

NAME OF THE ISSUER: STEEL CITY SECURITIES LIMITED

| 1. Type of issue (IPO/ FPO) | <ul style="list-style-type: none"> Initial Public Offer Opened on February 06, 2017 and Closed on February 09, 2017 Date of Listing: February 17, 2017 | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|--|--|--|------------------------|-------|-------|----------------|---------------------------|------|-------|------------------------------|-------|-------|---|-------|-------|--|--|--|
| 2. Issue size (₹ crore) | Public Issue of 49,08,000 equity shares of ₹ 10/- each for cash at a price of ₹ 55/- per share aggregating up to ₹ 2699.40 lacs (consisting of a fresh issue of 27,26,183 equity shares aggregating to ₹ 1499.40 lacs and an offer for sale of 21,81,817 equity shares of the company aggregating to ₹ 1200 lacs) | | | | | | | | | | | | | | | | | | | | | | | |
| 3. Grade of issue alongwith name of the rating agency | No Grading Agency was appointed | | | | | | | | | | | | | | | | | | | | | | | |
| 4. Subscription level (number of times). If the issue was undersubscribed, please clarify how the funds were arranged. | 4.57 times | | | | | | | | | | | | | | | | | | | | | | | |
| <p>5. QIB holding (as a % of total outstanding capital) as disclosed to stock exchanges (See Clause 31 of the SEBI Listing Regulations, 2015)</p> <p>(i) Allotment in the issue</p> <p>(ii) At the end of the 1st Quarter immediately after the listing of the issue</p> <p>(iii) At the end of 1st FY</p> <p>(iv) At the end of 2nd FY</p> <p>(v) At the end of 3rd FY</p> | <ul style="list-style-type: none"> 0.52% 0.37% 0.37% (FY ended March 2017) 0.15% (FY ended March 2018) Not Applicable (FY ended March 2019) | | | | | | | | | | | | | | | | | | | | | | | |
| 6. Financials of the issuer (as per the annual financial results submitted to stock exchanges) | (₹ In Crores) | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th data-bbox="240 1455 699 1623">Parameters</th> <th data-bbox="708 1455 954 1623">1st FY (For the Year ended March 31, 2017)</th> <th data-bbox="963 1455 1224 1623">2nd FY (For the Year ended March 31, 2018)</th> <th data-bbox="1232 1455 1485 1623">3rd FY (For the Year ended March 31, 2019)</th> </tr> <tr> <td colspan="4" data-bbox="240 1602 1485 1623"><i>As per Audited Financials (Consolidated)</i></td> </tr> </thead> <tbody> <tr> <td data-bbox="240 1633 699 1665">Income from operations</td> <td data-bbox="708 1633 954 1665">36.25</td> <td data-bbox="963 1633 1224 1665">62.96</td> <td data-bbox="1232 1633 1485 1833" rowspan="4">Not Applicable</td> </tr> <tr> <td data-bbox="240 1675 699 1707">Net Profit for the period</td> <td data-bbox="708 1675 954 1707">5.02</td> <td data-bbox="963 1675 1224 1707">11.28</td> </tr> <tr> <td data-bbox="240 1717 699 1749">Paid-up equity share capital</td> <td data-bbox="708 1717 954 1749">15.11</td> <td data-bbox="963 1717 1224 1749">15.10</td> </tr> <tr> <td data-bbox="240 1759 699 1833">Reserves excluding revaluation reserves</td> <td data-bbox="708 1759 954 1791">57.40</td> <td data-bbox="963 1759 1224 1791">64.22</td> </tr> </tbody> </table> | Parameters | 1st FY (For the Year ended March 31, 2017) | 2nd FY (For the Year ended March 31, 2018) | 3rd FY (For the Year ended March 31, 2019) | <i>As per Audited Financials (Consolidated)</i> | | | | Income from operations | 36.25 | 62.96 | Not Applicable | Net Profit for the period | 5.02 | 11.28 | Paid-up equity share capital | 15.11 | 15.10 | Reserves excluding revaluation reserves | 57.40 | 64.22 | | | |
| Parameters | 1st FY (For the Year ended March 31, 2017) | 2nd FY (For the Year ended March 31, 2018) | 3rd FY (For the Year ended March 31, 2019) | | | | | | | | | | | | | | | | | | | | | |
| <i>As per Audited Financials (Consolidated)</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| Income from operations | 36.25 | 62.96 | Not Applicable | | | | | | | | | | | | | | | | | | | | | |
| Net Profit for the period | 5.02 | 11.28 | | | | | | | | | | | | | | | | | | | | | | |
| Paid-up equity share capital | 15.11 | 15.10 | | | | | | | | | | | | | | | | | | | | | | |
| Reserves excluding revaluation reserves | 57.40 | 64.22 | | | | | | | | | | | | | | | | | | | | | | |
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| Paid-up equity share capital | 15.11 | 15.10 | | | | | | | | | | | | | | | | | | | | | | |
| Reserves excluding revaluation reserves | 57.40 | 64.22 | | | | | | | | | | | | | | | | | | | | | | |

| <p>7. Trading status in the scrip of the issuer (whether frequently traded (as defined under Regulation 2 (j) of SEBI (SAST) Regulations, 2011) or infrequently traded/ delisted/ suspended by any stock exchange, etc.)</p> <p>(i) At the end of 1st FY (ii) At the end of 2nd FY (iii) At the end of 3rd FY</p> | <ul style="list-style-type: none"> • Frequently Traded (March 31, 2017) • Frequently Traded (March 31, 2018) • Not Applicable (March 31, 2019) | | | | | | |
|---|---|--|-------------|--|--|--|--|
| <p>8. Change, if any, in directors of issuer from the disclosures in the offer document</p> <p>(i) At the end of 1st FY (March 31, 2017)</p> <p>(ii) At the end of 2nd FY (March 31, 2018)</p> <p>(iii) At the end of 3rd FY (March 31, 2019)</p> | <p>There has been no change in the Board of Directors of the Company from the disclosures in the offer document.</p> <ul style="list-style-type: none"> • Mr Guruv Sree Rama Murthy, Chairman & Managing Director has resigned from the Board of Directors of the Company (w.e.f. November 05, 2017 due to his sad demise. • Mr. T. V. Srikanth has been appointed as Additional Director (w.e.f. November 24, 2017) • Mr. K. Satyanarayan, Executive Director (Surveillance) has been Re-appointed / Re – designated as Executive Chairman of the Company (w.e.f. November 24, 2017) • Mr. Satisk Kumar Arya, Director (Operations) has been Re-appointed / Re – designated as Managing Director of the Company (w.e.f. November 24, 2017) <p>Not Applicable</p> | | | | | | |
| <p>9. Status of implementation of project/ commencement of commercial production (as submitted to stock exchanges)</p> | | | | | | | |
| <p>(i) As disclosed in the offer document</p> <p>The Company proposes to deploy the offer proceeds immediately on completion of the IPO and the same is expected to be completed by March 2017.</p> | | | | | | | |
| <p>(ii) Actual Implementation</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%; text-align: center;">Sr. No.</th> <th style="width: 70%; text-align: center;">Particulars</th> <th style="width: 20%; text-align: center;">Amount utilized as on March 31, 2018 (₹ In lakhs)</th> </tr> </thead> <tbody> <tr> <td style="background-color: #cccccc;"> </td> <td style="background-color: #cccccc;"> </td> <td style="background-color: #cccccc;"> </td> </tr> </tbody> </table> | | Sr. No. | Particulars | Amount utilized as on March 31, 2018 (₹ In lakhs) | | | |
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| | | | | | | | |

| | | |
|---|---|----------------|
| 1 | Investment in technology upgradation & office infrastructure for expansion of e-governance business | 194.02 |
| 2 | Setting up of AADHAAR Enrolment centre at all our existing branches | 0.87 |
| 3 | Enhancement of our Company’s brand through advertising and other brand-building activities | 1.00 |
| 4 | Working capital requirement | 887.04 |
| 5 | Offer expenses | 241.07 |
| 6 | General Corporate Purposes | 175.40 |
| | Total | 1499.40 |

(Source: Website of NSE EMERGE)

(iii) Reasons for delay in implementation, if any

The proceeds of the Issue has been fully utilized by the Company for the purpose as stated in the prospectus dated January 10, 2017 and also as per the variation to the utilization to the funds as mentioned in the Explanatory Statement to the notice of the Postal Ballot dated November 24, 2017 and the same was approved by the shareholders on January 2, 2018.

(Source: Website of NSE EMERGE)

10. Status of utilization of issue proceeds (as submitted to stock exchanges under Regulation 32 of SEBI Listing Regulations, 2015)

(i) As disclosed in the offer document –

Object wise details of utilization as under:

| Sr No. | Particulars of utilisation | Amount (₹ in lakhs) |
|--------|---|---------------------|
| 1 | Investment in technology upgradation & office infrastructure for expansion of e-governance business | 390.00 |
| 2 | Setting up of AADHAAR Enrolment centre at all our existing branches | 264.00 |
| 3 | Enhancement of our Company's brand through advertising and other brand-building activities | 250.00 |
| 4 | Working capital requirement | 200.00 |
| 5 | Offer expenses | 220.00 |
| 6 | General Corporate Purposes | 175.40 |
| | Total | 1499.40 |

Means of Finance

| Sl. no | Description | Amount (₹ in lakhs) |
|--------|-----------------------------|---------------------|
| 1 | Proceeds of the Fresh Issue | 1499.40 |
| | Total | 1499.40 |

(ii) Actual Utilisation (as on March 31, 2018)

| Sr No. | Particulars of utilisation | Amount (₹ in lakhs) |
|--------|---|---------------------|
| 1 | Investment in technology upgradation & office infrastructure for expansion of e-governance business | 194.02 |
| 2 | Setting up of AADHAAR Enrolment centre at all our existing branches | 0.87 |
| 3 | Enhancement of our Company's brand through advertising and other brand-building activities | 1.00 |
| 4 | Working capital requirement | 887.04 |
| 5 | Offer expenses | 241.07 |
| 6 | General Corporate Purposes | 175.40 |
| | Total | 1499.40 |

(Source: Website of NSE EMERGE)

(iii) Reasons for deviation or variation, if any

Not Applicable

(Source : Company Information)

11. Comments of monitoring agency, if applicable (See Regulation 16 of SEBI (ICDR) Regulations, 2009 read with Clause 43A of the listing agreement)

- There is no requirement of appointment of monitoring agency for issue size less than ₹ 100 crores in terms of Regulation 16 of SEBI (ICDR) Regulations 2009.

| | |
|--|---|
| <p>(a) Comments on use of funds</p> <p>(b) Comments on deviation, if any, in the use of proceeds of the issue from the objects stated in the offer document</p> <p>(c) Any other reservations expressed by the monitoring agency about the end use of funds</p> <p><i>(To be submitted till the time the issue proceeds have been fully utilised)</i></p> | <ul style="list-style-type: none">• Since the size of the Public issue of Steel City Securities Limited was below ₹ 100 crores, no monitoring agency was required to be appointed to monitor the proceeds of the IPO. |
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12. Price Related Data

Issue Price: ₹ 55/- per share

Designated Stock Exchange: The National Stock Exchange of India Limited- EMERGE

| Price parameters | At close of listing day (February 17, 2017) | At close of 30th calendar day from listing day (March 17, 2017)* | At close of 90th calendar day from listing day (May 18, 2017) | As at the end of 1st FY after the listing of the issue (March 31, 2017) | | | As at the end of 2nd FY after the listing of the issue (March 31, 2018) | | | As at the end of 3rd FY after the listing of the issue (March 31, 2019) | | |
|--|---|--|---|---|----------------------|---------------------|---|----------------------|---------------------|---|----------------------|---------------------|
| | | | | Closing price | High (during the FY) | Low (during the FY) | Closing price | High (during the FY) | Low (during the FY) | Closing price | High (during the FY) | Low (during the FY) |
| Market Price (₹) | 50.10 | 69.20 | 62.10 | 66.15 | 75.75 | 48.20 | 82.82 | 153.70 | 56.75 | N.A. | N.A. | N.A. |
| Index (of the Designated Stock Exchange) | 8821.70 | 9160.05 | 9429.45 | 9173.75 | 9218.40 | 8804.25 | 10113.7 | 11171.55 | 9075.15 | N.A. | N.A. | N.A. |
| Sectoral Index (NIFTY SML100 Free Float) Refer the note below | 6560.15 | 6804.65 | 7457.25 | 6984.85 | 7004.65 | 6506.75 | 7791.95 | 9656.55 | 6904.40 | N.A. | N.A. | N.A. |

Shares of the Company were listed on the NSE- EMERGE w.e.f. February 17, 2017.

*Since the 30th calendar day from listing day falls on Sunday, March 19, 2017, the price as on Friday March 17, 2017 has been taken into consideration.

N.A. : Not Applicable.

Note: There is no specific sectoral index for services offered by the Company, as per the designated stock exchange ('NSE'). For the purposes of comparison, the performance of CNXSMLCAP (NIFTY SML100 Free Float) Index has been provided.

Source : NSE website

13. Basis for Issue Price and Comparison with Peer Group & Industry Average (Source of accounting ratios of peer group and industry average may be indicated; source of the accounting ratios may generally be the same, however in case of different sources, reasons for the same may be indicated)

| Accounting ratio | Name of company | As disclosed in the offer document (See Clause (2) (VII) (K) of Schedule VIII to SEBI (ICDR) Regulations, 2009) | At the end of 1st FY 31 March 2017 | At the end of 2nd FY 31 March 2018 | At the end of 3rd FY 31 March 2019 | |
|--------------------|---|---|------------------------------------|------------------------------------|------------------------------------|--|
| EPS (Rs.) | Steel City Securities Limited | 3.35* | 3.91 | 7.33 | Not Applicable | |
| | Peer Group: | | | | | |
| | E-Governance Business | | | | | |
| | Alankit Limited | 1.03 | 0.93 | 1.49 | | |
| | Vakrangee Limited | 7.45 | 10.03 | NA | | |
| | Atishay Limited | 3.41 | 3.03 | 2.76 | | |
| | Vedavaag Systems Limited | 3.81 | 6.35 | 6.58 | | |
| | Broking Business | | | | | |
| | Geojit BNP Paribas Financial Services Limited | 1.61 | 2.38 | 3.08 | | |
| | Joindre Capital Services Limited | 1.45 | 3.90 | 4.30 | | |
| | Arihant Capital Markets Limited | 4.11 | 8.01 | 9.62 | | |
| | Emkay Global Financial Services Limited | 4.92 | 4.99 | 7.31 | | |
| | LKP Finance Limited | 6.06 | 7.25 | 15.83 | | |
| | Industry Avg: | Not available | | | | |
| P/E (Times) | Steel City Securities Limited | 16.42 * (at Issue Price) | 16.92 | 11.05 | Not Applicable | |
| | Peer Group: | | | | | |
| | E-Governance Business | | | | | |
| | Alankit Limited | 28.79 | 25.27 | 21.46 | | |
| | Vakrangee Limited | 36.57 | 32.82 | N.A | | |
| | Atishay Limited | 16.42 | 23.51 | 30.09 | | |
| | Vedavaag Systems Limited | 16.00 | 12.75 | 7.24 | | |
| | Broking Business | | | | | |
| | Geojit BNP Paribas Financial Services Limited | 21.27 | 24.96 | 29.67 | | |
| | Joindre Capital Services Limited | 10.62 | 4.74 | 6.60 | | |
| | Arihant Capital Markets Limited | 10.22 | 7.13 | 9.62 | | |
| | Emkay Global Financial Services Limited | 11.48 | 16.07 | 7.31 | | |
| | LKP Finance Limited | 10.68 | 9.79 | 9.16 | | |
| | Industry Avg: | 26.30 | 32.4 | 39.7# | | |
| RoNW(%) | Steel City Securities Limited | 7.19* | | 16.19 | | |
| | Peer Group: | | | | | |

Public Issue –Steel City Securities Limited

| Accounting ratio | Name of company | As disclosed in the offer document (See Clause (2) (VII) (K) of Schedule VIII to SEBI (ICDR) Regulations, 2009) | At the end of 1st FY 31 March 2017 | At the end of 2nd FY 31 March 2018 | At the end of 3rd FY 31 March 2019 |
|---|---|--|---|---|---|
| | E-Governance Business | | | | |
| | Alankit Limited | 11.01 | 28.31 | 34.47 | Not Applicable |
| | Vakrangee Limited | 41.12 | 25.84 | N.A | |
| | Atishay Limited | 13.00 | 12.58 | 10.38 | |
| | Vedavaag Systems Limited | 13.91 | 19.53 | 14.38 | |
| | Broking Business | | | | |
| | Geojit BNP Paribas Financial Services Limited | 7.67 | 10.94 | 13.14 | |
| | Joindre Capital Services Limited | 2.12 | 10.50 | 10.48 | |
| | Arihant Capital Markets Limited | 10.26 | 16.67 | 21.28 | |
| | Emkay Global Financial Services Limited | 9.79 | 9.03 | 13.39 | |
| | LKP Finance Limited | 4.91 | 7.23 | 13.68 | |
| | Industry Avg: | Not available | | | |
| NAV per share based on balance sheet (₹) | Steel City Securities Limited | 46.64* | 48.00 | 45.30 | Not Applicable |
| | Peer Group: | | | | |
| | E-Governance Business | | | | |
| | Alankit Limited | 9.40 | 3.28 | 4.33 | |
| | Vakrangee Limited | 18.14 | 38.81 | N.A | |
| | Atishay Limited | 26.25 | 24.11 | 26.57 | |
| | Vedavaag Systems Limited | 27.36 | 32.48 | 45.75 | |
| | Broking Business | | | | |
| | Geojit BNP Paribas Financial Services Limited | 20.86 | 21.74 | 23.43 | |
| | Joindre Capital Services Limited | 34.13 | 37.12 | 41.08 | |
| | Arihant Capital Markets Limited | 40.06 | 48.08 | 45.21 | |
| | Emkay Global Financial Services Limited | 50.28 | 55.27 | 54.62 | |
| | LKP Finance Limited | 123.29 | 100.31 | 115.73 | |
| | Industry Avg: | Not available | | | |

* Based on March 31, 2016 restated financial statement

** Based on standalone financial statement

Source: Capital Market Vol March 26, 2018 – April 08, 2018. Industry composite with respect to e-governance not available.

NA : Not Available
 EPS : Earnings Per Share
 P/E : Price Earning Multiple

RONW : Return on Net Worth
 NAV : Net Asset Value

Source: NSE-EMERGE Website and Offer Document of the Company

14. Any other material information

| Period | Particulars |
|---------|---|
| 2016-17 | <ul style="list-style-type: none"> • M/s. ASN Associates, Company Secretaries, Visakhapatnam has been appointed as the Secretarial Auditor of the Company for the Financial Year 2016-17, vide their Board Meeting held on March 30, 2017. • The Board of the Directors of the Company at their meeting held on March 30, 2017 authorised Mr. G. Shree Rama Murthy, Mr. K. Satyanarayana and Mr. Satish Kumar Arya as the Key Managerial Personnel's (KMP) for the purpose of determining the materiality of an event or information and for the purpose of disclosure to Stock Exchange pursuant to Regulation 30(5) of SEBI Listing Regulations. |
| 2017-18 | <ul style="list-style-type: none"> • The Company has informed NSE regarding the following ordinary resolution passed in AGM held on August 19, 2017: <ol style="list-style-type: none"> 1. Appointment of M/s. SAARC Associates, Chartered Accountants as Statutory Auditors of the Company for the financial year 2017-18 2. Re-appointment of Sri. K. Satyanarayana as Director of the Company • The Company informed NSE that the Board of Directors at its meeting held on October 12, 2017, declared Interim Dividend of ₹ 1 per equity share for the F. Y. 2017-18. The Board has fixed October 27, 2017 as the Record Date for the Payment of the 1st interim dividend for the F. Y. 2017-18. • The Company has informed NSE regarding the sudden demise of Mr. Guruv Sree Rama Murthy, Chairman & Managing Director on November 05, 2017. • The Company has submitted NSE the Postal Ballot Result declared on January 2, 2018 which contained the following: <ol style="list-style-type: none"> 1. Consent for Variation in the utilization of Proceeds of the Funds raised through Initial Public Offer; 2. Re-appointment / Re – designation of Mr. K. Satyanaayan as Executive Chairman of the Company; 3. Re-appointment / Re – designation of Mr. Satish Kumar Arya as Managing Director of the Company • The Board of the Directors of the Company at their meeting held on January 24, 2018 re-constituted the Corporate Social Responsibility Committee and the following are the members of the Committee- <p style="margin-left: 40px;">Mr. K. Satyanaayan – Chairman Mr. Satish Kumar Arya – Member</p> |

| | |
|--|---|
| | <p>Mr. G. Satya Rama Prasad - Member</p> <p>Further at the said Board Meeting, the Company authorised Mr. K. Satyanarayana and Mr. Satish Kumar Arya as the Key Managerial Personnel's (KMP) for the purpose of determining the materiality of an event or information and for the purpose of disclosure to Stock Exchange pursuant to Regulation 30(5) of SEBI Listing Regulations.</p> <ul style="list-style-type: none">• The Company informed NSE that the Board of Directors at its meeting held on February 27, 2018, declared Interim Dividend of ₹ 1 per equity share for the F. Y. 2017-18. The Board has fixed March 12, 2018 as the Record Date for the Payment of the 2nd interim dividend for the F. Y. 2017-18.• M/s. ASN Associates, Company Secretaries, Visakhapatnam has been appointed as the Secretarial Auditor of the Company for the Financial Year 2017-18, vide their Board Meeting held on March 28, 2018. |
|--|---|

(Source: Corporate Announcement – NSE-EMERGE Website)

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