

STEP TWO CORPORATION LIMITED

**TWENTY EIGHTH ANNUAL REPORT
2021-2022**

STEP TWO CORPORATION LIMITED

Directors

Bhola Nath Manna
Sanjay Agarwal
Keshav Kumar Saraf
Mamta Sharma

Bankers

HDFC Bank Ltd.
Punjab & Sindh Bank
ICICI Bank Ltd.

Auditors

B. P. Agarwal & Associates
Chartered Accountants

Registrars & Share Transfer Agents

Niche Technologies Pvt. Ltd.
3A, Auckland Place, 7th Floor
Room No. 7A and 7B
Kolkata - 700 017

Registered Office

21, Hemant Basu Sarani
5th Floor, Room No. 507
Kolkata - 700 001

STEP TWO CORPORATION LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty eighth Annual report on the business and operations of the Company together with Audited statements of accounts for the year ended 31st March, 2022.

FINANCIAL HIGHLIGHTS

The summarised financial results of the Company are given here under:

	<u>Current</u> Year (Rs.'00)	<u>Previous</u> Year (Rs.'00)
Profit before Interest, Depreciation & taxes	19,813	21,415
Less: Finance Charges	—	—
Profit / (Loss) before Depreciation & Taxes	19,813	21,415
Less: Depreciation	110	110
Profit/(Loss) Before Provision & Taxes	19,703	21,305
Current Tax	5,300	3,330
Add/(Less): Deferred Tax	(39)	15
Income Tax for the previous year	(38)	(4)
Profit/(Loss) after Tax	14,326	17,986
Transfer to Reserve Fund	2,865	3,597
Balance brought forward from last year	38,968	24,579
Balance Carried to Balance Sheet	50,427	38,968

COMPANY PERFORMANCE AND REVIEW OF BUSINESS OPERATIONS

During the year, the revenue from operations of your Company decreased marginally by 0.4%, over the previous year. The Company has recorded a profit of Rs.14.33 lacs for the financial year ended 31st March, 2022.

Your Directors are striving for increase in revenue of the Company and thereby increasing profitability.

PERFORMANCE AMIDST COVID-19 PANDEMIC

Two years into the COVID-19 pandemic, the global economy continues to be plagued by uncertainty, with resurgent waves of mutant variants, supply-chain disruptions, and a return of inflation in both advanced and emerging economies. The black swan event, COVID-19, posed an immense challenge in front of the entire Humanity, a new virus emerged and ensured that all things which are otherwise considered normal, comes to a standstill. COVID –19 has affected all spheres of life in the country and the world at large.

STEP TWO CORPORATION LIMITED

Despite the pandemic continuously posing new and myriad challenges upon the world economies, the Indian economy has been staging a sustained recovery since the second half of 2020-21. Although the second wave of the pandemic in April-June 2021 was more severe from a health perspective, the economic impact was muted compared to the national lockdown of the previous year.

As the second wave of Covid-19 set in, efforts were made towards building a Covid free world by organising corporate vaccination drives for our employees and their families. The Company ensured that all employees receive both the doses. Your Company took adequate measures to ensure necessary safety and hygiene protocols like wearing of face masks, social distancing norms, workplace sanitation and employee awareness programme in compliance with the regulations of the local authorities.

DIVIDEND

With a view to conserving resources and building up reserves, your Directors do not recommend payment of Dividend for the year.

STATE OF COMPANY AFFAIRS

Your directors are hopeful that the performance of the Company will improve in the coming year.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year 2021-22 and the date of this report.

FUTURE OUTLOOK

The general business conditions affecting business are expected to remain stable and company is expected to perform well.

DEPOSITS

The Company has not invited or accepted deposits from the public covered under Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

TRANSFER TO RESERVES

An amount of Rs.2.86 lacs has been transferred to the Reserve Fund.

SHARE CAPITAL

As on 31st March, 2022, the Company's paid-up Equity Share Capital was Rs. 4,24,73,000/- comprising of 42,47,300 Equity Shares of Face Value of Re. 10/- each and Rs. 34,95,600/- received on account of 8,04,800 forfeited shares. There has not been any change in the Equity Share Capital of the Company during the Financial Year ended 31st March, 2022. During the Financial Year 2021-22, your Company has neither issued any shares or convertible securities nor has granted any stock options or sweat equity.

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CHANGE IN NATURE OF BUSINESS, IF ANY

There has not been any change in the nature of business of the Company during the FY ended 31st March, 2022.

MEETINGS OF BOARD OF DIRECTORS

During the financial year ended 31st March, 2022, 6 Board Meetings were held on 30th April, 2021, 29th June, 2021, 10th August, 2021, 10th November, 2021, 10th February, 2022 and 1st March, 2022. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Attendance of directors at the Board Meetings [Whether attended (Yes/No)]:

Board Meeting Date	Mr. Sanjay Agarwal (DIN-00571217)	Mr. Keshav Kr. Saraf (DIN-00595594)	Mr. Bhola Nath Manna (DIN-03345433)	Ms. Mamta Sharma (DIN-07080870)
30th April, 2021	Yes	Yes	Yes	Yes
29th June, 2021	Yes	Yes	Yes	Yes
10th August, 2021	Yes	Yes	Yes	Yes
10th November, 2021	Yes	Yes	Yes	Yes
10TH February, 2022	Yes	Yes	Yes	Yes
1st March, 2022	Yes	Yes	Yes	Yes
TOTAL	6	6	6	6

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, which has been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliance with regulations and for ensuring reliability of financial reporting.

STATUTORY AUDITORS

At the 27th Annual General meeting held on September 21, 2021, the members had appointed M/s. B.P. Agarwal and Associates, Chartered Accountants, Kolkata, having registration number 316155E as the statutory auditors of the Company for a period of 5 years upto March 31, 2026 and therefore they continue to hold office.

Pursuant to Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. B.P. Agarwal and Associates have represented that they are not disqualified and

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continue to be eligible to act as the Auditor of the Company. M/s. B.P. Agarwal and Associates have also confirmed that they have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of ICAI as required under Regulation 33(1)(d) of the Listing Regulations.

STATUTORY AUDITORS' REPORT

There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory Auditor in their Report for the year under review.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

REPORTING OF FRAUDS BY AUDITORS

In terms of Section 143(12) of the Companies Act, 2013, the Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees during the year under review.

DIRECTORS

Ms. Mamta Sharma, Director of the Company, retires by rotation and being eligible offers herself for re-appointment. The Board recommends her reappointment at the ensuing Annual General Meeting.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149 (6).

ANNUAL EVALUATION BY THE BOARD

The Board has made a formal evaluation of its own performance and that of its committees and individual directors as required under Section 134(3) (p) of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Since the Company is a Non Banking Finance Company, the disclosure regarding particulars of loans given, guarantees given and security provided is exempt under the provisions of Section 186 (11) of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There are no related party transactions during the year and henceforth particulars of every contract or arrangements entered into by the Company with Related Parties referred to in Section 188(1) of the Companies Act, 2013 in Form AOC-2 prescribed under the Companies (Accounts) Rules, 2014 is not attached.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary or Associate. During the year, the Company has not entered into any Joint Venture.

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TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

There is no unpaid/ unclaimed dividend. Hence, the provisions of Section 125 of the Companies Act, 2013 do not apply.

PROCEEDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

There are no proceedings, either filed by the Company or against the Company, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before the National Company Law Tribunal or other Courts as on 31st March, 2022.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

SHARES

a. BUYBACK OF SECURITIES

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

b. SWEAT EQUITY

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

c. BONUS SHARES

No Bonus Shares were issued during the year under review.

d. EMPLOYEES STOCK OPTION PLAN

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

PARTICULARS OF EMPLOYEES

Statement containing particulars of Top 10 employees in terms of remuneration drawn and the particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in Annexure '1' forming part of this report.

There was no employee receiving remuneration during the year in excess of that drawn by the Managing Director or Whole-time Director and holding by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

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CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:

The company has no activity relating to conservation of energy or technology absorption, details of which are required to be furnished in this report as per the provision of Section 134 (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014

FOREIGN EXCHANGE EARNING & OUTGO

There were no foreign exchange earning and outgo during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(3)(c) and 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors hereby confirm that:-

- (i) in the preparation of the annual accounts for the year ended 31st March, 2022, the applicable accounting standards, have been followed and there are no material departures from the same;
- (ii) the Directors have selected such accounting policies 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 the end of the financial year and of the profit of the Company for that period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.
- (v) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- (vi) 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.

RISK MANAGEMENT POLICY

The Company has a defined Risk Management framework to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

REMUNERATION POLICY

Your Company's Remuneration Policy enumerates the criteria for appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel on the basis of their qualifications, positive attributes and independence of a Director and other matters as required under Section 178(3) of the Companies Act, 2013.

BOARD DIVERSITY POLICY

Your Company recognizes and embraces the importance of a diverse Board in its success and aims to attract and maintain a Board which has an appropriate mix of diversity, skills, experience and expertise. The Board composition as on the date of this report meets the above objective.

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WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company has established a vigil mechanism which monitors through the Audit committee to take care of the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concern. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of company employees and the Company.

POLICY FOR DETERMINING MATERIALITY OF EVENTS/ INFORMATION

The Company's Policy for determination of materiality of events/ information has been designed to promote transparency and ensures that the stakeholders are informed regarding the major and material events of the Company. The objective of this policy is to put in place a framework for disclosure of events and information to the stock exchanges, in line with the requirements prescribed under Regulation 30 of the Listing Regulations and to ensure that such information is disclosed to the Stock Exchanges in a timely and transparent manner.

CODE OF CONDUCT

Details of the Company's Code of Conduct for members of its Board and for Senior Management Personnel framed in terms of Regulation 17(5) of the Listing Regulations have been included in the Corporate Governance Report forming part of the Annual Report.

All Board members and Senior Management personnel have affirmed compliance with the code of conduct for FY 2021-2022. A declaration to this effect signed by the Whole-time Director of the Company is included in this Annual Report.

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS AND CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

With an aim to guard the interest of general investors, your Company has laid down a 'Code of Conduct to regulate, monitor and report trading by Designated Persons' which is applicable to all the Promoters, Directors and such other persons defined as designated persons and to their immediate relatives as well.

Your Company has adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. This Code lays down principles and practices to be followed by the Company with respect to adequate and timely disclosure of unpublished price sensitive information.

ANNUAL RETURN

The Annual Return as required under Section 134(3)(a) read with Section 92(3) of the Companies Act, 2013, is placed on the Company's website and is available on the weblink: <http://www.steptwo.in>

MANAGEMENT DISCUSSION AND ANALYSIS REPORT AND REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Pursuant to the Listing Regulations, a separate section titled 'Corporate Governance' has been included in this Annual Report, along with the Reports on 'Management Discussion and Analysis' and 'General Shareholder Information'.

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CEO & CFO CERTIFICATION

In terms of Regulation 17(8) read with Schedule II Part B of the Listing Regulations, a certificate from the Chief Executive Officer and Chief Financial Officer of the Company addressed to the Board of Directors, inter alia, confirming the correctness of the financial statements and cash flow statements for the Financial Year ended 31st March, 2022, adequacy of the internal control measures and reporting of matters to the Audit Committee, is provided elsewhere in this Annual Report.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Navneet Jhunjhunwala of M/s N.Jhunjhunwala & Associates, a firm of Company Secretaries in Practice (FCS No.6397, CP No.5184) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith. The same does not contain any qualification, reservation or adverse remark or disclaimer.

COMMITTEES OF BOARD OF DIRECTORS

The Board has seven Committees out of which five have been mandatorily constituted in compliance with the requirements of Companies Act, 2013 and Listing Regulations and two non-mandatory Committees have been constituted. The Board has constituted following Committees to deal with matters and to monitor activities falling within their respective terms of reference:-

Mandatory Committees

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee

Non-mandatory Committees

- Share Transfer Committee

Details of composition of the above Committees, their terms of reference, number of meetings held during the year, attendance therein and other related aspects are provided in the Corporate Governance Report forming part of the Annual Report. There has been no instance where the Board has not accepted the recommendations of its Committees.

COMPLIANCE WITH SECRETARIAL STANDARDS AND INDIAN ACCOUNTING STANDARDS

During the Financial Year 2021-22, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013. In the preparation of the Financial Statements, the Company has also applied the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015.

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DISCLOSURE UNDER SEXUAL HARRASSEMNT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition & redressal of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the rules made there under. During the financial year 2021-22, the Company has not received any complaints of sexual harassment.

ACKNOWLEDGEMENT

Your Directors wish to convey their gratitude to the Company's clients, Bankers, Business Associates, Shareholders, well wishers and employees, for their valued and timely support and advice to your company during the year & look forward to their continued support.

Regd. Office:

21, Hemanta Basu Sarani
5th Floor, Room No.507
Kolkata – 700 001

Date: 27.05.2022

For and on behalf of the Board

Bhola Nath Manna
Whole-time Director
DIN: 03345433

Sanjay Agarwal
Director
DIN: 00571217

STEP TWO CORPORATION LIMITED

Annexure "I"											
PARTICULARS OF EMPLOYEES											
Information required under Section 197 of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies, 2014											
Name	Designation	Qualification	Nature of Employment	Nature of duty	Age (Years)	Date of Joining	Experience (Years)	Remuneration received (Rs.)	Previous Employment	Designation at Previous Employment	Relationship with Director/Manager
Basant Kr. Agarwal	CFO	B.COM	Permanent	Management, administration & finance	71	05.02.2015	7 years	1,50,000	-	-	None
Mamta Agarwal	Administrative	B.COM	Permanent	Management, administration & finance	50	01.04.2015	7 years	4,20,000	-	-	None
Vikash Gupta	Accountant	B.COM	Permanent	Accounts & finance	34	01.05.2021	1 Year	1,20,000	-	-	None
Ashim Das	Administrative	12 Pass	Permanent	Administration	42	01.03.2013	9 years	0	-	-	None
Mamta Sharma	C.S./ Director	Company Secretary	Permanent	Management, administration & compliance	32	20.05.2015	7 years	3,00,000	-	-	Director & Company Secretary
Bhola Nath Manna	WTD	B.COM	Permanent	Management & administration	49	09.02.2011	11 years	4,80,000	-	-	Executive director

Kolkata, 27th May, 2022

For and on behalf of the Board of Directors
Bhola Nath Manna
(DIN: 03345433)
Whole-time Director

STEP TWO CORPORATION LIMITED

Annexure "I"

PARTICULARS OF MANAGERIAL REMUNERATION

Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Requirements of Rule 5(1)

(i)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Executive Directors	Ratio		
		Sri Bhola Nath Manna	1.6:1		
		Non-Executive Non-Independent Directors	Ratio		
		Smt. Mamta Sharma	01:01		
		Non-Executive Independent Directors	Ratio		
		Sri Sanjay Agarwal	0		
		Sri Keshav Kumar Saraf	0		
		(ii)	the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Executive Directors	Percentage Increase
				Sri Bhola Nath Manna	NIL
				Non-Executive Non-Independent Directors	Percentage Increase
Smt. Mamta Sharma	NIL				
Non-Executive Independent Directors	Percentage Increase				
Sri Sanjay Agarwal	NIL				
Sri Keshav Kumar Saraf	NIL				
CFO & CS	Percentage Increase				
Sri Basant Kr Agarwal (CFO)	NIL				
Smt Mamta Sharma (CS)	NIL				
(iii)	the percentage increase in the median remuneration of employees in the financial year		0		

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(iv)	the number of permanent employees on the rolls of company (as on 31st March, 2022)		5
(v)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase in salary of non-managerial employees	0.00
		Average percentile increase in salary of managerial employees	0.00
		The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time. The average increase is also an outcome of the Company's performance and its market competitiveness as against its peer group companies	
(vi)	affirmation that the remuneration is as per the remuneration policy of the company	The Company affirms that the remuneration paid during the year ended 31st March, 2022 is as per the Remuneration Policy of the Company.	

Kolkata, 27th May, 2022

For & on behalf of the Board

Bhola Nath Manna
Whole-time Director
DIN: 03345433

STEP TWO CORPORATION LIMITED

**SECRETARIAL AUDIT REPORT
Form No. MR-3**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

*[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 of
Step Two Corporation Limited
L65991WB1994PLC066080
21, Hemanta Basu Sarani,
5th Floor, Suite No.507,
Kolkata – 700 001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Step Two Corporation Limited (hereinafter 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 the 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- Iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
- v) The following Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 (“SEBI Act”), to the extent applicable:

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- a) SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011
- b) SEBI (Prohibition of Insider Trading) Regulations, 1992
- c) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009
- d) SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
- e) SEBI (Issue and listing of Debt securities) Regulations, 2008
- f) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
- g) The SEBI (Delisting of Equity Shares) Regulations, 2009
- h) The SEBI (Buyback of Securities) Regulations, 1998
- i) The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
- vi) Rules, Regulations and Guidelines issued by the Reserve Bank of India as are applicable to Non-Deposit taking Non-Banking Financial Companies with classification as a 'Loan Company'; which are specifically applicable to the Company.

I have also examined compliance with the applicable clauses of the followings:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

I 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is 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.

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- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there was no other event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

This report is to be read with my letter of even date which is annexed as Annexure-1 which forms an integral part of this report.

For N.JHUNJHUNWALA & ASSOCIATES
COMPANY SECRETARIES

CS NAVNEET JHUNJHUNWALA

UDIN: F006397D000404564
Place: KOLKATA
Date: 27.05.2022

Proprietor
FCS-6397
C.P. No.: 5184

STEP TWO CORPORATION LIMITED

Annexure – 1

To the Members of
Step Two Corporation Limited
L65991WB1994PLC066080
21, Hemanta Basu Sarani,
5th Floor, Suite No.507,
Kolkata – 700 001

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

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. My responsibility is to express an opinion on those records based on my audit.
2. I have followed the audit practices and process 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. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.
5. 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 N.JHUNJHUNWALA & ASSOCIATES
COMPANY SECRETARIES

CS NAVNEET JHUNJHUNWALA

UDIN: F006397D000404564
Place: KOLKATA
Date: 27.05.2022

Proprietor
FCS-6397
C.P.No.: 5184

STEP TWO CORPORATION LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

About Step Two Corporation Limited

Step Two Corporation Limited ('STCL') is a non-deposit taking Non-Banking Financial Company (NBFC-ND) registered with the Reserve Bank of India (RBI). It is engaged in the business of investments and lending.

Industry and Economic Scenario

India's real GDP growth for FY 2021-22 was 8.7%, which is amongst the highest in leading economies, as the Indian economy bounced back during the year exhibiting resilience during the pandemic. As the year progressed, most of the economic indicators such as GST collection, IIP, Exports and UPI transactions saw an uptick, indicating a steady recovery from the lows of the first quarter of FY 2021-22. This was also reflected in the credit growth for both Banks and NBFCs where the larger, well-funded ones witnessed a swifter recovery on the back of ebbing third wave of COVID-19 and easing of restrictions.

While India's growth outlook for the year ahead remains bright, driven by private consumption and elevated public spending, but risks remain, the biggest of which is inflation. Higher inflation can curtail the discretionary consumption and unfavourably affect the recovering domestic demand. The ongoing geopolitical crisis has caused supply chain disruptions which has led to higher commodity prices; if this gets prolonged, it can further fuel the inflation. The depreciating Rupee can become another issue as India is one of the biggest importers of crude oil leading to likely rise in trade deficit in FY 2022-23. As Rupee depreciates and import prices go up, taming inflation can become an uphill task for the central bank. A slower than expected global growth recovery may affect the demand for exports.

Financial Performance

Balance Sheet

- Total net fixed assets for FY2021-22 stood at Rs. 0.65 lacs compared to Rs.0.76 lacs in FY2020-21
- Net worth stood at Rs. 542.65 lacs as on 31st March, 2022 compared to Rs. 528.32 lacs as on 31st March, 2021, an increase of 2.71%.

Profit and loss statement

- Revenues from operations stood at Rs. 39.09 lacs in FY2021-22 compared to Rs. 39.25 lacs in FY2020-21
- EBITDA decreased to Rs. 19.81 lacs in FY2021-22 compared to Rs. 21.41 lacs in FY2020-21

STEP TWO CORPORATION LIMITED

- Profit after tax was witnessed at Rs. 14.33 lacs in FY2021-22 compared to Rs.17.99 lacs in FY2020-21
- Depreciation and amortisation stood at Rs. 0.11 lacs in FY2021-22 compared to Rs. 0.11 lacs in FY2020-21

Key financial ratio - Significant changes and explanations

Ratio	FY 2021-22	FY 2020-21	Changes
Debtors Turnover (Days)	-	-	-
Inventory Turnover	-	-	-
Interest Coverage Ratio	-	-	-
Current Ratio (with short term borrowings)	69.23	46.94	47%
Debt Equity Ratio	NIL	NIL	NIL
Operating Profit Margin (%) (EBIT Margin)	42%	44%	-6%
Net Profit Margin (%) / PAT	30%	37%	-19%
Return on Net Worth/ Average Equity	3%	3%	-22%
EBITDA Margin	42%	44%	-5%
Earnings per share (Rs.)	0.34	0.42	-20%
Fixed Asset Turnover Ratio	66.83	63.32	6%
Return on Average capital employed	4%	4%	-10%

* Figures for Debtors Turnover (Days), Inventory Turnover and Interest Coverage Ratio have not been stated since the Company had Nil Debtors, Inventory and Interest Expense.

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Risk Management

The Company aims to operate within an effective risk management framework to actively manage all the material risks faced by the organization and make it resilient to shocks in a rapidly changing environment. It aims to establish consistent approach in management of risks and strives to reach the efficient frontier of risk and return for the organization and its shareholders.

Broad categories of risk faced by the Company are credit, liquidity and interest rate risk. The risk management policies are well defined for various risk categories supplemented by periodic monitoring through the Board.

Evolving Regulatory Landscape

Over the past few years, financial services as a sector has come under increased scrutiny and therefore, greater regulatory supervision. This is especially true for NBFCs, as over the years, the sector has undergone considerable evolution in terms of size, complexity and interconnectedness within the financial sector. With a view to bridge the regulatory gaps between the Banks and NBFCs, NBFCs are now increasingly being subject to regulations and guidelines at par with banks.

Opportunities and Threats

Non-Banking Financial Companies (“NBFCs”) remain one of the most important pillars for ushering financial inclusion in India, reaching out to a hitherto under/unserved populace and in the process leading to “formalization” of the credit demand.

Last two years were challenging on account of the pandemic during which both business and collections were severely impacted. However, from Q2 FY 2021-22, credit growth has picked up significantly due to receding impact of COVID shutdowns, the pent-up demand in the economy and an uptick in multiple economic indicators.

However, there's room for optimism – receding pandemic impact along with large vaccinated population, rising private investments, higher consumption levels and thrust on capital expenditure in Union Budget 2022 shall in tandem lead to a higher growth trajectory for the economy. This shall also translate into a better performance vis-à-vis the year gone by for most of the leading financial services institutions including NBFCs.

Internal control system and their adequacy

The Company has an effective internal control system, commensurate with its size and nature to ensure smooth business operation, including assurance of recording all the transaction details, ensuring regulatory compliance and protecting the Company assets from any kind of loss or

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misuse. It evaluates the adequacy of all internal controls and processes, and ensures strict adherence to clearly laid down processes and procedures as well as to the prescribed regulatory and legal framework. The Company has further strengthened its internal audit function by investing in domain specialists to increase effectiveness of controls. The Audit Committee of the Board of Directors reviews the internal audit reports and the adequacy and effectiveness of the internal controls.

Fulfilment of the RBI's norms and standards

STCL fulfils norms and standards laid down by the RBI relating to the recognition and provisioning of non-performing assets, capital adequacy, statutory liquidity ratio, etc.

Development in human resources

The Company continues to lay emphasis on people, its most valuable resource. In an increasingly competitive market for human resources, it seriously focuses on attracting and retaining the right talent. It provides equal opportunity to employees to deliver results.

Conclusion

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document due to various risks and uncertainties.

STEP TWO CORPORATION LIMITED

CORPORATE GOVERNANCE

At Step Two Corporation Limited (STCL), we believe that corporate governance is a continuous journey towards sustainable value creation for all the stakeholders, which is driven by our values of integrity, team focus, structured innovation, implementation, performance and client focus.

The commitment of the STCL to the highest standards of good corporate governance practices predates SEBI and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'SEBI Listing Regulations, 2015'). Ethical dealings, transparency, fairness, disclosure and accountability are the main thrust of the working of STCL.

1. BOARD OF DIRECTORS

In keeping with the commitment of the Management to the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of executive and independent directors to maintain the independence of the Board and to separate the Board functions of governance and management.

All the members of the Board are eminent persons with considerable expertise and experience in general management spanning the banking, finance, accounts and audit and information technology sectors. The Company is immensely benefited by the range of experience and skills that the Directors bring to the Board.

The Board comprises One Executive Director and Three Non-Executive Directors. The executive director is Sri Bholu Nath Manna. Independent Non-executive Directors are Sri Sanjay Agarwal and Mr. Keshav Kumar Saraf, professional non-executive director is Ms.Mamta Sharma.

Ms.Mamta Sharma is also the Secretary and compliance officer of the Company.

Mr.Basant Kumar Agarwal is the Chief Financial Officer (CFO) of the Company. The composition of the Board is in conformity with the listing requirements.

The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long term objectives of enhancing stakeholder value are met.

There were no materially relevant pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company during the year.

2. BOARD MEETINGS

The Board meets at least once a quarter to review the quarterly results and other items on the agenda. Additional meetings are held whenever necessary. The gap between any two meetings is less than four months. The Board of Directors formulates the business and operational policies and decides on strategic issues concerning the Company.

During the FY 2021-2022, the Board met 6 times on: 30th April, 2021, 29th June, 2021, 10th August, 2021, 10th November, 2021, 10th February, 2022 and 1st March, 2022.

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The composition of the Board is in conformity with the listing regulations. The composition of the Board, number of Board Meetings held, attendance of the Directors at the Board Meetings and last Annual General Meeting and the number of Directorship and Chairmanship/ Membership of Committees in other Companies in respect of each Director as on March 31, 2022 is given here-in below:

Name of Director	Type	Executive/ Non-executive	Number of meetings attended	Number of other Directorships*	Whether attended last AGM
Mr. Sanjay Agarwal (DIN- 00571217)	Independent	Non-executive	6	Nil	Yes
Mr. Keshav Kumar Saraf (DIN- 00595594)	Independent	Non-executive	6	1	Yes
Mr. Bhola Nath Manna (DIN- 03345433)	Non-Independent	Executive	6	Nil	Yes
Ms. Mamta Sharma (DIN- 07080870)	Professional	Non-executive	6	Nil	Yes

* Directorship held in Public Limited Company.

Name of Director	In listed companies	Directorships			Committee Positions in Listed & Unlisted public <u>Limited companies</u>	
		In unlisted public companies	In private limited companies		As Chairman	As Member
Mr. Sanjay Agarwal (DIN- 00571217)	1	-	-		2	-
Mr. Keshav Kumar Saraf (DIN- 00595594)	1	1	-		-	4
Mr. Bhola Nath Manna (DIN- 03345433)	1	-	-		-	2
Ms. Mamta Sharma (DIN- 07080870)	1	-	-		-	1

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Note: For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies registered under section 8 of the Companies Act, 2013/section 25 of the Companies Act, 1956 have been excluded. Only audit committee and stakeholders relationship committee are considered for the purpose of reckoning committee positions.

Meeting of Independent Directors:

Section 149(8) of the Act read with Schedule IV of the Act requires the Independent Directors of the Company to hold at least one meeting in a year, without the attendance of non-independent directors and members of the management. The Independent Directors of the Company met on March 25, 2022, pursuant to the provisions of the Act and the Listing Regulations.

Disclosure of relationships between directors inter-se

None of the Directors of the Company are related inter-se.

3. INFORMATION ON DIRECTORS' RE-APPOINTMENT / APPOINTMENT

Ms. Mamta Sharma, Director of the Company, retires by rotation and being eligible offers herself for re-appointment. His brief particulars are as under:

Ms.Mamta Sharma (31 years) possesses immense knowledge in the fields of Investment, Banking and retail financing. Her rich experience in the corporate world is an asset for the Company and would surely go a long way in terms of value addition for the Company. She is a member of the Institute of Company Secretaries of India.

She does not hold directorship in any public limited company apart from Step Two Corporation Ltd.

She is not a director in any Private Limited Company.

4. AUDIT COMMITTEE

The Audit Committee reviews the financial accounting policies, adequacy of internal control systems and systems audit and interacts with the statutory auditors and internal auditors. Besides, the Committee reviews the audit plans, interim and annual financial results, management discussion and analysis of financial condition and results of operations, related party transactions, observations of the management and internal / external auditors on internal control and follow-up reports of the management.

The Board reviews the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Companies Act, 2013, the Listing Regulations and the NBFC Regulations.

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As on 31st March, 2022, the Audit Committee comprised One Executive Director and Three Non-Executive Independent Directors. The Committee comprises Bhola Nath Manna, Sanjay Agarwal, Mamta Sharma and Keshav Kumar Saraf. The Committee is chaired by Mr. Sanjay Agarwal, Independent Non executive Director. All members of the Audit Committee have accounting and financial management expertise.

During the year, the Committee met 4 times on: 29th June, 2021, 10th August, 2021, 10th November, 2021 and 10th February, 2022.

Composition of the Committee and attendance of the members are as follows:

<u>Name of the Director</u>	<u>No. of Meetings Attended</u>
Mr. Sanjay Agarwal	4
Mr. Keshav Kumar Saraf	4
Mr. Bhola Nath Manna	4
Ms. Mamta Sharma	4

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

Stakeholders Relationship Committee of STCL consists of One Executive Director and Two Non-Executive Independent Directors. The constitution and composition of the Committee is in accordance with the provisions of the Listing Regulations. The Company Secretary acts as the Secretary and has been appointed as the Compliance Officer of the Committee.

<u>Name of the Director</u>	<u>No. of Meeting Attended</u>
Mr. Sanjay Agarwal	Nil
Mr. Keshav Kumar Saraf	Nil
Mr. Bhola Nath Manna	Nil

No investor compliant was received during the year and none was pending unresolved as on 31st March, 2022..

6. NOMINATION & REMUNERATION COMMITTEE

The Remuneration Committee was constituted of Independent and Non-executive Directors. The Committee evaluates compensation and benefits for Executive Directors.

7. POLICIES, CODE OF CONDUCT AND STATUTORY DISCLOSURES

Code of Conduct:

The Listing Regulations require listed companies to lay down a code of conduct for directors and

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senior management, incorporating duties of directors as laid down in the Companies Act, 2013. Accordingly, the Company has a Board approved code of conduct for all Board members and Senior Management of the Company. The said code has been placed on the Company's website <https://www.steptwo.in>.

All the Board members and Senior Management personnel have affirmed compliance with the code for the year ended 31 March 2022. A declaration to this effect signed by the Whole time Director is given elsewhere in this Annual Report.

Vigil Mechanism Framework/Whistle Blower Mechanism:

Pursuant to the Companies Act, 2013 and the Listing Regulations, the Company has a Board approved whistle blower policy/vigil mechanism to enable directors and employees to report to the Management their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

This mechanism provides safeguards against victimisation of directors/employees who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee in exceptional cases.

The whistle blower policy/vigil mechanism has been appropriately communicated to the employees within the organisation and has been put on the Company's website <https://www.steptwo.in>.

As on March 31, 2022, no complaint has been received by the Company from any directors or employees of the Company with respect to any wrongdoings that may have an adverse impact on the Company's image or financials of the Company.

CEO/CFO certification

The CEO and CFO have certified to the Board with regard to the financial statements and other matters as required under the Listing Regulations.

Auditors' certificate on corporate governance

The Company has obtained a certificate from its statutory auditors regarding compliance with the provisions relating to corporate governance laid down in the Listing Regulations.

This certificate is annexed to the Directors' Report.

Compliances regarding insider trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has a Board approved code of conduct to regulate, monitor and report trading by insiders ('code of conduct') and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('code of fair disclosure'). The code of conduct and code of fair disclosure framed by the Company have helped in ensuring compliance with the requirements.

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Compliance of mandatory requirements under the Listing Regulations

The Company has complied with all the mandatory requirements of the Listing Regulations.

Modified opinion in the audit report

The Company confirms that its financial statements are with unmodified audit opinion.

Separate posts of Whole-time Director/CFO/Secretary

The Company has appointed separate persons to the post of Whole-time Director, Chief Financial Officer and Company Secretary.

Reporting of internal auditor

The internal auditor reports directly to the Audit Committee.

Pursuant to the provisions of the Companies Act, 2013 no fraud was reported by auditors of the Company to the Audit Committee during FY 2021-22..

A Cash Flow Statement for FY 2021-22 is attached to the Balance Sheet.

The Company has a policy on prevention of sexual harassment at workplace. There was no case of sexual harassment reported during FY 2021-22.

Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: During the Financial Year 2021-22, the Company has not provided any loans and/or advances to firms/ companies in which Directors are interested.

Disclosure of commodity price risks and commodity hedging activities: Since the Company does not deal in any commodities, the same has been not been discussed in this Report.

Certificate from Practicing Company Secretary on qualification of the Board: The Company has obtained a certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or to continue as Directors of any company by SEBI or Ministry of Corporate Affairs or any such statutory authorities. The certificate is annexed separately to this Report.

The Company has formulated an Archival Policy for ensuring compliance with the provisions under Regulation 30(8) of the Regulations for protection, maintenance and archival of the Events or Information disclosed to the stock exchange(s) which are also hosted on its website.

The Board of Directors of the company have laid down a code of conduct for all Board members and Senior Management personnel of the Company in compliance with Regulation 17(5) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has a Familiarization Programme for Independent Directors in compliance with Schedule IV of the Companies Act, 2013 and the Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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The Company has in place a Policy on Determination of Materiality of Event or Information in pursuance of the requirements of Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The Board of Directors of the Company has adopted a policy on materiality of Related Party Transactions and dealing with Related Party Transactions. The policy is in line with requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and The Companies Act, 2013.

The Company has in place a Risk Management Policy in compliance with Section 134 (3) (n) of the Companies Act, 2013 and Regulation 17(9)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which requires the Company to develop and implement a Risk Management Policy / Plan and to lay down risk assessment and minimisation procedures.

Secretarial standards of ICSI

Pursuant to the approval from the Ministry of Corporate Affairs (MCA), the Institute of Company Secretaries of India (ICSI) has, on 14 June 2018, revised the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) effective from 1 October 2018.

The Company is compliant with the same.

8. GENERAL BODY MEETINGS

Time and location of last three Annual General Meetings

Year	Date	Time	Location
2019	30.09.2019	10:00 A.M.	21, Hemanta Basu Sarani, 5th Floor, Suite No.507, Kolkata - 700 001
2020	29.12.2020	10:00 A.M.	21, Hemanta Basu Sarani, 5th Floor, Suite No.507, Kolkata - 700 001
2021	21.09.2021	10:00 A.M.	21, Hemanta Basu Sarani, 5th Floor, Suite No.507, Kolkata - 700 001

Details of special resolution(s) passed at the last three years' annual general meetings (AGM) and postal ballot:

I. Special resolutions passed at the previous three annual general meetings:

At the 25th AGM held on 30 September, 2019, no special resolution was passed.

At the 26th AGM held on 29 December, 2020, no special resolution was passed.

At the 27th AGM held on 21 September, 2021, no special resolution was passed.

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- II. No special resolution was passed through postal ballot during FY 2020-2021.**
- III. No special resolution is proposed to be passed through postal ballot at this annual general meeting.**

9. DISCLOSURE

A summary statement of transactions with related parties was placed periodically before the audit committee during the year. During the year under review there were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. Suitable disclosures have been made in the financial statements, together with the management's explanation in the event of any treatment being different from that prescribed in accounting standards.

Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last Three years: None.

Disclosure of Accounting Treatment: In the preparation of financial statements, the company has followed the treatment as prescribed in the Accounting Standards.

Risk Management: The company has a defined Risk Management framework. The company has laid down procedures to inform the Board members about the risk assessment and minimization procedures.

Proceeds from public issues, rights issues, preferential issues etc.: There were no proceeds from public issues, rights issues, preferential issues etc. during the financial year.

10. MEANS OF COMMUNICATION

The Company publishes quarterly, half-yearly and annual results in Financial Express and Arthik Lipi which are national and local dailies. The Company results and official news releases are displayed on the Company's website <http://www.steptwo.in>. The Company also makes presentations to international and national institutional investors and analysts, which are also put up on its website.

11 GENERAL SHAREHOLDER INFORMATION

A. Annual General Meeting

Date 28th September, 2022

Time - 10:00 A.M

Venue- 21, Hemanta Basu Sarani, 5th Floor, Suite No.507, Kolkata - 700 001

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B. Financial Calender 1st April to 31st March Provisional	: Will be published during
Result for Quarter ending June 30, 2022	: On or before 14th August, 2022
Result for Quarter ending September 30, 2022	: On or before 14th November, 2022
Result for Quarter ending December 31, 2022	: On or before 14th February, 2023
Result for Year ending March 31, 2023	: On or before 30th May, 2023

C. Book Closure

The Register of members and Share Transfer Book will remain closed from 22nd day of September, 2022 to 28th day of September, 2022 (both days inclusive) on account of Annual General Meeting.

D. Dividend

No dividend is recommended for the year.

E. Listing at Stock Exchange

- (i) The Calcutta Stock Exchange Association Ltd. (Stock Code 29182)
- (ii) The Stock Exchange, Mumbai (Stock Code 531509)

The Company has paid the Listing Fees for the year 2021-2022 to all stock exchanges.

F. ISIN Number: INE623D01015

G. Depository Connectivity: NSDL and CDSL

Annual Custody/Issuer fee for the Financial Year(s) 2021-22 and 2022-23 has been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

STEP TWO CORPORATION LIMITED

H. STOCK MARKET DATA

Monthly highs and lows of Step Two Corporation Ltd. share price (Rs.) during 2020-2021.

Month	BSE		Closing BSE Sensex
	High	Low	
April'2021	5.83	5.83	48782
May'2021	6.12	5.26	51937
June'2021	6.00	5.40	52483
July'2021	5.42	4.16	52587
Aug'2021	6.68	5.26	57552
Sep'2021	6.09	5.24	59126
Oct'2021	4.98	4.73	59306
Nov'2021	4.96	4.72	57064
Dec'2021	5.98	4.08	58253
Jan'2022	10.62	6.27	58014
Feb'2022	10.02	7.40	56247
Mar'2022	7.77	7.13	58568

12. REGISTRAR & TRANSFER AGENTS

<u>Name</u>	<u>Address</u>
Niche Technologies (P) Ltd. (For Physical and Demat Shares)	3A, Auckland Place, 7th Floor, Room No. 7A & 7 B, Kolkata - 700017

Share Transfer System

As per Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended, Physical transfer of shares has been dispensed with and securities of listed companies can be transferred only in dematerialized form w.e.f. 1st April, 2019. Effective from 24th January, 2022, SEBI has mandated for Listed Companies to issue shares in demat form only, after processing the requests in prescribed Form ISR-4 received for issue of duplicate certificate, transmission, transposition, renewal/ exchange of share certificate, endorsement, sub-division/ splitting of certificate, consolidation of certificates, claim from Unclaimed Suspense Account, etc. The RTA will after processing such requests issue a Letter of Confirmation to the

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concerned shareholder for submission to DP within 120 days from the date of issue of Letter of Confirmation for dematerialisation of shares. In case shareholder fails to submit the demat request within the aforesaid period, the RTA shall credit the shares to Suspense Escrow Demat Account of the Company. Form ISR-4 is available on the website of the Company at: www.steptwo.in

The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to its Share Transfer Committee. The Committee meets as and when required to, inter alia, consider the issue of duplicate share certificates (letter of confirmation with effect from 24th January, 2022) and attend to Shareholders' grievances, etc. A summary of the transfer, transmissions, dematerialisation, rematerialisation, etc. is placed before the Committee at every meeting. There are no legal cases relating to transfer/ transmission of shares.

As required under Regulation 40(9) of the Listing Regulations, the Company had obtained for the year under review a certificate from a Company Secretary in Practice, confirming due compliance of share transfer formalities and also filed a copy of the said certificate with the stock exchanges.

Reconciliation of Share Capital Audit

As stipulated under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, as amended, a Company Secretary in Practice carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out in every quarter and the report thereon is submitted to stock exchanges where the Company's shares are listed and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

13. COMPLIANCE OFFICER

Ms. Mamta Sharma is presently acting as the compliance officer in accordance with the provisions of the Listing Regulations. Her contact details are as under:

Address : 21, Hemant Basu Sarani, 5th Floor, R.No.507, Kolkata - 700 001

Tel No. : 033-22318207/08

E-mail : admin@steptwo.in

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14. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2021

No. of Equity Shares Held	No. of Share holders	% of Shares holders	No. of Shares held	% of Shares holding
1 to 500	660	70.1382	88,853	2.0920
501 to 1000	142	15.0903	1,04,600	2.4627
1001 to 5000	79	8.3953	1,96,066	4.6163
5001 to 10000	16	1.7003	1,29,020	3.0377
10001 to 50000	40	4.2508	10,70,758	25.2103
50001 to 100000	2	0.2125	1,21,003	20.8489
100001 and above	2	0.2125	25,37,000	59.7321
Totals	941	100.000	42,47,300	100.000

15. SHAREHOLDING PATTERN AS ON 31.03.2021

Category	No. of Share held	% of Share holding
Indian Promoters	1797900	42.33
Indian Public including corporate bodies	2449400	57.67
	4247300	100.00

16. DEMATERIALIZATION OF SHARES

2955204 shares have been dematerialized up to 31.03.2022 which is 69.58% percent of the total shares of the Company.

17. BREAK-UP OF SHARES IN PHYSICAL AND DEMAT SEGMENT (As on 31.03.2022)

Segment	No. of Shareholders	% to total Shareholders	No. of Shares held	% to total
Physical	380	38.31	526006	12.38
Demat	612	61.69	3721294	87.62
Total	992	100.00	4247300	100.00

Transfer of Unclaimed dividend to Investor Education and Protection Fund (IEPF)

In terms of the provisions of Sections 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, dividends which remain unpaid/ unclaimed for a period of seven years from the date of transfer to the unpaid dividend account have to be statutorily transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government. There is no amount of unclaimed dividend with the Company.

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Unclaimed Shares

In accordance with the requirement of Regulation 34(3) read with Schedule V Part F of the Listing Regulations, unclaimed shares to be transferred to the suspense account. There are no such unclaimed shares with the Company.

Transfer of shares in respect of which dividend remained unclaimed/ unpaid for seven consecutive years or more

Pursuant to provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') and amendments made thereto, the Equity Shares, in respect of which dividend has not been claimed or encashed by the Members for seven or more consecutive years, are liable to be transferred by the Company to the Investor Education and Protection Fund ('IEPF'). Upon transfer of such shares, all benefits, viz. bonus, dividend etc., if any, accruing on such shares shall also be credited to the IEPF and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. There is no such case with the Company.

Credit Ratings

The Company has not obtained any credit rating.

Foreign currency exposure and its hedging

The Company has no foreign exchange exposure in its books .

18. OUTSTANDING GDRs/ADRs/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

Not applicable as the Company has not issued any such instruments.

19. ADDRESS FOR CORRESPONDENCE

REGISTERED OFFICE:
Step Two Corporation Limited
21, Hemanta Basu Sarani,
5th Floor, Suite No.507,
Kolkata 700 001

STEP TWO CORPORATION LIMITED

CERTIFICATE ON CORPORATE GOVERNANCE

TO
THE MEMBERS OF
STEP TWO CORPORATION LIMITED

We have examined the compliance of conditions of Corporate Governance by Step Two Corporation Limited for the year ended 31st March, 2022, as stipulated in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of corporate governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and 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 the SEBI Listing Regulations, 2015.

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 B.P. Agarwal & Associates

Chartered Accountants

Firm Registration Number: 316155E

Place : Kolkata

Date : The 27th day of June, 2022

(Amit Tulsyan)

(Partner)

Membership Number: 064210

STEP TWO CORPORATION LIMITED

CEO/CFO CERTIFICATION

I, Basant Kumar Agarwal, Chief Financial Officer, certify to the Board that:

- a) I have reviewed financial statements and the cash flow statement for the year ended on 31st March' 2022 and that to the best of my knowledge and belief :
 - i. These statement 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 comply with existing accounting standards, applicable laws and regulations.
- b) To the best of my knowledge and belief, no transactions entered into by the company during the year ended 31st March'2022 are fraudulent, illegal or violative of the company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the auditors and the Audit Committee
 - i. Significant changes in internal control during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - iii. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

For Step Two Corporation Limited

Basant Kumar Agarwal

Chief Financial Officer

Place : Kolkata

Date : The 27th day of June, 2022

STEP TWO CORPORATION LIMITED

**DECLARATION ON COMPLIANCE OF
THE COMPANY'S CODE OF CONDUCT**

To
The Members of
Step Two Corporation Limited

I, Bhola Nath Manna, Whole-time Director of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct for the year ended 31st March, 2022.

Place : Kolkata
Date 27.05.2022

Bhola Nath Manna
Whole-time Director

STEP TWO CORPORATION LIMITED

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
Step Two Corporation Limited
21, Hemanta Basu Sarani,
5th Floor, Suite No.507,
Kolkata – 700 001

We have examined the relevant disclosures received from the Directors and registers, records, forms, returns maintained by Step Two Corporation Limited (CIN: L65991WB1994PLC066080) having its Registered office at 21, Hemanta Basu Sarani, 5th Floor, Suite No.507, Kolkata – 700 001, West Bengal (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company and its officers, we certify that following are the Directors on the Board of the Company as on 31st March, 2022:

Sl No.	DIN	Name	Designation	Date of appointment
1	00571217	Mr. Sanjay Agarwal	Director	01.01.2000
2	00595594	Mr. Keshav Kumar Saraf	Director	30.05.2013
3	03345433	Mr. Bholu Nath Manna	Whole-time Director	09.02.2011
4	07080870	Ms. Mamta Sharma	Director	05.02.2015

We further certify that none of the aforesaid Directors on the Board of the Company for the financial year ended on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

STEP TWO CORPORATION LIMITED

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 27.05.2022

Place: Kolkata

For **N. Jhunjhunwala & Associates**
Company Secretaries

Navneet Jhunjhunwala
Proprietor
Membership No. 6397
COP No. 5184

STEP TWO CORPORATION LIMITED

INDEPENDENT AUDITOR'S REPORT

To

The Members of

STEP TWO CORPORATION LIMITED

Report on the Financial Statements

Opinion

We have audited the accompanying standalone financial statements of M/S. STEP TWO CORPORATION LTD, which comprise the Balance sheet as at 31st March 2022, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of 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 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 31st March 2022 its profit and Cash Flow for the year 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 provision of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with those 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.

STEP TWO CORPORATION LIMITED

Key Audit Matters

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

Information other than the financial statements and Auditor's report there on

The Company's board of directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report there on.

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

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

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

Management's and Board of Directors' responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 implementation and maintenance of 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

STEP TWO CORPORATION LIMITED

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.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statement

Our objective are to obtain reasonable assurance about whether the financial statement 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 economics decision of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is included in Annexure A. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable
2. (A) 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 purposes 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(including other comprehensive income) and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

STEP TWO CORPORATION LIMITED

- d. in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
- e. on the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 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 C'.
- 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:
 - i. the Company does not have any pending litigations which would impact its financial position;
 - ii. the Company did not have any long term contract including derivatives contracts for which there were any material foreseeable losses;
 - iii. there was no amount which is required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. i) the management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - ii) the management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

STEP TWO CORPORATION LIMITED

iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused them to believe that the representations under clause iv(i) and iv(ii) contain any material misstatement.

v. the company has not declared or paid any dividend during the year. As such, provisions of section 123 of the Companies Act, 2013 are not applicable.

(B) With respect to the matters to be included in the Auditor's Report under Section 197(16) :

In our opinion and according to the information and explanation given to us, the remuneration paid by the companies to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to directors is not in excess of the limit laid down in Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B. P. AGARWAL & ASSOCIATES**

Chartered Accountants

FRN No. 316155E

(Amit Tulsyan)

Partner

Membership No. 064210

UDIN: 22064210AJRXVV2802

Place : Kolkata
Date : 27.05.2022

STEP TWO CORPORATION LIMITED

Annexure 'A' Responsibilities for Audit of Financial Statement

- a.. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- i 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.
 - ii 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.
 - iii Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - iv 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.
 - v 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.
- b. 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.
- c.. 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.

STEP TWO CORPORATION LIMITED

- d. 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.

Place : Kolkata
Date : 27.05.2022

For **B. P. AGARWAL & ASSOCIATES**
Chartered Accountants
FRN No. 316155E
(Amit Tulsyan)
Partner
Membership No. 064210
UDIN: 22064210AJRXVV2802

STEP TWO CORPORATION LIMITED

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2022, we report that:

- i. a. A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
B) According to the information and explanation given to us, the Company does not have any Intangible Assets. As such, the provisions of this clause are not applicable.
- b. According to the information and explanation given to us, the Property, Plant and equipments have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such physical verification.
- c. According to the information and explanations given to us, the company does not hold any immoveable property. As such, the provisions of this clause are not applicable.
- d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
- e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. a. According to the information and explanations given to us, the Company does not have any Inventory. As such, the provisions of this clause are not applicable.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The company has granted loans during the year, details of the loan is stated in sub-clause (a) below.

STEP TWO CORPORATION LIMITED

- a. The Company being a Non-Banking Financial Institute (NBFC) registered under Provisions of RBI Act, 1934, its principal business is to give loans. As such, the provisions of clause 3(iii)(a) of the order is not applicable to it.
- b. According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, there is no stipulation of repayment of principal and payment of interest as the loans are repayable on demand. So, we are unable to comment on the regularity of repayment.
- d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.
- e. The Company being a Non-Banking Financial Institute (NBFC) registered under Provisions of RBI Act, 1934, its principal business is to give loans. As such, the provisions of clause 3(iii)(e) of the order is not applicable to it.
- f. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has given loans that are repayable on demand.

Particulars	All Parties	Promoters	Related Party
Aggregate amount of Loans/Advances in the nature of Loans - Repayable on Demand	Rs. 4,69,81,333	Rs. NIL	Rs. Nil
Percentage of loans/advances in the nature of Loans to the total Loans	100%	0	0

- iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not made any investments, provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, since its principal business is to give loans, provisions of Section 186 in respect of Loans is not applicable to the company and so not commented upon.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

STEP TWO CORPORATION LIMITED

- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/ or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.
- vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. There are no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes.
- vii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- ix. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not have any loans or borrowings. Accordingly, clause 3(ix)(a) of the Order is not applicable.
 - b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
 - c. According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
 - d. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
 - e. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken

STEP TWO CORPORATION LIMITED

any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

- f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- x. a. According to the information and explanations given to us and procedures performed by us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi. a. Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
b. According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
c. According to the information and explanations given to us, no whistle-blower complaints were received during the year. Accordingly, clause 3(xi)(c) is not applicable.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- xiv. a. According to the information given to us, the company has an internal audit system that commensurate with the size and nature of the organization.
b. The reports of the internal auditors for the period under audit have been considered by us.

STEP TWO CORPORATION LIMITED

- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi a. The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934. vide registration number 05.02614 dated 04.06.1998.
- b. According to the information and explanations given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per Reserve Bank of India Act, 1934.
- c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- d. According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix.. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us, the company is not required to undertake any Corporate Social Responsibility activities as per section 135 of the Companies Act, 2013. Accordingly, clause 3(xx)(a) and clause 3(xx)(b) are not applicable.

STEP TWO CORPORATION LIMITED

xxi. The reporting under clause 3(xxi) of the order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

For **B. P. AGARWAL & ASSOCIATES**

Chartered Accountants

FRN No. 316155E

(Amit Tulsyan)

Partner

Membership No. 064210

UDIN: 22064210AJRXVV2802

Place : Kolkata
Date : 27.05.2022

STEP TWO CORPORATION LIMITED

ANNEXURE 'C' TO THE INDEPENDENT AUDITORS' REPORT

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 Step Two Corporation Ltd. (“the Company”) as of March 31, 2022 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 Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”), to the extent applicable to an audit of internal financial controls. 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.

STEP TWO CORPORATION LIMITED

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 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, 2022, 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

For **B. P. AGARWAL & ASSOCIATES**

Chartered Accountants

FRN No. 316155E

(Amit Tulsyan)

Partner

Membership No. 064210

UDIN: 22064210AJRXXV2802

Place : Kolkata

Date : 27.05.2022

STEP TWO CORPORATION LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2022**

(Amount in Rs.'00)

	Note No.	As on 31.03.2022	As on 31.03.2021
I ASSETS			
Cash & Cash Equivalents	4	32,450	33,294
Bank balance	5	42,500	—
other than cash & cash equivalent			
Receivables	6		
(I) Trade Receivables		—	39,000
Loans	7	4,69,813	4,28,285
Other Financial Assets	8	1,560	14,560
NON FINANCIAL ASSETS			
Current Tax Assets (Net)	9	4,361	4,481
Deferred Tax Assets (Net)	10	41	80
Property, Plant & Equipment & Intangible Assets	11	652	762
Other Non-Financial Assets	12	401	20,000
Total		<u>5,51,778</u>	<u>5,40,463</u>
II LIABILITIES & EQUITY			
LIABILITIES			
FINANCIAL LIABILITIES			
Other Financial Liabilities	13	655	5,308
NON FINANCIAL LIABILITIES			
Current Tax Liabilities (Net)	14	7,299	5,761
Provisions	15	1,175	1,071
EQUITY			
Equity Share Capital	16	4,59,686	4,59,686
Other Equity	17	82,963	68,637
Total		<u>5,51,778</u>	<u>5,40,463</u>

General Information & Significant 1 - 3

Accounting policies

Significant Accounting Policies and Notes on Accounts

As per our Report of even date

For, **B. P. AGARWAL & ASSOCIATES**

Chartered Accountants

FRN No. 316155E

(AMIT TULSYAN)

Partner

Membership No. 064210

Date : 27.05.2022

Place: Kolkata

UDIN: 22064210AJRXVV2802

(50)

For & on Behalf of the Board

Bhola Nath Manna (DIN-03345433)**Sanjay Agarwal** (DIN-00571217)

Sd/-

Director

Mamta Sharma

Sd/-

Company Secretary

Basant Kumar Agarwal

Sd/-

C.F.O.

STEP TWO CORPORATION LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(Amount in Rs. '00)

	Note No.	Year ended 31.03.2022	Year ended 31.03.2021
I	Revenue from Operations		
	Interest Income	39,095	39,249
II	Other Incomes	8,140	9,000
III	Total Income (I+II)	47,235	48,249
IV	EXPENSES		
	Employee Benefit Expenses	14,700	14,700
	Depreciation and Amortization	110	110
	Other Expenses	12,722	12,134
	Total Expenses	27,532	26,944
V	Profit/(Loss) before exceptional and extraordinary items and taxes (III-IV)	19,703	21,305
VI	Exceptional Items	—	—
VII	Profit/(Loss) before extraordinary items and tax (V-VI)	19,703	21,305
VIII	Extraordinary Items	—	—
IX	Profit/(Loss) before tax (VII-VIII)	19,703	21,305
X	Tax Expenses:		
	(1) Current Tax	(5,300)	(3,330)
	(2) Deferred Tax	(39)	15
	(3) Income Tax for earlier year	(38)	(4)
XI	Profit/(Loss) for the period from Continuing Operations (VII-VIII)	14,326	17,986
XII	Profit/(Loss) from Discontinuing Operations	—	—
XIII	Tax Expense of discontinuing operation	—	—
XIV	Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)	—	—
XV	Profit/(Loss) for the period (XI+XIV)	14,326	17,986
XVI	Other Comprehensive Income		
	Items that will not be reclassified to profit or loss	—	—
	Income Tax relating to items that will not be reclassified to profit or loss	—	—
	Total (A)	—	—
	Items that will be reclassified to profit or loss	—	—
	Income Tax relating to items that will be reclassified to profit or loss	—	—
	Total (B)	—	—
	Other Comprehensive Income (A+B)	—	—
XVII	Total Comprehensive Income for the period (XV+XVI)	14,326	17,986
XVIII	Earnings per Equity Share:		
	(1) Basic	0.34	0.42
	(2) Diluted	0.34	0.42

General Information & Significant Accounting policies 1 & 2

Significant Accounting Policies and Notes on Accounts

As per our Report of even date

For, **B. P. AGARWAL & ASSOCIATES**

Chartered Accountants

FRN No. 316155E

(**AMIT TULSYAN**) Partner

Membership No. 064210

Date : 27.05.2022 Place: Kolkata

UDIN: 22064210AJRXVV2802

(51)

For & on Behalf of the Board
Bhola Nath Manna (DIN-03345433)
Sanjay Agarwal (DIN-00571217)
Sd/- Director

Mamta Sharma
Sd/- Company Secretary

Basant Kumar Agarwal
Sd/- C.F.O.

STEP TWO CORPORATION LIMITED

1 General Information

The Company is a registered non-banking finance company engaged in the business of providing finance. The Company is registered with Reserve Bank of India as a Non-Banking Finance Co.(NBFC). The Company is primarily engaged in providing Business Loans, and is also engaged in Trading and Investment in Shares & Securities.

2. Basis of preparation of financial statements

a. Statement of Compliance

The Balance Sheet, the Statement of Profit & Loss and the 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 7 'Statement of Cash Flows'. The Balance Sheet, Statement of Profit & Loss, Statement of Cash Flow and Statement of Changes in Equity are together referred as the Financial statement of the Company.

The standalone financial statements of the Company are prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of Act and relevant amendment rules issued thereafter ('Ind AS')

b. Functional and Presentation Currency

Amounts in the financial statements are presented in Indian Rupees. All amounts have been presented in hundreds of Indian Rupees, except share data and as otherwise stated.

c. Basis of Measurement

The financial statements have been prepared on historical cost basis except for certain financial instruments that are measured at fair values.

d. Use of Estimates and Judgement

The preparation of the financial statements in conformity with Indian Accounting Standards ('Ind AS') requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Some of the areas involving significant estimation/judgement are determination of Expected Credit Loss, fair valuation of Investments, Income Taxes, share based payments and employee benefits.

STEP TWO CORPORATION LIMITED

e. Measurement of Fair Value

A number of the Company's accounting policies and disclosures require the 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 assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

f. Impact of Covid-19 Pandemic

The COVID-19 pandemic has disrupted the overall economic activity and in particular on the business in which the company operates, the impact assessment of COVID-19 on the above mentioned financial statement is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impact in future may be different from those estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of assets including Financial Assets, Investments and other current/non current assets.

3. Significant accounting policies

a Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

i) Interest

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to the gross carrying amount of the Financial Asset, or the amortised cost of the financial liability.

ii) Dividend Income

Dividend income is recognised in statement of profit & loss on the date on which the Company's right to receive payment is established.

STEP TWO CORPORATION LIMITED

b. Property, Plant & Equipment ("PPE")

PPE held for use are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant & equipment comprises purchase price, including import duties and non-refundable taxes on purchase (goods and service tax), after deducting trade discounts and rebates and any directly attributable cost of bringing the item to its working condition for its intended use.

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

c. Depreciation and Ammortisation

Depreciation is recognised using straight line method so as to write off the cost of assets less their residual values over their estimated useful lives specified in Schedule II to the Act. Depreciation for additions to/deductions from, owned assets is calculated pro rata to the period of use.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if necessary, for each reporting period.

d. Financial Assets

For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing financial asset and contractual cash flow characteristics of financial asset at:

- Those measured at Ammortised Cost
- Those measured at Fair Value through Other Compre hensive Income (FVTOCI)
- Those measured at Fair Value through Profit and Loss (FVTPL)

I) Financial Assets at Ammortised Cost

Includes assets that are held within a business model where objective is to hold financial assets to collect contractual cash flows and contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

These assets are measured subsequently at ammortised cost using the effective interest method, Interest income, foreign exchange gains and losses, if any and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

STEP TWO CORPORATION LIMITED

ii) Financial Assets at Fair Value through Other Comprehensive Income

Includes assets that are held within a business model where objective is both collecting contractual cash flows and selling financial assets along with contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding. The Company has made an irrevocable election to present in other comprehensive income changes in fair value of an investment in an equity instrument that is not held for trading. This selection is made on instrument-by-instrument basis.

Dividends are recognised as income in the statement of profit and loss unless it clearly represents a recovery of part of cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the statement of profit and loss

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

iii) Financial Assets at Fair Value through Profit and Loss

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or FVTOCI. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognised in the statement of profit and loss.

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists..

e. Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost. The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of profit and loss are included within finance costs or finance income.

f. Employee Benefit Expense

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees

STEP TWO CORPORATION LIMITED

render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

g. Income Taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the statement of profit and loss except when they relate to items that are recognised outside statement of profit and loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside statement of profit and loss.

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary difference between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised 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 utilised.

The Corporation provides for current tax liabilities at the best estimate that is expected to be paid to the tax authorities where an outflow is probable.

h. Provisions, Contingent Liabilities, and Contingent Assets

i) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

ii) Contingent Liabilities

Whenever there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability..

STEP TWO CORPORATION LIMITED

iii) Contingent Assets

The Company does not recognise contingent assets. These are assessed continually to ensure that the developments are appropriately disclosed in the standalone financial statements.

l) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus elements in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

j) Cash and Cash Equivalent and Cash Flows Statement

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments maturing within three months from the date of acquisition and which are readily convertible into cash and which are subject to only an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is appropriately classified for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of three months or less.

k) Segment Reporting

The Company's main business is providing finance by way of loans in India. All other activities of the Company revolve around the main business. This in the context of Ind AS 108 "Operating Segments" reporting is considered to constitute one reportable segment.

STEP TWO CORPORATION LIMITED

Notes to Financial Statement for the year ended 31st March, 2022

(Amount in Rs. '00)

	As at 31.03.2022	As at 31.03.2021
4. CASH & CASH EQUIVALENT		
Cash on Hand	1,091	2,121
(As certified by the management)		
Balance with Bank		
- Current Account	31,359	31,173
	<u>32,450</u>	<u>33,294</u>
<p>During the financial year 1997-98, a sum of Rs. 2,500,000/- (Rupees Twenty Five Lacs only) had been fraudulently withdrawn from Punjab & Sind Bank Ltd., New Tangra Road Branch, Kolkata. The matter is under investigation by authorities. The closing balance as per the book is Rs. 2,502,195/-.</p>		
5. BANK BALANCE OTHER THAN CASH & CASH EQUIVALENTS		
Bank Balance other than Cash & Cash Equivalents		
- In deposits with original maturity of more than 3 months	42,500	—
	<u>42,500</u>	<u>—</u>
6. RECEIVABLES		
(I) Trade Receivables		
Considered Good-Unsecured	—	39,000
Less:-Impairment Loss Allowance	—	—
	<u>—</u>	<u>39,000</u>

Debtors balances are subject to confirmation from the respective parties.

Trade Receivable Aging Schedule - Current, outstanding as on 31/03/2022

Particulars	< 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
I) Undisputed Trade Receivable - Considered Good	—	—	—	—	—	—

Trade Receivable Aging Schedule - Current, outstanding as on 31/03/2021

Particulars	< 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
I) Undisputed Trade Receivable - Considered Good	39,000	—	—	—	—	39,000

STEP TWO CORPORATION LIMITED

(Amount in Rs. '00)

	As at 31.03.2022	As at 31.03.2021
7. LOANS		
<i>(Unsecured, Repayable on demand, at amortised cost)</i>		
Loans in India, to others		
- Loan to Private Sector	<u>4,69,813</u>	<u>4,28,285</u>
	<u>4,69,813</u>	<u>4,28,285</u>
8. OTHER FINANCIAL ASSETS		
Security Deposit	1,560	1,560
Advance Recoverable	<u>—</u>	<u>13,000</u>
	<u>1,560</u>	<u>14,560</u>
9. CURRENT TAX ASSET		
Balance with Government Authority		
<i>(Tax Deducted at source & Self Assessment Tax)</i>	<u>4,361</u>	<u>4,481</u>
	<u>4,361</u>	<u>4,481</u>
10. DEFERRED TAX ASSET (Net)		
Opening Balance	80	65
Recognized in profit & loss during the year	<u>(39)</u>	<u>15</u>
Closing Balance	<u>41</u>	<u>80</u>

Movement of Deferred Tax Assets (Liability)

Particulars	Opening Balance	Profit/Loss	OCI	Total	Closing Balance
As on 31/03/22					
Items on Timing Difference					
Property, Plant & Equipment	80	(39)	—	(39)	41
As on 31/03/2021					
Items on Timing Difference					
Property, Plant & Equipment	65	15	—	15	80

STEP TWO CORPORATION LIMITED

NOTE - 11
Property, Plant & Equipment & Intangible Assets
Property, Plant & Equipment
 (Amount in Rs. '00)

Fixed Assets	GROSS BLOCK			DEPRECIATION				Written Down Value		
	Opening Balance	Addition	Deduction	Closing Balance	Opening Balance	During the year	Deduction	Closing Balance	as on 31-03-2022	as on 31-03-2021
Computers	988	-	-	988	939	-	-	939	49	49
Office Equipments & installations	2,692	-	-	2,692	1,979	110	-	2,090	602	713
	3,680	-	-	3,680	2,918	110	-	3,028	652	762

Fixed Assets	GROSS BLOCK			DEPRECIATION				Written Down Value		
	Opening Balance	Addition	Deduction	Closing Balance	Opening Balance	During the year	Deduction	Closing Balance	as on 31-03-2020	as on 31-03-2019
Computers	988	-	-	988	939	-	-	939	49	49
Office Equipments & installations	2,692	-	-	2,692	1,869	110	-	1,979	713	823
	3,67,980	-	-	3,680	2,808	110	-	2,918	762	872

STEP TWO CORPORATION LIMITED

(Amount in Rs. '00)		
	As at 31.03.2022	As at 31.03.2021
12. OTHER NON FINANCIAL ASSET		
Capital Advances	—	20,000
Interest Accrued on Fixed Deposit	401	—
	401	20,000
13. OTHER FINANCIAL LIABILITIES		
Other Payables	655	5,308
	655	5,308
14. CURRENT TAX LIABILITIES (Net)		
Provision for Tax	7,299	5,761
	7,299	5,761
15. PROVISIONS		
Contingent Provisions against Standard Assets	1,175	1,071
	1,175	1,071
16. SHARE CAPITAL		
Authorised Share Capital		
53,50,000 Equity Shares of Rs. 10/- each	5,35,000	5,35,000
	5,35,000	5,35,000
Issued, Subscribed & Paid up		
42,47,300 Equity Shares		
(P.Y. 42,47,300) of Rs. 10/- each	4,24,730	4,24,730
fully paid up in cash		
Add:- Share Forfeiture	34,956	34,956
(Amount originally paid up)		
	4,59,686	4,59,686
Reconciliation of No. of Shares outstanding		
At the beginning of the year	42,473	42,473
Forfeited during the year	—	—
At the end of the year	42,473	42,473
<i>Note:-8,04,800 Equity Shares of Rs. 10/- each forfeited on 12th August 2016</i>		

STEP TWO CORPORATION LIMITED

List of Shareholders holding more than 5% of shares

Raj Kumar Agarwal
Pooja Fine Lease Ltd.

31.03.2022		31.03.2021	
Share	%	Share	%
17,839	42.00%	16,887	39.76%
7,531	17.73%	7,531	17.73%

Shareholding of Promoters

Shares held by promoters at the end of the year						
S. No.	Promoter Name	as on 31/03/2022		as on 31/03/2021		% Change during the year
		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
1	Raj Kr. Agarwal	17,839	42%	16,887	40%	2%
2	Ashok Kr. Sharma	100	0%	100	0%	NIL
3	Sapna Agarwal	40	0%	40	0%	NIL

(Amount in Rs. '00)

	As at 31.03.2022	As at 31.03.2021
17. OTHER EQUITY		
Statutory Reserve		
Opening Balance	29,669	26,072
Addition during the year	2,865	3,597
(a)	32,534	29,669
Retained Earnings		
Opening Balance	38,968	24,579
Addition during the year	14,326	17,986
Less:- Transfer to Statutory Reserve	(2,865)	(3,597)
(b)	50,427	38,968
Total (a+b)	82,963	68,637
18. INTEREST INCOME		
Interest on Loans	38,694	39,099
Interest on Income Tax Refund	—	150
Interest on Fixed Deposit	401	—
	39,095	39,249

STEP TWO CORPORATION LIMITED

(Amount in Rs. '00)

	As at 31.03.2022	As at 31.03.2021
19. OTHER INCOMES		
Gain on sale of Investments	—	9,000
Bad Debt Recovered	8,140	—
	8,140	9,000
20. EMPLOYEE BENEFIT EXPENSES		
Salary & Bonus	6,900	6,900
Directors Remuneration (<i>refer note no. 25</i>)	7,800	7,800
	14,700	14,700
21. DEPRECIATION & AMORTIZATION EXPENSES		
Depreciation	110	110
	110	110
22. OTHER EXPENSES		
Auditors Fees (<i>Refer Note 22.1</i>)	295	295
Advertisement Expenses	216	282
Rent	960	960
Rates & Taxes (<i>Refer Note 22.2</i>)	68	68
Legal & Professional Charges	3,600	3,950
Contingent Provision for Standard Assets	104	23
Power & Fuel	225	193
Repair & Maintenance	93	93
Balance Written off	32	26
Depository & Registry Expenses	729	577
Donation & Subscription	1,000	—
Postage & Telegram	248	—
Printing & Stationary	390	491
Travelling & Conveyance	172	214
General Expenses	127	265
Listing Fees	3,757	3,752
Miscellaneous Expenses	704	944
	12,722	12,134

STEP TWO CORPORATION LIMITED

(Amount in Rs. '00)

	As at 31.03.2022	As at 31.03.2021
22.1 AUDITOR'S REMUNERATION		
Statutory Audit Fees	295	295
	<u>295</u>	<u>295</u>
22.2. RENT, RATES & TAXES		
Professional Tax	25	25
Trade License	43	43
	<u>68</u>	<u>68</u>
23. INCOME TAX		
<i>Amount recognised in Statement of Profit & Loss</i>		
Current Tax	(5,300)	(3,330)
Deferred Tax	(39)	15
Tax for earlier years	(38)	(4)
	<u>(5,377)</u>	<u>(3,319)</u>

Reconciliation of effective tax rate

Particulars	As on 31/03/2022		As on 31/03/2021	
	%	Amount	%	Amount
Profit before Tax		19,703		21,305
Tax using Company's Domestic Tax Rate	26%	5,123	26%	5,539
<u>Effect of:</u>				
- Expenses not deductible	2%	322	0%	35
- Income which are taxed at different rates	0%	-	-5%	(1,051)
- Expenses allowed as deduction	-1%	(145)	0%	(44)
- MAT Credit entitlement	0%	-	-5%	(1,149)
Taxable Timing difference	0%	39	0%	(15)
-Tax paid for earlier years	0%	38	0%	4
Effective Tax Rate/tax expense	27%	5,377	16%	3,319

STEP TWO CORPORATION LIMITED

(Amount in Rs. '00)

	As at 31.03.2022	As at 31.03.2021
24. EARNINGS PER SHARE		
Profit/(Loss) after Tax attributable to equity shareholders	14,326	17,986
Weighted Average no. of shares Outstanding	42,473	42,473
Weighted Average no. of shares Outstanding including potential equity shares [Diluted]	42,473	42,473
Basic Earning per Share (Rs.)	0.34	0.42
Diluted Earning per Share (Rs.)	0.34	0.42

25. Related Party Disclosure

Related Parties with whom transactions have been entered during the year:

Name of Related Party	Relation	Nature of transaction	Amount(Rs.)	Amount(Rs.)
Bholanath Manna	Key Management Personnel	Remuneration	4,800	4,800
Sanjay Agarwal	Key Management Personnel	No Transactions	—	—
Keshav Kumar Saraf	Key Management Personnel	No Transactions	—	—
Mamta Sharma	Key Management Personnel	Remuneration	3,000	3,000
Basant Kumar Agarwal	Key Management Personnel	Remuneration	1,500	1,500

STEP TWO CORPORATION LIMITED

26 Additional Regulatory Requirements

- I. The Company does not possess any immovable property whose title deeds are not held in the name of Company.
- ii. The Company has not revalued any of its Property, Plant & Equipment.
- iii. No Loans or Advances have been granted to Promoters, Directors, KMPs and the Related Party, either jointly or severally with any other person.
- iv. The Company does not have any Capital-Work-in-Progress.
- v. The Company does not have any Intangible Assets under Development.
- vi. No Proceedings have been initiated or pending against the Company for holding any Benami Property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder.
- vii. The Company has no borrowings from Banks or Financial Institutions on the basis of Security of Current Assets.
- viii. The Company is not declared as a Wilful Defaulter by any Bank or Financial Institutions or other Lender.
- ix. The Company has no transactions with companies Struck off under Section 248 of the Companies Act, 2013.
- x. The Company does not have any Charges/Satisfaction thereof which are yet to be registered with Registrar of Companies beyond the Statutory Period.
- xi. The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with rules.

STEP TWO CORPORATION LIMITED

xii. Ratios

S.No.	Ratio	Numerator	Denominator	2022-21	2021-20	Change %
I.	Capital to risk weighted asset ratio (CRAR)	Total Equity	Risk Weighted Asset*	1.15	1.09	5%
ii.	Tier I CRAR	Tier I Capital*	Risk Weighted Asset*	1.15	1.09	5%
iii.	Tier II CRAR	Tier II Capital	Risk Weighted Asset*	0.00	0.00	12%
iv.	Liquidity Coverage**	Total High Quality Liquid Assets	Total Net Cash Outflow over the next 30 days*	7389%	3174%	133%

* As per Master Direction issued by RBI.

** The Liquidity Coverage Ratio has increased due to increase in High Quality Liquid Assets.

xiii. No Scheme of Arrangement has been proposed by the Competent Authority in terms of Section 230 to Section 237 of the Companies Act, 2013.

xiv. A. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

B. No funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

xv. The Company does not have any transactions not recorded in the Books of Accounts that has been surrendered or disclosed as income during the year in the Tax Assessments under the Income Tax Act, 1961. There are no Previously Unrecorded Income and related assets that have been recorded in the Books of Accounts during the year.

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- xvi. The Company is not covered under Section 135 of the Companies Act.
- xvii. The Company has not traded in Crypto Currency or Virtual Currency during the Financial Year.

27. Segment Reporting

The Company's main business is providing finance by way of loans in India. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments, as per the Indian Accounting Standard (Ind AS) 108 on "Segment Reporting".

28. Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, the company has risk management policies as described below :-

i) Credit Risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to the Company. In its lending operations, the Company is principally exposed to credit risk.

The Board of Directors periodically review its Credit Risks and oversee the Loan Sanction Process to eliminate the risk of loss due to Credit Risk

ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

STEP TWO CORPORATION LIMITED

Maturity Profile of Financial Liabilities is as follows:

As at 31st March 2022

Particulars	Less than 1 Year	1-5 Year	5+ Year	Total
Borrowing	-	-	-	0
Trade Payable	-	-	-	0
Other Financial Liability	655	-	-	655

As at 31st March 2021

Particulars	Less than 1 Year	1-5 Year	5+ Year	Total
Borrowing	-	-	-	0
Trade Payable	-	-	-	0
Other Financial Liability	5,308	-	-	5,308

iii) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings. The Group is exposed to market risk through its use of financial instruments and specifically to interest rate risk and certain other price risks, which result from both its operating and investing activities.

- Interest rate risk: Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have significant exposure to Long Term Borrowing so the company does not have a significant cash flow interest rate risk.

- Foreign Currency Risk : Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not face any Foreign Currency Risk.

- Equity price risk: The Company generally invests in listed and unlisted equity instruments. All investments in equity portfolio are reviewed and approved by the Board of Directors. As at the reporting date, the exposure to listed equity securities at fair value was Rs. 0 (March 31, 2021: Rs. 0)

STEP TWO CORPORATION LIMITED

29. Fair Value Measurement

Accounting classification and Fair Values

Carrying amounts and fair values of financial assets and liabilities, including their levels in fair value hierarchy, are as follows:

Particulars	As on 31/03/2022			As on 31/03/2021		
	FVTPL	FVTOCI	Ammortised Cost	FVTPL	FVTOCI	Ammortised Cost
Financial Assets						
Cash & Cash Equivalent	-	-	32,450	-	-	33,294
Bank balance other than cash & cash equivalent	-	-	42,500	-	-	-
Receivables	-	-	-	-	-	39,000
Loans	-	-	4,69,813	-	-	4,28,285
Other Financial Assets	-	-	1,560	-	-	14,560
Total	-	-	5,46,323	-	-	5,15,139
Financial Liabilities						
Other Financial Liabilities	-	-	655	-	-	5,308
Total	-	-	655	-	-	5,308

Particulars	As on 31/03/2022			As on 31/03/2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Cash & Cash Equivalent	-	-	32,450	-	-	33,294
Bank balance other than cash & cash equivalent	-	-	42,500	-	-	-
-Receivables	-	-	-	-	-	39,000
Loans	-	-	4,69,813	-	-	4,28,285
Other Financial Assets	-	-	1,560	-	-	14,560
Total	-	-	5,46,323	-	-	5,15,139
Financial Liabilities						
Other Financial Liabilities	-	-	655	-	-	5,308
Total	-	-	655	-	-	5,308

STEP TWO CORPORATION LIMITED

Statement of changes in equity for the Year Ended 31st March 2022

A) Equity Share Capital

1) As on 31/03/2022

Balance as on 31/03.2021	4,59,68,648
Change in equity due to prior period errors	—
Restated balance at the beginning of the year	<u>4,59,68,648</u>
Changes in equity share capital during the year	—
Balance as on 31/03/2022	<u>4,59,68,648</u>

2) As on 31/03/2021

Balance as on 31/03/2020	45,968,648
Change in equity due to prior period errors	—
Restated balance at the beginning of the year	<u>4,59,68,648</u>
Changes in equity share capital during the year	—
Balance as on 31/03/2021	<u>4,59,68,648</u>

B) Other Equity

1) As on 31/03/2022

Particulars	Reserves & Surplus		
	Statutory Reserves	Retained Earnings	Total
Balance as on 31/03/2021	29,669	38,968	68,637
Profit/(Loss) for the year	—	14,326	14,326
Transfer to/(from) Retained Earnings	<u>2,865</u>	<u>(2,865)</u>	<u>—</u>
Balance as on 31/03/2022	<u>32,534</u>	<u>50,428</u>	<u>82,963</u>

2) As on 31/03/2021

Particulars	Reserves & Surplus		
	Statutory Reserves	Retained Earnings	Total
Balance as on 01/04/2020	26,072	24,579	50,651
Profit/(Loss) for the year	—	17,986	17,986
Transfer to/(from) Retained Earnings	<u>3,597</u>	<u>(3,597)</u>	<u>—</u>
Balance as on 31/03/2022	<u>29,669</u>	<u>38,968</u>	<u>68,637</u>

STEP TWO CORPORATION LIMITED

Nature and Purpose of Reserves

a) Retained Earnings

This reserve represents undistributed accumulated earnings of the Company as on Balance Sheet Date.

b) Statutory Reserve

This reserve is created in compliance with section - 451C of the Reserve Bank of India Act, 1934 at the rate of 20% of the profit after tax of the year.

For, **B. P. AGARWAL & ASSOCIATES**

Chartered Accountants

FRN No. 316155E

(AMIT TULSYAN)

Partner

Membership No. 064210

Date : 27.05.2022

Place: Kolkata

UDIN: 22604210AJRXVV2802

For & on Behalf of the Board

Bhola Nath Manna (DIN-03345433)

Sanjay Agarwal (DIN-00571217)

Sd/-

Director

Mamta Sharma

Sd/-

Company Secretary

Basant Kumar Agarwal

Sd/-

C.F.O.

STEP TWO CORPORATION LIMITED

Cash Flow Statement for the Year Ended 31st March 2022

		(Amount in Rs. '00)	
		2021-22	2020-21
		Amount (Rs.)	Amount (Rs.)
A. Net Cash from Operational Activities			
	Net Profit before Taxes	19,703	1,642,038
	<u>Adjustments</u>		
	Depreciation & Amortisation	110	110
	Net (Gain)/loss on sale of Investments	—	(9,000)
	Provision for Contingencies	104	23
	Balance Written Off	32	26
	Operating Profit/(Loss) before change in Working Capital	19,949	12,465
	Adjustments for (increase)/decrease in operating assets:		
	Trade receivables	39,000	(28,875)
	Loans	(41,528)	(9,192)
	Other Financial assets	13,000	(13,000)
	Other Non-Financial Assets	19,599	—
	Adjustments for increase /(decrease) in operating liabilities:		
	Other Financial Liabilities	(4,653)	1,508
		45,366	(37,094)
	Net income tax (paid)/refunds	(3,711)	72
	Net Cash from Operating Activities	41,655	(37,027)
	A		
B. Cash Flow from Investing Activities			
	Purchase of Investments	—	—
	Purchase of Fixed Deposits	(42,500)	—
	Proceeds from sale of Investments	—	39,000
	Cash Flow from Investing Activities	(42,500)	39,000
	B		

STEP TWO CORPORATION LIMITED

	(Amount in Rs. '00)	
	2021-22 Amount (Rs.)	2020-21 Amount (Rs.)
C. Cash Flow from Financing Activities		
Cash Flow from Financial Activities C	—	—
Net Increase in Cash & Cash equivalent (A+B+C)	(845)	1,978
Cash & Cash equivalent (Opening Balance)	33,294	31,317
Cash & Cash Equivalent (Closing Balance)	32,450	33,294

Notes to Cash Flow Statement

1. Previous year's figures have re-grouped & re-cast wherever necessary
2. Cash & Cash Equivalent at the end of year

-Balances in Current Account	31,359	31,173
-Cash In Hand	1,091	2,121
	<u>32,450</u>	<u>33,294</u>

Notes

1. During the financial year 1997-98, a sum of Rs. 25,00,000/- (Rupees Twenty Five Lacs only) had been fraudulently withdrawn from Punjab & Sind Bank Ltd., New Tangra Road Branch, Kolkata. The matter is under investigation by authorities. The closing balance as per the Book is Rs. 25,02,195/-. The same has been included in cash & cash equivalents
2. The above Cash Flow statement has been prepared under " Indirect Method"

For, **B. P. AGARWAL & ASSOCIATES**
Chartered Accountants
FRN No. 316155E
(AMIT TULSYAN)
Partner
Membership No. 064210
Date : 29.06.2020
Place: Kolkata
UDIN: 22064210AJRXVV2802

For & on Behalf of the Board
Bhola Nath Manna (DIN-03345433)
Sanjay Agarwal (DIN-00571217)
Sd/-
Director
Mamta Sharma
Sd/-
Company Secretary
Basant Kumar Agarwal
Sd/-
C.F.O.

STEP TWO CORPORATION LIMITED

Schedule to the Balance Sheet of Non-Banking Financial Company

(as required in Non-Banking Financial Companies Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016)

Particulars	(Rs. in Thousands)	
Liabilities side :		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue
(a) Debentures : Secured	NIL	NIL
: Unsecured (other than falling within the meaning of public deposits*)	NIL	NIL
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate loans and borrowing	NIL	NIL
(e) Commercial Paper	NIL	NIL
(f) Public Deposits*	NIL	NIL
(g) Other Loans (specify nature)	NIL	NIL
* Please see Note 1 below		
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
(a) In the form of Unsecured debentures	NIL	NIL
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	NIL	NIL
(c) Other public deposits	NIL	NIL
* Please see Note 1 below		
Assets side :		Amount outstanding
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured		NIL
(b) Unsecured		46,981
(4) Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities		NIL
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease		NIL
(b) Operating lease		NIL
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire		NIL
(b) Repossessed Assets		NIL
(iii) Hypothecation loans counting towards EL/HP activities:		
(a) Loans where assets have been repossessed		NIL
(b) Loans other than (a) above		NIL

STEP TWO CORPORATION LIMITED

(5) **Break-up of Investments :**

Current Investments :

1. Quoted :

(i) Shares : (a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (please specify)	NIL

2. Unquoted :

(i) Shares : (a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (please specify)	NIL

Long Term investments :

1. Quoted :

(i) Share : (a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (Please specify)	NIL

2. Unquoted :

(i) Shares : (a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (Please specify)	NIL

(6) **Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :**

Please see Note 2 below

1.1.1 Category	Amount net of provisions		
	Secured	Unsecured	Total
1.1.2 1. Related Parties **	Nil	Nil	Nil
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
1.2 2. Other than related parties	Nil	46,864	46,864
1.3 Total	Nil	46,864	46,864

STEP TWO CORPORATION LIMITED

- (7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Please see note 3 below

1.3.1 Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1.3.2 1. Related Parties **		
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
1.4 2. Other than related parties	NIL	NIL
1.5 Total	NIL	NIL

1.5.1.1. ** As per Accounting Standard of ICAI (Please see Note 3)

1.5.1.2 (8) **Other information**
Particulars

Particulars	Amount
1.6 (i) Gross Non-Performing Assets	NIL
1.7 (a) Related parties	NIL
(b) Other than related parties	NIL
1.8 (ii) Net Non-Performing Assets	NIL
1.9 (a) Related parties	NIL
1.10 (b) Other than related parties	NIL
(iii) Assets acquired in satisfaction of debt	NIL

Notes :

1. As defined in Point xxv of Paragraph 3 of Chapter - II in the Non-Banking Financial Companies Non-systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
2. Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Non-systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

If undelivered, please return to:
STEP TWO CORPORATION LIMITED
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5th Floor, Room No. 507
Kolkata 700 001