

# STEP TWO CORPORATION LIMITED

"AVANI SIGNATURE" 91A/1, Park Street, Kolkata - 700 016

Ph.No.9836450055, E-mail : [admin@steptwo.in](mailto:admin@steptwo.in)

CIN : L65991WB1994PLC066080

Date: 18.08.2023

**The Manager**  
Department of Corporate Services  
BSE Ltd.  
Dalal Street, Fort  
Mumbai - 400 001

**Sub. :- Annual Report for FY 2022-23**

**Ref. :- Scrip Code -531509**

Dear Sir / Madam,

With regards to the captioned subject find enclosed herewith Annual Report for the FY 2022-2023 of Step Two Corporation Ltd. AGM to be held on 18th September, 2023.

Kindly take the same on your records.

Thanking you,

Yours faithfully,

**For Step Two Corporation Ltd.**

ANUP  
CHATTOPADHYA  
Y

Digitally signed by ANUP  
CHATTOPADHYA  
Date: 2023.08.18 15:54:35  
+05'30'

**Anup Chattopadhyay**  
Director  
DIN-10042485

Encl: as above

**STEP TWO CORPORATION LIMITED**

**TWENTY NINETH ANNUAL REPORT  
2022-2023**

## **STEP TWO CORPORATION LIMITED**

### Directors

Anuj Agarwal  
Laxmi Kant Jajodia  
Anup Chattopadhyay  
Poonam Bathwal

### 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

“AVANI SIGNATURE”  
91A/1, Park Street  
Kolkata - 700 016

## **STEP TWO CORPORATION LIMITED**

### **DIRECTORS' REPORT**

Your Directors have pleasure in presenting the Twenty ninth Annual report on the business and operations of the Company together with Audited statements of accounts for the year ended 31st March, 2023.

### **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	67,400	19,813
Less: Finance Charges	—	—
Profit / (Loss) before Depreciation & Taxes	63,921	19,813
Less: Depreciation	110	110
Profit/(Loss) Before Provision & Taxes	63,811	19,703
Current Tax	14,255	5,300
Add/(Less): Deferred Tax	(3)	(39)
Income Tax for the previous year	—	(38)
Profit/(Loss) after Tax	49,553	14,326
Transfer to Reserve Fund	9,911	2,865
Less: Excess Provision written back	2,251	—
Balance brought forward from last year	50,426	38,968
Balance Carried to Balance Sheet	92,320	50,426

### **COMPANY PERFORMANCE AND REVIEW OF BUSINESS OPERATIONS**

During the year, the revenue from operations of your Company increased by 11% over the previous year. The Company has recorded a profit of Rs.49.55 lacs for the financial year ended 31st March, 2023.

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

### **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.

## **STEP TWO CORPORATION LIMITED**

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### **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 2022-23 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.9.91 lacs has been transferred to the Reserve Fund.

### **SHARE CAPITAL**

As on 31st March, 2023, 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, 2023. During the Financial Year 2022-23, your Company has neither issued any shares or convertible securities nor has granted any stock options or sweat equity.

### **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, 2023.

### **MEETINGS OF BOARD OF DIRECTORS**

During the financial year ended 31st March, 2023, 8 Board Meetings were held on 12th May, 2022, 27th May, 2022, 11th August, 2022, 11th November, 2022, 16th January, 2023, 25th January, 2023, 8th February, 2023 and 15th March, 2023. 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. Bholu Nath Manna (DIN-03345433)	Ms. Mamta Sharma (DIN-07080870)	Mr. Anuj Agarwal (DIN-02984121)	Mr. Laxmikant Jajodia (DIN-00570216)	Mr. Anup Chattopadhyay (DIN-10042485)	Ms. Poonam Bathwal (DIN-10045592)
12th May, 2022	Yes	Yes	Yes	Yes	NA	NA	NA	NA
27th May, 2022	Yes	Yes	Yes	Yes	NA	NA	NA	NA

## **STEP TWO CORPORATION LIMITED**

11th August, 2022	Yes	Yes	Yes	Yes	NA	NA	NA	NA
11th November, 2022	Yes	Yes	Yes	Yes	NA	NA	NA	NA
16th January, 2023	Yes	Yes	Yes	Yes	NA	NA	NA	NA
25th January, 2023	NA	NA	NA	Yes	Yes	Yes	NA	NA
8th February, 2023	NA	Yes	NA	Yes	Yes	Yes	NA	NA
15th March, 2023	NA	Yes	No	Yes	Yes	Yes	NA	NA
<b>TOTAL</b>	<b>5</b>	<b>7</b>	<b>5</b>	<b>8</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0</b>

### **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 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.

## **STEP TWO CORPORATION LIMITED**

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### **DIRECTORS AND KMP**

Mr.Laxmi Kant Jajodia was appointed as an additional director, independent and non-executive, on the Board of the Company w.e.f.16.01.2023.

Mr.Anuj Agarwal was appointed as an additional director, promoter and executive, on the Board of the Company w.e.f.16.01.2023.

Mr.Bhola Nath Manna resigned from the Board w.e.f.16.01.2023.

Mr.Sanjay Agarwal resigned from the Board w.e.f.16.01.2023.

Mr.Anup Chattopadhyay was appointed as an additional director, independent and non-executive, on the Board of the Company w.e.f.15.03.2023.

Ms.Poonam Bathwal was appointed as an additional director, professional and non-executive, on the Board of the Company w.e.f.15.03.2023.

Ms.Mamta Sharma resigned from the Board w.e.f.15.03.2023.

Mr.Keshav Kumar Saraf resigned from the Board w.e.f.15.03.2023.

Mr.Anuj Agarwal was also appointed as the Managing Director of the Company w.e.f.25.01.2023.

Ms. Poonam Bathwal, 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.

Ms.Poonam Bathwal was also appointed as the whole-time Company Secretary w.e.f.15.03.2023.

Ms.Mamta Sharma resigned from her position as Company Secretary w.e.f.15.03.2023.

### **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.

### **SITUATION OF REGISTERED OFFICE OF THE COMPANY**

The address of the registered office of the Company was changed w.e.f.15.03.2023 to “Avani Signature”, 91A/1, Park Street, 7th Floor, Kolkata – 700016.

### **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.

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## **STEP TWO CORPORATION LIMITED**

### **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.

### **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, 2023.

### **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.



## **STEP TWO CORPORATION LIMITED**

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.

### **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, 2023, 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.

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## **STEP TWO CORPORATION LIMITED**

### **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.

### **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 2022-2023. 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>

## **STEP TWO CORPORATION LIMITED**

### **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'.

### **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, 2023, 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.

## **STEP TWO CORPORATION LIMITED**

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### **COMPLIANCE WITH SECRETARIAL STANDARDS AND INDIAN ACCOUNTING STANDARDS**

During the Financial Year 2022-23, 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.

### **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 2022-23, 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:**  
"Avani Signature"  
91A/1, Park Street  
7th Floor,  
Kolkata – 700 016

Date: 26.05.2023

For and on behalf of the Board

**Anuj Agarwal**  
Managing Director  
DIN: 02984121

**Anup Chattopadhyay**  
Director  
DIN: 10042485

**STEP TWO CORPORATION LIMITED**

<b>Annexure "I"</b>											
<b>PARTICULARS OF EMPLOYEES</b>											
<b>Information required under Section 197 of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014</b>											
Name	Designation	Qualification	Nature of Employment	Nature of duties	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 years & finance	72	05.02.2015	8 years	1,12,500	-	-	None
Mamta Agarwal	Administrative	B.COM	Permanent	Management, administration years & compliance	51	01.04.2015	8 years	3,15,000	-	-	None
Poonam Bathwal	C.S/ Director	Company Secretary	Permanent	Management, administration years & compliance	33	15.03.2023	1 Year	7,500	-	-	Director & Company Secretary
Anuj Agarwal	M.D.	Post Graduate	Permanent	Management & administration years	35	16.01.2023	1 years	4,00,000	-	-	Managing Director
Mamta Sharma	C.S/ Director	Company Secretary	Permanent	Management, administration years & compliance	33	20.05.2015	8 years	2,87,500	-	-	Director & Company Secretary
Bhola Nath Manna	WTD	B.COM	Permanent	Management & administration years	50	09.02.2011	11 years	4,00,000	-	-	Executive Director

Kolkata, 26th May, 2023

For and on behalf of the Board of Directors  
**Anuj Agarwal**  
 (DIN: 02984121)  
 Managing Director

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## STEP TWO CORPORATION LIMITED

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### 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)

	Details		
(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	<b>Executive Directors</b>	<b>Ratio</b>	
	Sri Bhola Nath Manna	1.33:1	
	Sri Anuj Agarwal	1.33:1	
	<b>Non-Executive Non-Independent Directors</b>	<b>Ratio</b>	
	Smt. Mamta Sharma	0.96:1	
	Smt. Poonam Bathwal	0.03:1	
	<b>Non-Executive Independent Directors</b>	<b>Ratio</b>	
	Sri Sanjay Agarwal	0	
	Sri Keshav Kumar Saraf	0	
	Sri Laxmi Kant Jajodia	0	
	Sri Anup Chattopadhyay	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	<b>Executive Directors</b>	<b>Percentage Increase</b>
		Sri Bhola Nath Manna	NIL
Sri Anuj Agawal		NIL	
<b>Non-Executive Non-Independent Directors</b>		<b>Percentage Increase</b>	
Smt. Mamta Sharma		NIL	
Smt. Poonam Bathwal		NIL	
<b>Non-Executive Independent Directors</b>		<b>Percentage Increase</b>	
Sri Sanjay Agarwal		NIL	
Sri Keshav Kumar Saraf		NIL	
Sri Laxmi Kant Jajodia		NIL	
Sri Anup Chattopadhyay		NIL	
<b>CFO &amp; CS</b>		<b>Percentage Increase</b>	
Sri Basant Kr Agarwal (CFO)		NIL	
Smt Mamta Sharma (CS)		NIL	
Smt. Poonam Bathwal (CS)		NIL	

## **STEP TWO CORPORATION LIMITED**

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(iii)	the percentage increase in the median remuneration of employees in the financial year		0
(iv)	the number of permanent employees on the rolls of company (as on 31st March, 2023)		6
(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-manual 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, 2023 is as per the Remuneration Policy of the Company.	

For and on behalf of the Board

Kolkata, 26th May, 2023

**Anuj Agarwal**  
Managing Director  
DIN: 02984121

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**STEP TWO CORPORATION LIMITED**

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

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023**

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

To the Members of  
**Step Two Corporation Limited**  
L65991WB1994PLC066080  
“Avani Signature”  
91A/1, Park Street  
Kolkata – 700 016

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.

**Auditor’s responsibility**

My responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. I have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards require that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records. .

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, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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, 2023, 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;



## **STEP TWO CORPORATION LIMITED**

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- 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:
  - 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
- 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.
- b) The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and amendments made thereunder (“the Listing Regulations”)

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

## **STEP TWO CORPORATION LIMITED**

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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.
- 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**

Proprietor

FCS-6397

C.P. No.: 5184

P.R. Certificate No. 2457/2022

UDIN: F006397E000385325

Place: KOLKATA

Date: 26.05.2023

## **STEP TWO CORPORATION LIMITED**

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### **Annexure – 1**

To the Members of  
**Step Two Corporation Limited**  
L65991WB1994PLC066080  
“Avani Signature”  
91A/1, Park Street  
Kolkata – 700 016

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 compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For N.JHUNJHUNWALA & ASSOCIATES**  
COMPANY SECRETARIES

**CS NAVNEET JHUNJHUNWALA**

Proprietor

FCS-6397

C.P.No.: 5184

P.R. Certificate No. 2457/2022

Place: KOLKATA

Date: 26.05.2023

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## 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

The global economy has seen continued shocks and substantial slowdown since 2020. Covid-19 had a significant impact, followed by the Russia-Ukraine conflict which caused a steep rise in inflation and commodity prices. Since then, the different world economies are striving to fight inflationary pressures, causing them to continuously hike rates, resulting in a slowdown in growth. IMF too lowered its growth forecast for 2022 and 2023. In January 2023, the World Economic Outlook Update projects that global growth slowdown will be more pronounced for Advanced economies than Emerging and Developing economies. Advanced economies Real GDP growth is projected at 1.3% in 2023 vis-à-vis 3.9% for Emerging and Developing economies.

Indian economy was resilient in the face of this global turmoil and on the path to recovering to pre pandemic levels. Projected to be one of the fastest growing economies at 6.5%-7.0% in FY 2023, India has revived on the back of public spending, private consumption and capital formation. The first eight months of FY 2023 saw an increase of 63.4% year on year in Central Government's Capital Expenditure, catalysing private Capex buoyant consumption, release of pent-up demand saw accelerated growth in not only personal loans but also in the housing market.

#### Pillars of growth and likely risks in FY 2024

The NBFC landscape continues to evolve rapidly adapting to economic challenges, regulatory changes, and weathering industry volatility. NBFCs play a very important role in the financial sector as evident in the increase in industry AUM from Rs.3.6 Lakhs Crores in March 2008 to Rs.27 Lakhs Crores in March 2022, which is equivalent to 12.3% of India's GDP. NBFCs compliment banks in attaining India's financial inclusion goals by supporting large sections of MSMEs and retail borrowers even in smaller tier 2 and 3 towns. Improving macro-economic fundamentals will continue to drive the NBFC space given the visible improvement in asset quality and balance sheet strength post pandemic. While competition from Banks continue in the traditional segments of home loans and new vehicle finance, there is substantial growth in NBFCs in other non-traditional segments like MSMEs, Personal Loans etc. Digital thrust, use of technology, deep expertise, partnerships, and recovery in asset quality have all led to stronger fundamentals. FY 2024 expects to see NBFCs AUM grow at 13%-14%.

## **STEP TWO CORPORATION LIMITED**

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### **Financial Performance**

#### ***Balance Sheet***

- Total net fixed assets for FY2022-23 stood at Rs. 0.54 lacs compared to Rs.0.65 lacs in FY2021-22
- Net worth stood at Rs. 594.45 lacs as on 31st March, 2023 compared to Rs. 542.65 lacs as on 31st March, 2023, an increase of 9.55%.

#### ***Profit and loss statement***

- Revenues from operations stood at Rs. 86.35 lacs in FY2022-23 compared to Rs. 39.09 lacs in FY2021-22
- EBITDA decreased to Rs. 67.40 lacs in FY2022-23 compared to Rs. 19.81 lacs in FY2021-22
- Profit after tax was witnessed at Rs. 49.55 lacs in FY2022-23 compared to Rs.14.33 lacs in FY2021-22
- Depreciation and amortisation stood at Rs. 0.11 lacs in FY2022-23 compared to Rs. 0.11 lacs in FY2021-22

#### **Key financial ratio - Significant changes and explanations**

<b>Ratio</b>	<b><u>FY 2022-23</u></b>	<b><u>FY 2021-22</u></b>	<b><u>Changes</u></b>
Debtors Turnover (Days)	-	-	-
Inventory Turnover	-	-	-
Interest Coverage Ratio	-	-	-
Current Ratio (with short term borrowings)	41.59	69.23	-40%
Debt Equity Ratio	NIL	NIL	NIL
Operating Profit Margin (%) (EBIT Margin)	71%	42%	69%
Net Profit Margin (%) / PAT	55%	30%	81%
Return on Net Worth/ Average Equity	8%	3%	216%
EBITDA Margin	71%	42%	69%
Earnings per share (Rs.)	1.17	0.34	246%
Fixed Asset Turnover Ratio	151.51	66.83	127%
Return on Average capital employed	11%	4%	196%

\* 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.

## **STEP TWO CORPORATION LIMITED**

### **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 2022-23, 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 2023 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

## **STEP TWO CORPORATION LIMITED**

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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**

Our corporate governance is a reflection of our value system, encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices and performance, and ensure that we gain and retain the trust of our stakeholders at all times.

Corporate governance is an ethically-driven business process that is committed to values aimed at enhancing an organization's capacity to create wealth. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. At Step Two Corporation Limited (STCL), it is imperative that our Company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders.

We are committed to defining, following and practicing the highest level of corporate governance across all our business functions.

Our corporate governance is a statement of the values we stand by as we conduct our business and engage with our stakeholders.

#### **1. BOARD OF DIRECTORS AND KMP**

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.

As on 31st March, 2023, the Board comprises One Executive Director and Three Non-Executive Directors. The executive Director is Mr.Anuj Agarwal. Independent Non-executive Directors are Mr.Laxmi Kant Jajodia and Mr.Anup Chattopadhyay, professional non-executive Director is Ms.Poonam Bathwal.

Ms.Poonam Bathwal 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.



## **STEP TWO CORPORATION LIMITED**

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 2022-2023, the Board met 8 times on: 12th May, 2022, 27th May, 2022, 11th August, 2022, 11th November, 2022, 16th January, 2023, 25th January 2023, 8th February, 2023 and 15th March, 2023

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, 2023 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	5	Nil	Yes
Mr. Keshav Kumar Saraf (DIN- 00595594)	Independent	Non-executive	7	1	Yes
Mr. Bholu Nath Manna (DIN- 03345433)	Non-Independent	Executive	5	Nil	Yes
Ms. Mamta Sharma (DIN- 07080870)	Professional	Non-executive	8	Nil	Yes
Mr. Anuj Agarwal (DIN- 02984121)	Promoter	Executive	3	Nil	Yes
Mr. Laxmi Kant Jajodia (DIN- 00570216)	Independent	Non-executive	3	Nil	Yes
Mr. Anup Chattopadhyay (DIN- 10042485)	Independent	Non-executive	0	Nil	Yes
Ms. Poonam Bathwal (DIN- 10045592)	Professional	Non-executive	0	Nil	Yes

\* Directorship held in Public Limited Company.

## STEP TWO CORPORATION LIMITED

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	-	-	4	-
Mr. Keshav Kumar Saraf (DIN- 00595594)	1	1	-	-	6
Mr. Bholā Nath Manna (DIN- 03345433)	1	-	-	-	4
Ms. Mamta Sharma (DIN- 07080870)	1	-	-	-	7
Mr. Anuj Agarwal (DIN- 02984121)	1	-	-	-	3
Mr. Laxmi Kant Jajodia (DIN- 00570216)	1	1	-	-	3
Mr. Anup Chattopadhyay (DIN- 10042485)	1	-	-	-	-
Ms. Poonam Bathwal (DIN- 10045592)	1	-	-	-	-

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.

## **STEP TWO CORPORATION LIMITED**

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### **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 27, 2023, 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**

Mr.Laxmi Kant Jajodia was appointed as an additional director, independent and non-executive, on the Board of the Company w.e.f.16.01.2023.

Mr.Anuj Agarwal was appointed as an additional director, promoter and executive, on the Board of the Company w.e.f.16.01.2023.

Mr.Bhola Nath Manna resigned from the Board w.e.f.16.01.2023.

Mr.Sanjay Agarwal resigned from the Board w.e.f.16.01.2023.

Mr.Anup Chattopadhyay was appointed as an additional director, independent and non-executive, on the Board of the Company w.e.f.15.03.2023.

Ms.Poonam Bathwal was appointed as an additional director, professional and non-executive, on the Board of the Company w.e.f.15.03.2023.

Ms.Mamta Sharma resigned from the Board w.e.f.15.03.2023.

Mr.Keshav Kumar Saraf resigned from the Board w.e.f.15.03.2023.

Mr.Anuj Agarwal was also appointed as the Managing Director of the Company w.e.f.25.01.2023.

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

Ms. Poonam Bathwal (33 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,

## **STEP TWO CORPORATION LIMITED**

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.

As on 31st March, 2023, the Audit Committee comprised One Promoter Executive Director and Three Non-Executive Directors, two of whom are Independent. The Committee comprises Mr.Anuj Agarwal, Mr.Laxmi Kant Jajodia, Mr.Anup Chattopadhyay and Ms.Poonam Bathwal. The Committee is chaired by Mr.Anup Chattopadhyay, 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: 27th May, 2022, 11th August, 2022, 11th November, 2022 and 8th February, 2023

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

<b><u>Name of the Director</u></b>	<b><u>No. of Meetings Attended</u></b>
Mr. Sanjay Agarwal	3
Mr. Keshav Kumar Saraf	4
Mr. Bhol Nath Manna	3
Ms. Mamta Sharma	4
Mr. Anuj Agarwal	1
Mr. Laxmikant Jajodia	1
Mr. Anup Chattopadhyay	0
Ms. Poonam Bathwal	0

### **5. STAKEHOLDERS RELATIONSHIP COMMITTEE**

As on 31st March, 2023, the 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.

## **STEP TWO CORPORATION LIMITED**

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<b><u>Name of the Director</u></b>	<b><u>No. of Meeting Attended</u></b>
Mr. Anuj Agarwal	Nil
Mr. Laxmikant Jajodia	Nil
Mr. Anup Chattopadhyay	Nil

No investor compliant was received during the year and none was pending unresolved as on 31st March, 2023..

### **6. NOMINATION & REMUNERATION COMMITTEE**

As on 31st March, 2023, the Nomination and Remuneration 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.

#### **Name of the Director**

Mr. Anuj Agarwal

Mr. Laxmi Kant Jajodia

Mr. Anup Chattopadhyay

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 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.

## **STEP TWO CORPORATION LIMITED**

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, 2023, 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.

### **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 2022-23..

## **STEP TWO CORPORATION LIMITED**

A Cash Flow Statement for FY 2022-23 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 2022-23.

Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: During the Financial Year 2022-23, 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.

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.

## **STEP TWO CORPORATION LIMITED**

### **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
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
2022	28.09.2022	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 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.

At the 28th AGM held on 28 September, 2022, no special resolution was passed.

#### **II. No special resolution was passed through postal ballot during FY 2022-2023.**

#### **III. No special resolution is proposed to be passed through postal ballot at this annual general meeting.**



## **STEP TWO CORPORATION LIMITED**

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### **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 18th September, 2023

Time - 10:00 A.M

Venue- "Avani Signature" 91A/1, Park Street, Kolkata - 700 016

**B. Financial Calender 1st April to 31st March Provisional** : Will be published during

Result for Quarter ending June 30, 2023 : On or before 14th August, 2023

Result for Quarter ending September 30, 2023 : On or before 14th November, 2023

Result for Quarter ending December 31, 2023 : On or before 14th February, 2024

Result for Year ending March 31, 2024 : On or before 30th May, 2024

## **STEP TWO CORPORATION LIMITED**

### **C. Book Closure**

The Register of members and Share Transfer Book will remain closed from 12th day of September, 2023 to 18th day of September, 2023 (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 2022-2023 to all stock exchanges.

### **F. ISIN Number: INE623D01015**

### **G. Depository Connectivity: NSDL and CDSL**

Annual Custody/Issuer fee for the Financial Year(s) 2022-23 and 2023-24 has been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

### **H. STOCK MARKET DATA**

Monthly highs and lows of Step Two Corporation Ltd. share price (Rs.) during 2022-2023.

<u>Month</u>	<u>BSE</u>		<u>Closing BSE Sensex</u>
	High	Low	
April'2022	9.35	6.78	57060
May'2022	20.11	9.33	55566
June'2022	25.35	16.30	53019
July'2022	20.90	16.25	57570
Aug'2022	23.45	17.20	59537
Sep'2022	22.60	18.05	57427
Oct'2022	21.95	15.30	60746
Nov'2022	20.30	16.10	63099
Dec'2022	20.70	15.50	60840
Jan'2023	21.45	17.15	59550
Feb'2023	19.90	17.15	58962
Mar'2023	19.42	14.81	58991

## **STEP TWO CORPORATION LIMITED**

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### **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, subdivision/ 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 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](http://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.

## **STEP TWO CORPORATION LIMITED**

### **13. COMPLIANCE OFFICER**

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

Address:” Avani Signature”, 91A/1, Park Street, 7th Floor, Kolkata – 700016

Tel No.: 9836450055

E-mail : admin@steptwo.in

### **14. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2023**

<b>No. of Equity Shares Held</b>	<b>No. of Share holders</b>	<b>% of Shares holders</b>	<b>No. of Shares held</b>	<b>% of Shares holding</b>
1 to 500	856	74.2411	1,03,775	2.4433
501 to 1000	147	12.7493	1,11,747	2.6310
1001 to 5000	95	8.2394	2,27,586	5.3584
5001 to 10000	19	1.6479	1,43,387	3.3760
10001 to 50000	32	2.7754	7,15,775	16.8525
50001 to 100000	2	0.1735	1,14,510	2.6961
100001 and above	2	0.1735	28,30,520	66.6428
<b>Totals</b>	<b><u>1153</u></b>	<b><u>100.000</u></b>	<b><u>42,47,300</u></b>	<b><u>100.000</u></b>

### **15. SHAREHOLDING PATTERN AS ON 31.03.2023**

<b>Category</b>	<b>No. of Share held</b>	<b>% of Share holding</b>
Indian Promoters	2830520	66.64
Indian Public including corporate bodies	<u>1416780</u>	<u>33.36</u>
	<u>4247300</u>	<u>100.00</u>

### **16. DEMATERIALIZATION OF SHARES**

3794694 shares have been dematerialized up to 31.03.2023 which is 89.34% percent of the total shares of the Company.

### **17. BREAK-UP OF SHARES IN PHYSICAL AND DEMAT SEGMENT (As on 31.03.2023)**

<b>Segment</b>	<b>No. of Shareholders</b>	<b>% to total Shareholders</b>	<b>No. of Shares held</b>	<b>% to total</b>
Physical	370	30.55	452606	10.66
Demat	841	69.45	3794694	89.34
<b>Total</b>	<b><u>1211</u></b>	<b><u>100.00</u></b>	<b><u>4247300</u></b>	<b><u>100.00</u></b>

## **STEP TWO CORPORATION LIMITED**

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### **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.

### **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  
"Avani Signature",  
91A/1, Park Street, 7th Floor,  
Kolkata – 700016

**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, 2023, 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 to the extent applicable 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 26th day of May, 2023

(Amit Tulsyan)

(Partner)

Membership Number: 064210

## STEP TWO CORPORATION LIMITED

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### 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' 2023 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'2023 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

Place : Kolkata

**Basant Kumar Agarwal**

Date : The 26th day of May, 2023

Chief Financial Officer

**STEP TWO CORPORATION LIMITED**

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

To  
The Members of  
Step Two Corporation Limited

I, Anuj Agarwal, Managing 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, 2023.

Place : Kolkata  
Date 26.05.2023

**Anuj Agarwal**  
Managing Director



## **STEP TWO CORPORATION LIMITED**

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### **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 2023, 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 2023 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**

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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 is 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 economic 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023<sup>2</sup> 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**

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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: 23064210BGYOSM1412

Place : Kolkata

Date : 26.05.2023

**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**

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- 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 : 26.05.2023

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

Chartered Accountants

FRN No. 316155E

**(Amit Tulsyan)**

Partner

Membership No. 064210

UDIN: 23064210BGYOSM1412

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## **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.
  - 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.



## **STEP TWO CORPORATION LIMITED**

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- 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.

<b>Particulars</b>	<b>All Parties</b>	<b>Promoters</b>	<b>Related Party</b>
Aggregate amount of Loans/Advances in the nature of Loans - Repayable on Demand	Rs. 85,612	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.
- 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

## **STEP TWO CORPORATION LIMITED**

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 2023 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.
- viii 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 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.

## **STEP TWO CORPORATION LIMITED**

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- 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.
- 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.

## **STEP TWO CORPORATION LIMITED**

- 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.
- 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: 23064210BGYOSM1412

Place : Kolkata

Date : 26.05.2023

## **STEP TWO CORPORATION LIMITED**

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### **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, 2023 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**

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### **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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note

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

Chartered Accountants

FRN No. 316155E

**(Amit Tulsyan)**

Partner

Membership No. 064210

UDIN: 23064210BGYOSM1412

Place : Kolkata

Date : 26.05.2023

## STEP TWO CORPORATION LIMITED

### BALANCE SHEET AS AT 31ST MARCH, 2023

(Amount in Rs. '00)

	Note No.	As on 31.03.2023	As on 31.03.2022
<b>I ASSETS</b>			
<b>FINANCIAL ASSETS</b>			
Cash & Cash Equivalents	4	27,372	32,450
Bank balance	5	—	42,500
other than cash & cash equivalent			
Receivables			
(I) Trade Receivables	6	81,661	—
Loans	7	85,612	4,69,813
Other Financial Assets	8	4,01,560	1,560
<b>NON FINANCIAL ASSETS</b>			
Current Tax Assets (Net)	9	8,889	4,361
Deferred Tax Assets (Net)	10	38	41
Property, Plant & Equipment & Intangible Assets	11	541	652
Other Non-Financial Assets	12	3,545	401
Total		6,09,218	5,51,778
<b>II LIABILITIES &amp; EQUITY</b>			
<b>LIABILITIES</b>			
<b>FINANCIAL LIABILITIES</b>			
Other Financial Liabilities	13	295	655
<b>NON FINANCIAL LIABILITIES</b>			
Current Tax Liabilities (Net)	14	14,255	7,299
Provisions	15	214	1,175
<b>EQUITY</b>			
Equity Share Capital	16	4,59,686	4,59,686
Other Equity	17	1,34,767	82,963
Total		6,09,218	5,51,778

General Information & Significant  
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 : 26.05.2023  
Place: Kolkata  
UDIN: 23064210BGYOSM1412

(52)

For & on Behalf of the Board  
**Anuj Agarwal** (DIN-02984121)  
**Anup Chattopadhyay** (DIN-10042485)  
Sd/-  
Director  
**Poonam Bathwal**  
Sd/-  
Company Secretary  
**Basant Kumar Agarwal**  
Sd/-  
C.F.O.

## STEP TWO CORPORATION LIMITED

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(Amount in Rs. '00)

	Note No.	For the Year ended 31.03.2023	For the Year ended 31.03.2022
I	<b>Revenue from Operations</b>		
	Interest Income	43,683	39,095
	Net Gain on Fair Value Changes	42,669	—
II	Other Incomes	4,026	8,140
III	Total Income (I+II)	90,378	47,235
IV	<b>EXPENSES</b>		
	Finance Cost	3,478	—
	Employee Benefit Expenses	15,225	14,700
	Depreciation and Amortization	110	110
	Other Expenses	7,753	12,722
	<b>Total Expenses</b>	26,566	27,532
V	Profit/(Loss) before exceptional and extraordinary items and taxes (III-IV)	63,811	19,703
VI	Exceptional Items	—	—
VII	Profit/(Loss) before exceptional and extraordinary items and taxes (V-VI)	63,811	19,703
VIII	Extraordinary Items	—	—
IX	Profit/(Loss) before tax (VII-VIII)	63,811	19,703
X	Tax Expenses:		
	(1) Current Tax	(14,255)	(5,300)
	(2) Deferred Tax	(3)	(39)
	(3) Income Tax for earlier year	—	(38)
XI	Profit/(Loss) for the period from Continuing Operations (VII-VIII)	49,553	14,326
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)	49,553	14,326
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)	49,553	14,326
XVIII	Earnings per Equity Share:		
	(1) Basic	1.17	0.34
	(2) Diluted	1.17	0.34
General Information & Significant Accounting policies	1- 3		
Significant Accounting Policies and Notes on Accounts			
As per our Report of even date			
For, <b>B. P. AGARWAL &amp; ASSOCIATES</b>			
Chartered Accountants			
FRN No. 316155E			
(AMIT TULSYAN) Partner			
Membership No. 064210			
Date : 26.05.2023 Place: Kolkata	(53)		
UDIN: 23064210BGYOSM1412			
		For & on Behalf of the Board	
		<b>Anuj Agarwal</b> (DIN-02984121)	
		<b>Anup Chattopadhyay</b> (DIN-10042485)	
		Sd/-	
		Director	
		<b>Poonam Bathwal</b>	
		Sd/-	
		Company Secretary	
		<b>Basant Kumar Agarwal</b>	
		Sd/-	
		C.F.O.	



## **STEP TWO CORPORATION LIMITED**

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### **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 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**

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**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).

**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.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the 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.

**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

## **STEP TWO CORPORATION LIMITED**

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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 Comprehensive 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.

#### **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

## **STEP TWO CORPORATION LIMITED**

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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 any 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 render their 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.

## **STEP TWO CORPORATION LIMITED**

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### **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..

#### **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.

## **STEP TWO CORPORATION LIMITED**

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### **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, 2023

(Amount in Rs. '00)

	As at 31.03.2023	As at 31.03.2022
<b>4. CASH &amp; CASH EQUIVALENT</b>		
<b>Cash on Hand</b>	814	1,091
(As certified by the management)		
<b>Balance with Bank</b>		
- Current Account	26,557	31,359
	<u>27,372</u>	<u>32,450</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 &amp; 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>		
<b>5. BANK BALANCE OTHER THAN CASH &amp; CASH EQUIVALENTS</b>		
Bank Balance other than Cash & Cash Equivalents		
- In deposits with original maturity of more than 3 months	—	42,500
	<u>—</u>	<u>42,500</u>
<b>6. RECEIVABLES</b>		
<b>(I) Trade Receivables</b>		
Considered Good-Unsecured	81,661	—
Less:-Impairment Loss Allowance	—	—
	<u>81,661</u>	<u>—</u>

Debtors balances are subject to confirmation from the respective parties.

Trade Receivable Aging Schedule - Current, outstanding as on 31/03/2023

Particulars	< 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
I) Undisputed Trade Receivable - Considered Good	81,661	—	—	—	—	81,661

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	—	—	—	—	—	—

## STEP TWO CORPORATION LIMITED

(Amount in Rs. '00)

	As at 31.03.2023	As at 31.03.2022
<b>7. LOANS</b>		
<i>(Unsecured, Repayable on demand, at amortised cost)</i>		
Loans in India, to others		
- Loan to Private Sector	85,612	4,69,813
	85,612	4,69,813
<b>8. OTHER FINANCIAL ASSETS</b>		
Security Deposit	1,560	1,560
Margin Money held with broker	4,00,000	—
	4,01,560	1,560
<b>9. CURRENT TAX ASSET</b>		
Balance with Government Authority		
<i>(Tax Deducted at source &amp; Self Assessment Tax)</i>	8,889	4,361
	8,889	4,361
<b>10. DEFERRED TAX ASSET (Net)</b>		
Opening Balance	41	80
Recognized in profit & loss during the year	(3)	(39)
Closing Balance	38	41

Movement of Deferred Tax Assets (Liability)

Particulars	Opening Balance	Profit/Loss	OCI	Total	Closing Balance
As on 31/03/23					
<b>Items on Timing Difference</b>					
Property, Plant & Equipment	41	(3)	—	(3)	38
As on 31/03/2022					
<b>Items on Timing Difference</b>					
Proprty, Plant & Equipment	80	(39)	—	(39)	41



**STEP TWO CORPORATION LIMITED**

**NOTE - 11**  
**Property, Plant & Equipment & Intangible Assets**  
**Property, Plant & Equipment**

(Amount in Rs. '00)

Particulars	GROSS BLOCK			DEPRECIATION				Written Down Value		
	Opening Balance	Addition	Deduction	Closing Balance	Opening Balance	During the year	Deduction	Closing Balance	as on 31-03-2023	as on 31-03-2022
Computers	988	-	-	988	939	-	-	938.60	49	49
Office Equipments & installations	2,692	-	-	2,692	2,090	110	-	2,200	492	602
	3,680	-	-	3,680	3,028	110	-	3,138	541	652

Particulars	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

## STEP TWO CORPORATION LIMITED

(Amount in Rs. '00)

	As at 31.03.2023	As at 31.03.2022
<b>12. OTHER NON FINANCIAL ASSETS</b>		
Interest Accrued on Fixed Deposit	3,545	401
	3,545	401
<b>13. OTHER FINANCIAL LIABILITIES</b>		
Other Payables ( <i>Audit Fees and other payables</i> )	295	655
	295	655
<b>14. CURRENT TAX LIABILITIES (Net)</b>		
Provision for Tax	14,255	7,299
	14,255	7,299
<b>15. PROVISIONS</b>		
Contingent Provisions against Standard Assets	214	1,175
	214	1,175
<b>16. SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
53,50,000 Equity Shares of Rs. 10/- each	5,35,000	5,35,000
	5,35,000	5,35,000
<b>Issued, Subscribed &amp; Paid up</b>		
42,47,300 Equity Shares		
(P.Y. 42,47,300) of Rs. 10/- each	42,473	42,473
fully paid up in cash		
Add:- Share Forfeiture	34,956	34,956
(Amount originally paid up)		
	4,59,686	4,59,686
<b>Reconciliation of No. of Shares outstanding</b>		
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  
Anuj Agarwal  
Pooja Fine Lease Ltd.

31.03.2023		31.03.2022	
Share	%	Share	%
17,839	42.00%	17,839	42.00%
10,466	24.64%	—	0.00%
—	—	7,531	17.73%

### Shareholding of Promoters

Shares held by promoters at the end of the year						
S. No.	Promoter Name	as on 31/03/2023		as on 31/03/2022		% Change during the year
		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
1	Raj Kr. Agarwal	17,839	42%	17,839	42%	0%
2	Anuj Agarwal	10,466	25%	—	0%	25%
2	Ashok Kr. Sharma	0	0%	100	0%	0%
3	Sapna Agarwal	0	0%	40	0%	0%

(Amount in Rs. '00)

As at 31.03.2023      As at 31.03.2022

### 17. OTHER EQUITY

#### Statutory Reserve

Opening Balance      32,533      29,669

Addition during the year      9,911      2,865

(a)      42,444      32,534

#### Retained Earnings

Opening Balance      50,426      38,968

Addition during the year      49,553      14,326

Less:- Transfer to Statutory Reserve      (9,911)      (2,865)

Less: Excess provision Written Back      2,251      —

(b)      92,320      50,426

Total (a+b)      1,34,767      82,963

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**STEP TWO CORPORATION LIMITED**

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(Amount in Rs. '00)

	As at 31.03.2023	As at 31.03.2022
<b>18. INTEREST INCOME</b>		
Interest on Loans	38,620	38,694
Interest on Income Tax Refund	4	—
Interest on Fixed Deposit	5,059	401
	<u>43,683</u>	<u>39,095</u>
<b>19. NET GAIN/(LOSS) ON FAIR VALUE CHANGES</b>		
Net Gain on financial instruments at fair value through Profit/Loss account		
- On Trading Portfolio		
Derivative Profit	42,669	—
	<u>42,669</u>	<u>—</u>
<b>20. OTHER INCOMES</b>		
Bad Debt Recovered	—	8,140
Profit on sale of Investments	4,026	—
	<u>4,026</u>	<u>8,140</u>
<b>21. FINANCE COST</b>		
Interest Paid	3,478	—
	<u>3,478</u>	<u>—</u>
<b>22. EMPLOYEE BENEFIT EXPENSES</b>		
Salary & Bonus	3,150	6,900
Directors Remuneration ( <i>refer note no. 27</i> )	12,075	7,800
	<u>15,225</u>	<u>14,700</u>
<b>23. DEPRECIATION &amp; AMORTIZATION EXPENSES</b>		
Depreciation	110	110
	<u>110</u>	<u>110</u>

## STEP TWO CORPORATION LIMITED

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(Amount in Rs. '00)

	As at 31.03.2023	As at 31.03.2022
<b>24. OTHER EXPENSES</b>		
Auditors Fees ( <i>Refer Note 24.1</i> )	295	295
Advertisement Expenses	376	216
Rent	1,020	960
Rates & Taxes ( <i>Refer Note 24.2</i> )	68	68
Legal & Professional Charges	450	3,600
Contingent Provision for Standard Assets	(961)	104
Power & Fuel	211	225
Repair & Maintenance	93	93
Balance Written off	32	32
Depository & Registry Expenses	321	729
Donation & Subscription	—	1,000
Postage & Telegram	235	248
Printing & Stationary	421	390
Travelling & Conveyance	211	172
General Expenses	178	127
Listing Fees	3,835	3,757
Miscellaneous Expenses	969	704
	<u>7,753</u>	<u>12,722</u>
<b>24.1 AUDITOR'S REMUNERATION</b>		
Statutory Audit Fees	295	295
	<u>295</u>	<u>295</u>
<b>24.2. RENT, RATES &amp; TAXES</b>		
Professional Tax	25	25
Trade License	43	43
	<u>68</u>	<u>68</u>

## STEP TWO CORPORATION LIMITED

(Amount in Rs. '00)

	As at 31.03.2023	As at 31.03.2022
<b>25. INCOME TAX</b>		
<i>Amount recognised in Statement of Profit &amp; Loss</i>		
Current Tax	(14,255)	(5,300)
Deferred Tax	(3)	(39)
Tax for earlier years	—	(38)
	(14,258)	(5,377)
<u>Reconciliation of effective tax rate</u>		

Particulars	As on 31/03/2023		As on 31/03/2022	
	%	Amount	%	Amount
Profit before Tax		63,811		19,703
Tax using Company's Domestic Tax Rate	26%	16,591	26%	5,123
<u>Effect of:</u>				
- Expenses not deductible	0%	68	2%	322
- Income which are taxed at different rates	0%	—	-0%	—
- Expenses allowed as deduction	0%	(281)	-1%	(145)
- MAT Credit entitlement	-3%	(2,123)	0%	—
- Taxable Timing difference	0%	3	0%	39
- Tax paid for earlier years	0%	—	0%	38
Effective Tax Rate/tax expense	22%	14,258	27%	5,377

### 26. EARNINGS PER SHARE

Profit/(Loss) after Tax attributable to equity shareholders	49,553	14,326
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.)	1.17	0.34
Diluted Earning per Share (Rs.)	1.17	0.34

## STEP TWO CORPORATION LIMITED

### 27. Schedule to the Balance Sheet of Non-deposit taking Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016)

**Particulars** (Amount in '000)

**Liabilities side :**

(1) **Loans and advances availed by the Non banking**

**financial company inclusive of interest accrued thereon but not paid:**

	<b>Amount outstanding</b>	<b>Amount overdue</b>
(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 (Loan from related parties)	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 :**

(3) **Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**

(a) Secured	NIL
(b) Unsecured	8,561

(4) **Break up of Leased Assets and stock on hire and other assets counting towards asset financial activities**

(i) Lease assets including lease rentals under sundry debtors:	NIL
(a) Financial lease	NIL
(b) Operating lease	NIL
(ii) Stock on hire including hire charges under sundry debtors:	NIL
(a) Assets on hire	NIL
(b) Repossessed Assets	NIL
(iii) Other loans counting towards asset financing activities:	NIL
(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 assets financed as in (3) and (4) above:**

Please see Note 2 below

Category	Amount net of provisions		Total
	Secured	Unsecured	
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
2. Other than related parties	Nil	8,561	8,561
1.3 <b>Total</b>	Nil	8,561	8,561



## **STEP TWO CORPORATION LIMITED**

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- (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

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

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

- (8) **Other information**

<b>Particulars</b>	<b>Amount</b>
(i) Gross Non-Performing Assets	NIL
(a) Related parties	NIL
(b) Other than related parties	NIL
(ii) Net Non-Performing Assets	NIL
(a) Related parties	NIL
(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 of these Directions.
2. Provisioning norms shall be applicable as prescribed in these Directions,
3. All notified 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 (amortised cost in the case of Ind AS) or current (fair value in the case of Ind AS) in (5) above.

## STEP TWO CORPORATION LIMITED

(B) Disclosure requirement under Scale Based Regulations for NBFCs

	<b>Amount in Rs. '000</b>	
	<b>FY 2022-23</b>	<b>FY 2021-22</b>
<b>(I). Exposure</b>		
1. Exposure in Real Estate Sector	Nil	Nil
2. Exposure to Capital Markets		
Direct Investment in Equity Shares, Convertible Bonds		
Convertible Debentures, Unit of Equity Oriented		
Mutual Funds	—	—
<b>Total Exposure to Capital Markets</b>	—	—
3. Sector Exposure		
a. Industry		
- Micro and Small		
Total Exposure	—	15,128
Gross NPA	—	—
Percentage of Gross NPA to total exposure		
in the sector	—	—
Total of Industry	—	15,128
b. Services		
- NBFC		
Total Exposure	—	2,789
Gross NPA	—	—
Percentage of Gross NPA to total exposure		
in the sector	—	—
- Wholesale and Retail Trade		
Total Exposure	—	4,932
Gross NPA	—	—
Percentage of Gross NPA to total exposure		
in the sector	—	—
- Other Services		
Total Exposure	8,561	24,132
Gross NPA	—	—
Percentage of Gross NPA to total exposure		
in the sector	—	—
<b>Total of Services</b>	<b>8,561</b>	<b>46,981</b>

## **STEP TWO CORPORATION LIMITED**

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4. Intra-Group Exposures		
Total amount of Intra-Group loan exposure	—	—
Total amount of Top 20 Intra group loan exposure	—	—
Percentage of intra-groip exposures to total exposures of the NBFC on borrowers	0.00%	0.00%
5. Unhedged Foreign Currency Exposure	NA	NA

### **(ii) Related Party Disclosure**

Please refer note no 23 of the Notes to Accounts.

### **(iii) Disclosure of Complaints**

1. Summary information on complaints received by NBFCs from customers and from Office of Ombudsman	NIL	NIL
2. Top Five grounds of complaints received by the NBFCs from Customers	Nil	Nil

## **STEP TWO CORPORATION LIMITED**

### **28. Related Party Disclosure**

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

<u>Name of Related Party</u>	<u>Relation</u>	<u>Nature of transaction</u>	<u>Amount(Rs.)</u>	<u>Amount(Rs.)</u>
Bholanath Manna*	Key Management Personnel	Remuneration	4,000	4,000
Sanjay Agarwal*	Key Management Personnel	No Transactions	—	—
Keshav Kumar Saraf*	Key Management Personnel	No Transactions	—	—
Anuj Agarwal*	Key Management Personnel	Remuneration	4,000	—
Poonam Bathwal*	Key Management Personnel	Remuneration	75	—
Anup Chattopadhyay*	Key Management Personnel	No Transactions	—	—
Laxmi Kant Jajodia*	Key Management Personnel	No Transactions	—	—
Mamta Sharma*	Key Management Personnel	Remuneration	2,875	3,000
Basant Kumar Agarwal*	Key Management Personnel	Remuneration	1,125	1,500

Note:

- \* Mr. Bholanath Manna ceased to be a director from 16.01.2023
- \* Mr. Sanjay Agarwal ceased to be a director from 16.01.2023
- \* Mr. Keshav Kumar Saraf ceased to be a director from 15.03.2023
- \* Ms. Mamta Sharma ceased to be a director from 15.03.2023
- \* Mr. Anuj Agarwal appointed as a Managing Director from 16.01.2023
- \* Mr. Laxmi Kant Jajodia appointed as a Director from 16.01.2023
- \* Mr. Anup Chattopadhyay appointed as a Director from 15.03.2023
- \* Ms. Poonam Bathwal appointed as a Director from 15.03.2023

## STEP TWO CORPORATION LIMITED

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### 29 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.
- xii. Ratios

S.No.	Ratio	Numerator	Denominator	2022-23	2021-22	Change %
I.	Capital to risk weighted asset ratio (CRAR)	Total Equity	Risk Weighted Asset*	1.04	1.15	-9%
ii.	Tier I CRAR	Tier I Capital*	Risk Weighted Asset*	1.04	1.15	-9%
iii.	Tier II CRAR	Tier II Capital	Risk Weighted Asset*	0.00	0.00	0%
iv.	Liquidity Coverage**	Total High Quality Liquid Assets	Total Net Cash Outflow over the next 30 days*	88%	7389%	-99%

\* 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

## STEP TWO CORPORATION LIMITED

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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.
- 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.

### 30. 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".

### 31. 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

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### Maturity Profile of Financial Liabilities is as follows:

#### As at 31st March 2023

Particulars	Less than Year	1-5 Year	5+ Year	Total
Borrowing	-	-	-	0
Trade Payable	-	-	-	0
Other Financial Liability	295	-	-	295

#### As at 31st March 2022

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

#### 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 Borrowings. 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, 2022: Rs. 0)

## STEP TWO CORPORATION LIMITED

- Other Price Risk : The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. All exposures in derivative portfolio are reviewed and approved by the board of directors. As at the reporting date, the exposure in derivative instruments at fair value was Rs 0 (March 31, 2022: Rs 0)

### 32. 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 31/03/2023			As on 31/03/2022		
	FVTPL	FVTOCI	Ammortised Cost	FVTPL	FVTOCI	Ammortised Cost
<b>Financial Assets</b>						
Cash & Cash Equivalent	-	-	27,372	-	-	32,450
Bank balance other than cash & cash equivalent	-	-	-	-	-	42,500
Receivables	-	-	81,661	-	-	-
Loans	-	-	85,612	-	-	4,69,813
Other Financial Assets	-	-	4,01,560	-	-	1,560
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5,96,204</b>	<b>-</b>	<b>-</b>	<b>5,46,323</b>
<b>Financial Liabilities</b>						
Other Financial Liabilities	-	-	295	-	-	655
<b>Total</b>	<b>-</b>	<b>-</b>	<b>295</b>	<b>-</b>	<b>-</b>	<b>655</b>

  

Particulars	As on 31/03/2023			As on 31/03/2022		
	Level1	Level2	Level3	Level1	Level2	Level3
<b>Financial Assets</b>						
Cash & Cash Equivalent	-	-	27,372	-	-	32,450
Bank balance other than cash & cash equivalent	-	-	-	-	-	42,500
Receivables	-	-	81,661	-	-	-
Loans	-	-	85,612	-	-	4,69,813
Other Financial Assets	-	-	1,560	-	-	1,560
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,96,204</b>	<b>-</b>	<b>-</b>	<b>5,46,323</b>
<b>Financial Liabilities</b>						
Other Financial Liabilities	-	-	295	-	-	655
<b>Total</b>	<b>-</b>	<b>-</b>	<b>295</b>	<b>-</b>	<b>-</b>	<b>655</b>



## STEP TWO CORPORATION LIMITED

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### Statement of changes in equity for the Year Ended 31st March 2023

#### A) Equity Share Capital

1) As on 31/03/2023	
<b>Balance as on 31/03.2022</b>	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	—
<b>Balance as on 31/03/2023</b>	<u>4,59,68,648</u>

2) As on 31/03/2022	
<b>Balance as on 31/03/2021</b>	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	—
<b>Balance as on 31/03/2022</b>	<u>4,59,68,648</u>

#### B) Other Equity

1) As on 31/03/2023			
	<b>Particulars</b>	<b>Reserves &amp; Surplus</b>	
		<b>Statutory Reserves</b>	<b>Retained Earnings</b>
			<b>Total</b>
	<b>Balance as on 31/03/2022</b>	<b>28,937</b>	<b>50,428</b>
	Profit/(Loss) for the year	—	49,533
	Excess Provision written back	—	2,251
	Transfer to/(from) Retained Earnings	9,911	(9,911)
	<b>Balance as on 31/03/2023</b>	<u><b>38,848</b></u>	<u><b>92,322</b></u>
			<u><b>1,31,169</b></u>

2) As on 31/03/2022			
	<b>Particulars</b>	<b>Reserves &amp; Surplus</b>	
		<b>Statutory Reserves</b>	<b>Retained Earnings</b>
			<b>Total</b>
	<b>Balance as on 01/04/2021</b>	<b>26,072</b>	<b>38,968</b>
	Profit/(Loss) for the year	—	14,326
	Transfer to/(from) Retained Earnings	2,865	(2,865)
	<b>Balance as on 31/03/2022</b>	<u><b>28,937</b></u>	<u><b>50,428</b></u>
			<u><b>79,366</b></u>

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## 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 : 26.05.2023

Place: Kolkata

UDIN: 23064210BGYOSM1412

For & on Behalf of the Board

**Anuj Agarwal** (DIN-02984121)

**Anup Chattopadhyay** (DIN-10042485)

Sd/-

Director

**Poonam Bathwal**

Sd/-

Company Secretary

**Basant Kumar Agarwal**

Sd/-

C.F.O.

## STEP TWO CORPORATION LIMITED

### Cash Flow Statement for the Year Ended 31st March 2023

		(Amount in Rs. '00)	
		2022-23	2021-22
		Amount (Rs.)	Amount (Rs.)
<b>A. Net Cash from Operational Activities</b>			
Net Profit before Taxes		63,811	19,703
<b>Adjustments</b>			
Depreciation & Amortisation		110	110
Net (Gain)/loss on sale of Investments		(4,026)	—
Provision for Contingencies		(961)	104
Balance Written Off		32	32
Operating Profit/(Loss) before change in Working Capital		58,967	19,949
Adjustments for (increase)/decrease in operating assets:			
Trade receivables		(81,661)	39,000
Loans		3,84,201	(41,528)
Other Financial assets		(4,00,000)	13,000
Other Non-Financial Assets		(3,143)	19,599
Adjustments for increase /(decrease) in operating liabilities:			
Other Financial Liabilities		(360)	(4,653)
		(41,996)	45,367
Net income tax (paid)/refunds		(9,609)	(3,711)
Net Cash from Operating Activities	A	(51,604)	41,656
<b>B. Cash Flow from Investing Activities</b>			
Purchase of Investments		(4,00,000)	—
Purchase of Fixed Deposits		—	(42,500)
Sale proceeds from Fixed Deposits		42,500	—
Proceeds from sale of Investments		4,04,026	—
Cash Flow from Investing Activities	B	46,526	(42,500)

## STEP TWO CORPORATION LIMITED

	(Amount in Rs. '00)	
	2022-23 Amount (Rs.)	2021-22 Amount (Rs.)
<b>C. Cash Flow from Financing Activities</b>		
Cash Flow from Financial Activities C	—	—
Net Increase in Cash & Cash equivalent (A+B+C)	(5,078)	(844)
Cash & Cash equivalent (Opening Balance)	32,450	33,294
Cash & Cash Equivalent (Closing Balance)	27,372	32,450

### 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	26,557	31,359
-Cash In Hand	814	1,091
	<u>27,372</u>	<u>32,450</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, New Tangra Road Branch, Kolkata. The matter is under investigation by authorities. The closing balance as per books 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 : 26.05.2023  
Place: Kolkata  
UDIN: 23064210BGYOSM1412

For & on Behalf of the Board  
**Anuj Agarwal** (DIN-02984121)  
**Anup Chattopadhyay** (DIN-10042485)  
Sd/-  
Director  
**Poonam Bathwal**  
Sd/-  
Company Secretary  
**Basant Kumar Agarwal**  
Sd/-  
C.F.O.

If undelivered, please return to:  
**STEP TWO CORPORATION LIMITED**  
**Regd. Office:**  
“AVANI SIGNATURE”  
91A/1, Park Street  
Kolkata - 700 016