10.01.2017	Submission of inadequate disclosure by the Company regarding educational qualification of Director, Satish Kumar Arya (noticee 2) in the prospectus dated 10.01.2017	SEBI	Show cause notice No. SEBI/EAD/2/NH/RJ/2022/63996 dated December 26, 2022 Supplementary Show Cause Notice bearing No. SEBI/EAD/2/NH/RJ/2023/48148 dated November 30, 2023	a) Inadequate disclosure by the Company regarding educational qualification of Director, Satish Kumar Arya in the prospectus dated 10.01.2017 b) RPTs Policy of the Company contained a clause to ratify RPTs by the Audit Committee entered without prior approval. c) An incorrect declaration by Satish Kumar Arya, Director	a) Rs.1,50,000/- (Rupees One Lakh Fifty Thousand only) imposed on the Company under Section 15A(a) of the SEBI Act b) Rs.2,00,000/- (Rupees Two Lakhs only) imposed on the Company under Section 15HB of the SEBI Act c) Rs.1,00,000/- (Rupees One Lakh only) imposed on Satish Kumar Arya, Director under Section 15A(a) of the SEBI Act	SEBI issued Adjudication order vide no. order/NH/RJ/2023-24/30189-30190 dated March 28, 2024 and imposed penalty on the Company and its Director, Satish Kumar Arya Penalties are yet to be paid	The Company shall comply with the order and pay the penalties	Penalties are yet to be paid
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							Act			
5.	Regulation 9 (f) read with Clause A (1) and A (2) of Code of Conduct for Stock Brokers as specified in Schedule II of Brokers Regulations read with Section 27 of the SEBI Act	SEBI (Stock Brokers) Regulations, 1992 and circulars framed thereunder	Submission of Fake/non genuine educational qualifications by Satish Kumar Arya and non due diligence of the same by the Company	SEBI	Show Cause Notice ref no. SEBI/HO/EAD2/NH/KL/2022/64544 dated December 28, 2022	Submission of Fake/non genuine educational qualification certificate by Satish Kumar Arya and non due diligence of the same by the Company	a) Rs. 25,000/- (Rupees Twenty Five Thousand only) imposed on the Company under Section 15A(a) of SEBI Act b) Rs. 50,000/- (Rupees Fifty Thousand only) imposed on Satish Kumar Arya under Section 15A(a) of SEBI Act	SEBI issued Adjudication order vide no Order/NH/YK/2023-24/30193-30194 dated March 28, 2024 and imposed penalty on the Company and its Director, Satish Kumar Arya. Penalties are yet to be paid	The Company shall comply with the order and pay the penalties	Penalties are yet to be paid

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:



Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation/Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks
					Advisory/Clarification/ Fine/Show Cause Notice/ Warning, etc.					

For M/s. Asn Associates



Signature:

[Handwritten Signature]

Name of the Practicing

Company Secretary : K Surendra

ACS/FCS No : 34205

C P No : 12732

UDIN : A034205F000384654

PR NO : 578/2019

Place: Visakhapatnam

Date: 16.05.2024