

STEP TWO CORPORATION LIMITED

**TWENTY FIFTH ANNUAL REPORT
2018-2019**

STEP TWO CORPORATION LIMITED

Directors

Bholanath Manna
Sanjay Agarwal
Keshav Kumar Saraf
Mamta Sharma

Bankers

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

Auditors

B. P. Agarwal & Associates
Chartered Accountants

Registrars & Share Transfer Agents

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

Registered Office

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

STEP TWO CORPORATION LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty Fifth Annual report on the business and operations of the Company together with Audited statements of accounts for the year ended 31st March, 2019.

FINANCIAL HIGHLIGHTS

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

	<u>Current</u> Year (Rs.)	<u>Previous</u> Year (Rs.)
Profit before Interest, Depreciation & taxes	(12,81,601)	55,62,410
Less: Finance Charges	61,471	1,720
Profit / (Loss) before Depreciation & Taxes	(13,43,072)	55,62,410
Less: Depreciation	11,028	11,028
Profit/(Loss) Before Provision & Taxes	(13,54,100)	55,51,382
Add/(Less) :		
Current Tax	—	(10,80,000)
Deferred Tax	3,116	(7,973)
Income Tax for the previous year	—	—
Profit/(Loss) after Tax	(13,57,216)	44,63,409
Transfer to Reserve Fund	—	8,92,682
Interest on Income Tax	—	19,457
Balance brought forward from last year	27,11,259	(8,40,011)
Balance Carried to Balance Sheet	13,54,043	27,11,259

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.

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.

STEP TWO CORPORATION LIMITED

TRANSFER TO RESERVES

The Company did not transferred any amount to the Reserve Fund, owing to loss.

MEETINGS OF BOARD OF DIRECTORS

During the financial year ended 31st March, 2019, 6 Board Meetings were held on 10th April, 2018, 30th May, 2018, 13th August, 2018, 14th November, 2018, 13th February, 2019, and 1st March, 2019. 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 Kumar Saraf (DIN- 00595594)	Mr. Bhol Nath Manna (DIN- 03345433)	Ms. Mamta Sharma (DIN- 07080870)
10th April, 2018	Yes	Yes	Yes	Yes
30th May, 2018	Yes	Yes	Yes	Yes
13th August, 2018	Yes	Yes	Yes	Yes
14th November, 2018	Yes	Yes	Yes	Yes
13th February, 2019	Yes	Yes	Yes	Yes
1st March, 2019	Yes	Yes	Yes	Yes
TOTAL	6	6	6	6

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

AUDITORS AND AUDITORS' REPORT

Auditors' Report contains no remark requiring explanation.

At the 20th Annual General meeting held on September 30, 2014, 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, 2021, subject to them ratifying the said appointment at every AGM. The Company has received a confirmation from M/s B.P. Agarwal and Associates, Chartered Accountants, to the effect that their appointment, if made, at the ensuing AGM would be in terms of Sections 139 and 141 of the Companies Act, 2013 and rules made there under. The board proposes to the members to ratify the said appointment of M/s B. P. Agarwal Agrarwal and Associates, Chartered Accountants.

STEP TWO CORPORATION LIMITED

DIRECTORS

Mr. Bhola Nath Manna, Director of the Company, retires by rotation and being eligible offers himself for re-appointment. The Board recommends his reappointment at the ensuing Annual General Meeting.

DECLARATION BY INDEPENDENT DIRECTORS

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

ANNUAL EVALUATION BY THE BOARD

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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.

PARTICULARS OF EMPLOYEES

The Company did not have any employee during the financial year, hence disclosure under Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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

STEP TWO CORPORATION LIMITED

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, 2019, 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.

EXTRACT OF THE ANNUAL RETURN

Extract of the Annual Return as on the financial year ended 31st March, 2019 in Form MGT 9 is annexed hereto and forms a part of this report and is also hosted on the Company's website www.steptwo.in.

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

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

All Board members and Senior Management personnel have affirmed compliance with the code of conduct for FY 2018-2019. A declaration to this effect signed by the Whole-time Director of the Company is included in this Annual Report.

STEP TWO CORPORATION LIMITED

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.

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.

Place : Kolkata
Dated : 30.05.2019

For and on behalf of the Board
Bhola Nath Manna (DIN- 03345433)
Sanjay Agarwal (DIN- 00571217)
Directors

STEP TWO CORPORATION LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

FY 2018-2019 (FY 2019) began with an expectation of higher growth as the economy seemed to have overcome the teething troubles of the nation-wide roll out of the Goods and Services Tax (GST). However, a rise in the current account deficit (CAD), concerns relating to rising non-performing assets (NPAs) and decline in liquidity coupled with hardening interest rates contributed to uncertainties around a higher GDP growth rate.

The second advance estimates of national income for FY 2019 released by the Central Statics Office (CSO) on 28th February 2019 showed that the economy could not continue the expected growth momentum. GDP growth in the third quarter of FY 2019 reduced to 6.6% after clocking 8% and 7% growth in the first and second quarter of FY 2019 respectively. The CSO estimates GDP growth in FY 2019 at 7% to 7.2% in FY 2018.

On the back of a widening trade deficit, the CAD increased to 2.6% of GDP during April-December 2018 — up from 1.8% in April-December 2017. There was a net outflow of USD 17.5 billion of foreign currency reserves in April-December 2018 versus a net inflow of USD 30.3 billion over the same period a year earlier.

The good news was inflation. During the second half of FY 2019, the consumer price index (CPI) steadfastly remained below the RBI's medium-termed target of 4%, reaching a 19-month low of 1.9% in January 2019. It picked up marginally in February to 2.6%, albeit supported by a weak base and uptick in prices of some food categories. The RBI has projected headline inflation to remain soft in the near term: 2.4% in Q4 FY 2019, 2.9% to 3% in H1 FY 2020, and 3.5% to 3.8% in H2 FY 2020. It did, however, acknowledge the monsoon risk from El Nino conditions and highlighted uncertainties in oil price movement.

Systemic liquidity swung between surplus and deficit during FY 2019, with the RBI needing to intervene to smoothen liquidity flows. This liquidity stress was compounded thanks to major debt defaults of a systemically important NBFC. The default resulted in a virtual drying up of the money markets; and access o funds for borrowers such as NBFCs and HFCs were deeply impacted. The consequent increase in interest rates for fresh borrowings in Q3 FY 2019 resulted in business disruptions. While H2 FY 2019 has been an extremely challenging period for both NBFCs and HFCs, these disruptions have not yet completely settled.

FY 2019-2020, therefore, could be a challenging year. The positive is the general sense that India should see higher GDP growth, subject to normal monsoons.

Market Scenario

NBFCs continued to grow their share in the financial services industry. Data published by the RBI in its Financial Stability Reports dated 31st December 2018 show that NBFCs have outperformed scheduled commercial banks (SCBs) on growth in advances, asset quality and profitability. This growth momentum of NBFCs should result in their share in the financial services sector increasing in the near future.

STCL enjoyed yet another strong year of performance aided by a diversified product mix, robust volume growth, prudent operating costs and effective risk management.

STEP TWO CORPORATION LIMITED

Analysis of performance for the year

The detailed highlights of the performance are produced elsewhere in the Director's Report.

Opportunities and Threats

As an NBFC, STCL is exposed to credit, liquidity and interest rate risk. It has continued to invest in talent, processes and emerging technologies for building advanced risk and underwriting capabilities. Sustained efforts to strengthen the risk framework and portfolio quality have yielded consistently better outcomes for the Company.

STCL identifies various operational risks inherent in its business model. The operational risks are risk of a loss resulting from inadequate or failed internal process, people and systems, or from external events.

STCL continues to evolve on a journey where analytics and technology are integral to business strategy. It uses analytics capabilities for making appropriate product offerings to customers, marketing campaign management, risk management and customer experience.

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 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

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Step Two Corporation Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on the verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 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, 2019, to the extent applicable, according to the provisions of:

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

STEP TWO CORPORATION LIMITED

- g) The SEBI (Delisting of Equity Shares) Regulations, 2009
- h) The SEBI (Buyback of Securities) Regulations, 1998
- i) The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
- vi) Rules, Regulations and Guidelines issued by the Reserve Bank of India as are applicable to Non-Deposit taking NonBanking Financial Companies with classification as a 'Loan Company'; which are specifically applicable to the Company.

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

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

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

I further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- 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

Place : KOLKATA
Date : 30.05.2019

CS NAVNEET JHUNJHUNWALA
PROPRIETOR
FCS-6397
C. P. No.: 5184

STEP TWO CORPORATION LIMITED

Annexure 1

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

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

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. My responsibility is to express an opinion on those records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Place : KOLKATA
Date : 30.05.2019

CS NAVNEET JHUNJHUNWALA
PROPRIETOR
FCS-6397
C. P. No.: 5184

STEP TWO CORPORATION LIMITED

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS :		
1	CIN	L65991WB1994PLC066080
2	Registration Date	25-11-1994
3	Name of the Company	STEP TWO CORPORATION LIMITED
4	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
5	Address of the Registered office & contact details	21, HEMANTA BASU SARANI, 5TH FLOOR, ROOM NO.507,KOLKATA - 700 001.
6	Whether listed company	YES
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NICHE TECHNOLOGIES PVT.LTD. 3A, AUCKLAND PLACE, 7TH FLOOR, ROOM NO. 7A & 7B, KOLKATA - 700 017, PH.NO.033-22806616/6617/6618, E-MAIL : nichetechpl@nichetechpl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	FINANCE AND INVESTMENT		100
2			
3			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NIL				
2					

STEP TWO CORPORATION LIMITED

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year (As on 31-March-2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1,702,700	-	1,702,700	40.09%	1,702,700	-	1,702,700	40.09%	0
b) Central Govt	-	-	-	-			-	-	-
c) State Govt(s)	-	-	-	-			-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-			-	-	-
f) Any other	-	-	-	-			-	-	-
Sub Total (A) (1)	1,702,700	-	1,702,700	40.09%	1,702,700	-	1,702,700	40.09%	0.00%
(2) Foreign									
a) NRI Individuals	-	-	-	-			-	-	-
b) Other Individuals	-	-	-	-			-	-	-
c) Bodies Corp.	-	-	-	-			-	-	-
d) Any other	-	-	-	-			-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	1,702,700	-	1,702,700	40.09%	1,702,700	-	1,702,700	40.09%	0.00%
B. Public									
1. Institutions									
a) Mutual Funds	-	-	-	-			-	-	-
b) Banks / FI	-	-	-	-			-	-	-
c) Central Govt	-	-	-	-			-	-	-
d) State Govt(s)	-	-	-	-			-	-	-
e) Venture Capital Funds	-	-	-	-			-	-	-
f) Insurance	-	-	-	-			-	-	-
g) FIs	-	-	-	-			-	-	-
h) Foreign Venture Capital Funds	-	-	-	-			-	-	-
i) Others (specify)	-	-	-	-			-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-

STEP TWO CORPORATION LIMITED

2. Non-Institutions									
a) Bodies Corp.	0	0	0		0	0	0		
i) Indian	319,638	760,700	1,080,338	25.44%	319,638	760,700	1,080,338	25.44%	-
ii) Overseas			-				-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	171,003	304,276	475,279	11.19%	180,287	294,496	474,783	11.18%	-0.01%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	603,649	383,500	987,149	23.24%	603,649	384,700	988,349	23.27%	0.03%
c) Others (specify)	1,834	-	1,834	0.04%	1,130	-	1,130	0.03%	-0.02%
Non Resident Indians			-						
Overseas Corporate Bodies			-				-	-	-
Foreign Nationals			-	-			-	-	-
Clearing Members			-	-			-	-	-
Trusts			-	-			-	-	-
Foreign Bodies - D R			-	-			-	-	-
Sub-total (B)(2):-	1,096,124	1,448,476	2,544,600	59.91%	1,104,704	1,439,896	2,544,600	59.91%	0.00%
Total Public (B)	1,096,124	1,448,476	2,544,600	59.91%	1,104,704	1,439,896	2,544,600	59.91%	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-				-	-
Grand Total (A+B+C)	2,798,824	1,448,476	4,247,300	100.00%	2,807,404	1,439,896	4,247,300	100.00%	0.00%
(ii) Shareholding of Promoter									
SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year	
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares		
1	Ashok Kumar Sharma	4,000	0.09%	-	4,000	0.09%	-		
2	Raj Kumar Agarwal	16,88,700	39.76%	-	16,88,700	39.76%	-		
3	Sapna Agarwal	10,000	0.24%	-	10,000	0.24%	-		

STEP TWO CORPORATION LIMITED

(iii) Change in Promoters' Shareholding (please specify, if there is no change)							
SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Ashok Kumar Sharma						
	At the beginning of the year			4,000	0.09%		
	Date wise Increase /						
	Decrease in Promoters Share					(No Change During The Year)	
	holding during the year						
	At the end of the year					4,000	0.09%
2	Raj Kumar Agarwal						
	At the beginning of the year			16,88,700	39.76%		
	Date wise Increase /						
	Decrease in Promoters Share					(No Change During The Year)	
	holding during the year						
	At the end of the year					16,88,700	39.76%
3	Sapna Agarwal						
	At the beginning of the year			10,000	0.24%		
	Date wise Increase /						
	Decrease in Promoters Share					(No Change During The Year)	
	holding during the year						
	At the end of the year					10,000	0.24%
	TOTAL			1,702,700	40.09%	1,702,700	40.09%

(iv) Shareholding Pattern of top ten Shareholders

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

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	ANIL KUMAR GOEL						
	At the beginning of the year			39,600	0.78%		
	Changes during the year					(No Change During The Year)	
	At the end of the year					39,600	0.78%
2	BEEJAY INVESTMENT & FIN. CONSULTANT PVT.LTD.						
	At the beginning of the year			48,090	0.95%		
	Changes during the year					(No Change During The Year)	
	At the end of the year					48,090	0.95%

STEP TWO CORPORATION LIMITED

3	INDRA DEVI JAIN						
	At the beginning of the year			42,500	0.84%		
	Changes during the year					(No Change During The Year)	
	At the end of the year					42,500	0.84%

4	MARTIN BURN ESTATES PVT. LTD.						
	At the beginning of the year			95,200	0.00%		
	Changes during the year				1.88%	(No Change During The Year)	
	At the end of the year					95,200	1.88%

5	NANDANKANAN DISTRIBUTORS PVT.LTD.						
	At the beginning of the year			64,300	1.27%		
	Changes during the year					(No Change During The Year)	
	At the end of the year					64,300	1.27%

6	NARESH CHAND CHANDAK						
	At the beginning of the year			41,200	0.82%		
	Changes during the year					(No Change During The Year)	
	At the end of the year					41,200	0.82%

7	NARESH SINGHAL						
	At the beginning of the year			63,500	1.26%		
	Changes during the year					(No Change During The Year)	
	At the end of the year					63,500	1.26%

8	POOJA FINELEASE LTD.						
	At the beginning of the year			7,53,100	14.91%		
	Changes during the year					(No Change During The Year)	
	At the end of the year					7,53,100	14.91%

9	SUKDEV DHARA						
	At the beginning of the year			45,300	0.90%		
	Changes during the year					(No Change During The Year)	
	At the end of the year					45,300	0.90%

STEP TWO CORPORATION LIMITED

10	SUSHIL KUMAR AGARWAL						
	At the beginning of the year			45,800	0.91%		
	Changes during the year						
	Changes during the year					(No Change During The Year)	
	At the end of the year					45,800	0.91%

(v) Shareholding of Directors and Key Managerial Personnel :

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name : Bhola Nath Manna			24700	0.582		
	At the beginning of the year						
	Changes during the year					(No Change During The Year)	
	At the end of the year					24700	0.582

2	Name : Sanjay Agarwal			NIL			
	At the beginning of the year						
	Changes during the year						
	At the end of the year			NIL			

3	Name : Keshav Kumar Saraf			NIL			
	At the beginning of the year						
	Changes during the year						
	At the end of the year			NIL			

4	Name : Basant Kumar Agarwal			NIL			
	At the beginning of the year						
	Changes during the year						
	At the end of the year			NIL			

5	Name : Mamta Sharma			NIL			
	At the beginning of the year						
	Changes during the year						
	At the end of the year			NIL			

STEP TWO CORPORATION LIMITED

V. INDEBTEDNESS

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

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	-
ii) Interest due but not paid	Nil	Nil	Nil	-
iii) Interest accrued but not due	Nil	Nil	Nil	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	Nil	Nil	Nil	-
* Reduction	Nil	Nil	Nil	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	-
ii) Interest due but not paid	Nil	Nil	Nil	-
iii) Interest accrued but not due	Nil	Nil	Nil	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

N.A.

SN	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs/Lac)
		Name		
		BHOLA NATH MANNA		
		Designation	WTD	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.00		3.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			-
2	Stock Option			-
3	Sweat Equity			-
4	Commission			-
	- as % of profit			-
	- others, specify			-
5	Others, please specify			-
	Total (A)	3.00		3.00
	Ceiling as per the Act			

STEP TWO CORPORATION LIMITED

B. Remuneration to other Directors

N.A.

SN	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
1	Independent Directors				
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors				-
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration				3.00
	Overall Ceiling as per the Act				-

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
		Name	BASANT KUMAR AGARWAL	MAMTA SHARMA	
		Designation	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		1.50	3.00	4.50
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				
	- as % of profit				-
	- others, specify				-
5	Others, please specify				-
	Total		1.50	3.00	4.50

STEP TWO CORPORATION LIMITED

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

NOT APPLICABLE

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

STEP TWO CORPORATION LIMITED

FORM AOC-1

Annexure '1'

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statements of subsidiaries / associate companies / joint ventures

PART 'A' – Subsidiaries-

Sl. No.	Particulars		NIL	
1	Name of the Subsidiary			
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.			
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.			
4	Share Capital			
5	Reserves & Surplus			
6	Total Assets			
7	Total Liabilities			
8	Details of Investments			
9	Turnover			
10	Profit Before Taxation			
11	Provision for Taxation			
12	Profit / (Loss) after Taxation			
13	Proposed Dividend			
14	% of shareholding			

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations -NA
- Names of subsidiaries which have been liquidated or sold during the year- NA

PART 'B' – Associates and Joint Ventures

Statement pursuant sub-section (3) of section 129 of the Companies Act, 2013 related to Associates and Joint Ventures

Sl. No.	Name of Associates/Joint Ventures		NIL	
1	Latest audited Balance Sheet Date			
2	Shares of Associate/Joint Ventures held by the company on the year end No.			
	Amount of Investment in Associates/Joint Venture			
	Extent of Holding %			
3	Description of how there is significant influence			
4	Reason why the associate/joint venture is not consolidated			
5	Net worth attributable to Shareholding as per latest audited Balance Sheet			
6	Profit/ Loss for the year			
	i. Considered in Consolidation			
	i. Not Considered in Consolidation			

Notes: The following information shall be furnished at the end of the statement:

- Names of associates or joint ventures which are yet to commence operations -NA
- Names of associates or joint ventures which have been liquidated or sold during the year- NA

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

STEP TWO CORPORATION LIMITED

CORPORATE GOVERNANCE

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

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

1. BOARD OF DIRECTORS

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

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

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

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

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

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

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

2. BOARD MEETINGS

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

During the FY 2018-2019, the Board met 6 times on 10.04.2018, 30.05.2018, 13.08.2018, 14.11.2018, 13.02.2019, 01.03.2019.

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, 2019 is given here-in below:

STEP TWO CORPORATION LIMITED

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

* Directorship held in Public Limited Company.

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

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 30, 2019, pursuant to the provisions of the Act and the Listing Regulations.

3. INFORMATION ON DIRECTORS' RE-APPOINTMENT / APPOINTMENT

Mr. Bhola Nath Manna is retiring by rotation in the ensuing Annual General Meeting and being eligible offers himself for re-appointment. His brief particulars are as under:

Shri Bhola Nath Manna (46 years) possesses immense knowledge in the fields of Investment, Banking and retail financing. His 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. He does not hold directorship in any public limited company apart from Step Two Corporation Ltd.

4. AUDIT COMMITTEE

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

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

As on 31st March, 2019, the Audit Committee comprised One Executive Director and Three Non-Executive Independent Directors. The Committee comprises Bhola Nath Manna, Sanjay Agarwal, Mamta Sharma and Keshav Kumar Saraf. The Committee is chaired by Mr. Sanjay Agarwal, Independent Non Executive Director. All members of the Audit Committee have accounting and financial management expertise.

During the year, the Committee met 4 times on: 30.05.2018, 13.08.2018, 14.11.2018 and 13.02.2019.

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

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

STEP TWO CORPORATION LIMITED

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

No investor compliant was received during the year and none was pending unresolved as on 31st March, 2019.

6. REMUNERATION COMMITTEE

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

7. POLICIES, CODE OF CONDUCT AND STATUTORY DISCLOSURES

Code of Conduct:

The Listing Regulations require listed companies to lay down a code of conduct for directors and 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 2019. A declaration to this effect signed by the Whole time Director is given elsewhere in this Annual Report.

Vigil Mechanism Framework/Whistle Blower Mechanism:

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

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

STEP TWO CORPORATION LIMITED

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, 2019, 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 2018-2019.

A Cash Flow Statement for FY 2018-2019 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 2018-2019.

STEP TWO CORPORATION LIMITED

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.

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 2017, revised the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) effective from 1 October 2017.

The Company is compliant with the same.

8. GENERAL BODY MEETINGS

Time and location of last three Annual General Meetings

Year	Date	Time	Location
2016	30.09.2016	10:00 A.M.	21, Hemanta Basu Sarani, 5th Floor, Suite No.507, Kolkata - 700 001
2017	20.09.2017	10:00 A.M.	21, Hemanta Basu Sarani, 5th Floor, Suite No.507, Kolkata - 700 001
2018	29.09.2018	10:00 A.M.	21, Hemanta Basu Sarani, 5th Floor, Suite No.507, Kolkata - 700 001

STEP TWO CORPORATION LIMITED

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 22nd AGM held on 30 September, 2016, no special resolution was passed.

At the 23rd AGM held on 20 September, 2017, no special resolution was passed.

At the 24th AGM held on 29 September, 2018, no special resolution was passed.

II. Special resolution passed through postal ballot during FY 2018-2019:

- a. Re-appointment of Shri Sanjay Agarwal (DIN: 00571217) as an Independent Director
- b. Re-appointment of Shri Kesav Kumar Saraf (DIN:00595594) as an Independent Director

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

9. DISCLOSURE

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

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

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

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

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

10. MEANS OF COMMUNICATION

The Company publishes quarterly, half-yearly and annual results in Financial Express, Duranta Barta and Ssangbad Nazar 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.

STEP TWO CORPORATION LIMITED

11 GENERAL SHAREHOLDER INFORMATION

A. Annual General Meeting

Date 30th September, 2019

Time - 10:00 A.M

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

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

Result for Quarter ending June 30, 2019 : On or before 14th August, 2019

Result for Quarter ending September 30, 2019 : On or before 14th November, 2019

Result for Quarter ending December 31, 2019 : On or before 14th February, 2020

Result for Quarter ending March 31, 2020 : On or before 30th May, 2020

C. Book Closure

The Register of members and Share Transfer Book will remain closed from 24th day of September, 2019 to 30th day of September, 2019 (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 2018-19 to all stock exchanges.

F. ISIN Number: INE623D01015

G. Depository Connectivity: NSDL and CDSL

STEP TWO CORPORATION LIMITED

H. STOCK MARKET DATA

Monthly highs and lows of Step Two Corporation Ltd. share price (Rs.) during 2018-2019.

Month	BSE		Closing BSE Sensex
	High	Low	
April'18	0	0	35160
May'18	10	10	35322
June'18	0	0	35423
July'18	0	0	37606
Aug'18	10.00	9.50	38645
Sep'18	9.03	8.16	36227
Oct'18	0	0	34442
Nov'18	8.56	8.56	36194
Dec'18	8.56	8.56	36068
Jan'19	9.89	8.98	36256
Feb'19	9.40	7.67	35867
Mar'19	8.05	7.65	38672

11. 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

12. COMPLIANCE OFFICER

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

Address : 21, Hemant Basu Sarani, 5th Floor, R.No.507, Kolkata - 700 001
Tel No. : 033-22318207/08
E-mail : admin@steptwo.in

STEP TWO CORPORATION LIMITED

13. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2019

No. of Equity Shares Held	No. of Share holders	% of Shares holders	No. of Shares held	% of Shares holding
1 to 500	551	66.7070	89,024	2.0960
501 to 1000	137	16.5860	1,00,498	2.3662
1001 to 5000	74	8.9588	1,82,563	4.2983
5001 to 10000	19	2.3002	1,50,806	3.5506
10001 to 50000	40	4.8426	10,59,609	24.9478
50001 to 100000	3	0.3632	2,23,000	5.2504
100001 and above	2	0.2421	24,41,800	57.4906
Totals	826	100.000	42,47,300	100.000

14. SHAREHOLDING PATTERN AS ON 31.03.2019

Category	No. of Share held	% of Share holding
Indian Promoters	1702700	40.09
Indian Public including corporate bodies	2544600	59.91
	4247300	100.00

15. DEMATERIALIZATION OF SHARES

2807404 shares have been dematerialized up to 31.03.2019 which is 66.10% percent of the total shares of the Company.

16. BREAK-UP OF SHARES IN PHYSICAL AND DEMAT SEGMENT (As on 31.03.2019)

Segment	No. of Shares	% to total	No. of Shares held Shareholders	% to total Shareholders
Physical	389	44.92	1439896	33.90
Demat	477	55.08	2807404	66.10
Total	866	100.00	4247300	100.00

17. 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.

18. ADDRESS FOR CORRESPONDENCE

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

STEP TWO CORPORATION LIMITED

CERTIFICATE ON CORPORATE GOVERNANCE

TO
THE MEMBERS OF
STEP TWO CORPORATION LIMITED

We have examined the compliance of conditions of Corporate Governance by Step Two Corporation Limited for the year ended 31st March, 2019, as stipulated in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of corporate governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For B.P.Agarwal and Associates

Chartered Accountants

Firm Registration Number: 316155E

Place : Kolkata

Date : The 30th day of May, 2019

(Amit Tulsyan)

(Partner)

Membership Number: 064210

STEP TWO CORPORATION LIMITED

CEO/CFO CERTIFICATION

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

- a) I have reviewed financial statements and the cash flow statement for the year ended on 31st March' 2019 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'2019 are fraudulent, illegal or violative of the company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the auditors and the Audit Committee
 - i. Significant changes in internal control during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - iii. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

For Step Two Corporation Limited

Basant Kumar Agarwal

Chief Financial Officer

Place : Kolkata

Date : The 30th day of May, 2019

STEP TWO CORPORATION LIMITED

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

To
The Members of
Step Two Corporation Limited

I, Bhola Nath Manna, Whole-time Director of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct for the year ended 31st March, 2019.

Place : Kolkata
Date : 30.05.2019

Bhola Nath Manna
Whole-time Director

STEP TWO CORPORATION LIMITED

INDEPENDENT AUDITOR'S REPORT

To
The Members of
STEP TWO CORPORATION LIMITED

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of STEP TWO CORPORATION LTD., which comprise the Balance sheet as at 31st March 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including 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 2019 its Loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the standards on Auditing (SAS) specified under section 143(10) of the companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provision of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our 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.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, 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.

Responsibilities of Management and those charged with governance for the Financial Statements
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for

STEP TWO CORPORATION LIMITED

safeguarding 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.

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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

STEP TWO CORPORATION LIMITED

- e) on the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 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; and
 - iii. there were no amount which is required to be transferred to the Investor Education and Protection Fund by the Company.
3. As required by the "Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 1998", we further state that we have submitted a Report to the Board of Directors of the Company containing a statement on the matters of supervisory concern to the Reserve Bank of India as specified in the said Directions, namely the following: -
- a) The company, incorporated prior to January 9, 1997, has applied for registration as provided in section 45IA of the Reserve Bank of India Act, 1934 (2 of 1934). The Company has been granted certificate of registration as NBFC by the Reserve Bank of India & the Registration no. is 05.02614 dated 04.06.1998.
 - b) The Board of Directors of the Company has passed a Resolution for non-acceptance of any public deposits.
 - c) The Company has not accepted any public deposits during the year under reference.
 - d) The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning of bad doubtful debts as applicable to it.

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

Chartered Accountants

FRN No. 316155E

(Amit Tulsyan)

Partner

Membership No. 064210

Place : Kolkata

Date : 30.05.2019

STEP TWO CORPORATION LIMITED

Annexure 'A' Responsibilities for Audit of Financial Statement

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

STEP TWO CORPORATION LIMITED

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.

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

Chartered Accountants
FRN:-316155E

Place : Kolkata
Date : 30.05.2019

(AMIT TULSYAN)

Partner
Membership No.064210

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 2019, we report that:

1. Fixed Assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. As explained to us, all fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. The company doesn't have any immovable property, hence this clause is not applicable.
2. In respect of its inventories it was explained to us that inventory consists of Shares and securities which are held in dematerialized form, hence physical verification is not possible. However, it has been verified from demat statements by the management at regular intervals and no material discrepancies were noticed during the year.
3. The company has not granted any loans secured or unsecured to companies, firm and other parties covered in the register maintained under section 189 of Companies Act, 2013.
4. The Company being a Non-Banking Financial Company the provisions of Section 185 & 186 are not applicable to it.
5. The Company has not accepted any deposits from the public.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of activities of the Company.
7. In respect of Statutory dues:
 - a. According to the records maintained by the Company and information and explanations given to us, undisputed statutory dues in respect of Income Tax, wealth tax, sales tax, custom duty, excise duty, Service Tax, Cess and other statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2019 for a period of more than six months from the date of become payable.
 - b. There are no Disputed Statutory dues.
8. The Company did not have any outstanding dues to financial institutions, banks, Government dues or debenture holders during the year.

STEP TWO CORPORATION LIMITED

9. The company has not raised any money by way of Initial Public Offer, Further Public Offer or term loan during the year. Hence this clause is not applicable.
10. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
11. The managerial remuneration has been paid after the requisite approvals as mandated by provisions of Section 197 read with Schedule V of the Companies Act, 2013
12. The company is not a Nidhi Company. Therefore this clause is not applicable
13. The company has made adequate disclosures in Financial Statements for related party transaction as required u/s 188 of Companies Act,
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. The company has not entered into any non-cash transaction with directors or persons as per provisions of Section 192 of companies Act, 2013.
16. The Company is registered u/s 45-IA of the Reserve Bank of India Act, 1934 vide registration no. 05.02614 dated 04.06.1998

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

Chartered Accountants

FRN No. 316155E

Place : Kolkata
Date : 30.05.2019

(Amit Tulsyan)
Partner
Membership No. 064210

STEP TWO CORPORATION LIMITED

ANNEXURE 'C' TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Step Two Corporation Ltd. (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

STEP TWO CORPORATION LIMITED

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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

Place : Kolkata

Date : 30.05.2019

(Amit Tulsyan)

Partner

Membership No. 064210

STEP TWO CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

		As at 31.03.2019 Rs.	As on 31.03.2018 Rs.
I EQUITY & LIABILITIES			
SHAREHOLDER'S FUNDS	Note No.		
Share Capital	3	45,968,648	45,968,648
Reserves & Surplus	4	3,685,292	5,042,507
CURRENT LIABILITIES			
Other Current Liabilities	5	325,913	36,123
Short Term Provisions	6	99,667	1,536,782
Total		50,079,520	52,584,060
II ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
a) Tangible Assets	7	98,251	109,279
Non-Current Investments	8	3,900,000	3,900,000
Deferred Tax assets (net)	9	8,769	11,885
Long Term Loans & Advances	10	2,156,000	2,156,000
CURRENT ASSETS			
Inventories	11	826,570	2,401,800
Trade Receivables	12	—	815,803
Cash & Cash Equivalents	13	2,986,285	3,895,304
Short Term Loans & Advances	14	40,103,645	39,291,124
Other Current Assets	15	—	2,866
Total		50,079,520	52,584,060

General Information & Significant 1 & 2

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 : 30.05.2019

Place: Kolkata

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

Sd/-

Director

Mamta Sharma

Sd/-

Company Secretary

Basant Kumar Agarwal

Sd/-

C.F.O.

STEP TWO CORPORATION LIMITED

PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

			Year ended 31.03.2019	Year ended 31.03.2018
	Note No.		Rs.	Rs.
I	Revenue from Operations	16	3,479,089	3,274,473
II	Other Incomes	17	50,784	2,703,628
III	Total Revenue (I+II)		3,529,873	5,978,101
IV	EXPENSES			
	Change in Stock in Trade	18	1,575,230	(1,665,300)
	Employee Benefit Expenses	19	1,110,000	1,153,537
	Finance Expenses	20	61,471	1,720
	Depreciation and Amortization	21	11,028	11,028
	Other Expenses	22	2,126,245	9,25,734
	Total Expenses		4,883,974	426,719
V	Profit/(Loss) before exceptional and extraordinary items and taxes (III-IV)		(1,345,100)	5,551,382
VI	Exceptional Items		—	—
VII	Profit/(Loss) before extraordinary items and tax (V-VI)		—	5,551,382
VIII	Extraordinary Items		—	—
IX	Profit/(Loss) before tax (VII-VIII)		(1,354,100)	5,551,382
X	Tax Expenses:			
	(1) Current Tax		—	1,080,000
	(2) Deferred Tax		3,116	7,973
XI	Profit/(Loss) for the period from Continuing Operations (VII-VIII)		(1,357,216)	4,463,409
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+XII)		(1,357,216)	4,463,409
XVI	Earnings per Equity Share:		(0.32)	1.05
	(1) Basic	23	(0.32)	1.05
	(2) Diluted	23	(0.32)	1.05

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 : 30.05.2019

Place: Kolkata

For & on Behalf of the Board

Bhola Nath Manna (DIN-03345433)

Sanjay Agarwal (DIN-00571217)

Sd/-

Director

Mamta Sharma

Sd/-

Company Secretary

Basant Kumar Agarwal

Sd/-

C.F.O.

STEP TWO CORPORATION LIMITED

1 General Information

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

2. Significant accounting policies

a Basis of preparation of financial statements

These financial statements are prepared in accordance with Generally Accepted Accounting Principles in India, under the historical cost convention, on a going concern concept and in accordance to applicable accounting standards.

b Revenue Recognition

Income & Expenditure are accounted for on accrual basis except dividend income which is accounted for on the basis of right to received dividend.

c Use of Estimates

Certain estimates and assumptions have been made in preparation of financial statement. The difference between the actual results and estimates are recognized in the year in which the results are known / materialized.

d Provisions and contingent liabilities

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized not disclosed in the financial statements.

e Fixed assets

Fixed Assets are accounted at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until fixed assets are ready for use.

f Depreciation and Amortization

Depreciation on fixed assets has been provided for on straight line basis at rates prescribed under Schedule II of the Companies Act, 2013.

STEP TWO CORPORATION LIMITED

g Taxation

Current Tax

Provision for income tax is made on the assessable income at the tax rate applicable for the relevant assessment year.

Deferred Tax

Deferred tax liability is recognized, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets are not recognized unless there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

h Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

i Investments

Investments are either classified as current or long term based on management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value of each investment. Long term investments are carried at cost.

j Inventories

Stock of all quoted shares and securities has been value at cost or fair value whichever is lower. Unquoted shares have been valued at cost of acquisition.

k Cash flow statement

Cash flow reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of Company are segregated.

l Previous year figures have been regrouped & rearranged wherever necessary to confirm to the current years classification.

STEP TWO CORPORATION LIMITED

Notes to Financial Statement for the year ended 31st March, 2019

	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
3. SHARE CAPITAL		
Authorised Share Capital		
53,50,000 Equity Shares of Rs. 10/- each	53,500,000	53,500,000
	53,500,000	53,500,000
Issued, Subscribed & Paid up		
42,47,300 Equity Shares (P.Y. 42,47,300) of Rs 10/- each fully paid up in cash	42,473,000	42,473,000
Add:- Share Forfeiture (Amount originally paid up)	3,495,648	3,495,648
	45,968,648	45,968,648
Reconciliation of No. of Shares outstanding		
At the beginning of the year	4,247,300	4,247,300
Forfeited during the year	—	—
At the end of the year	4,247,300	4,247,300
Note:- 8,04,800 Equity Shares of Rs. 10 each forfeited during the year effective 12 August 2016		
List of Shareholders holding more than 5% shares		
Raj Kumar Agarwal	1,688,700	39.76%
Pooja Finelease Ltd.	753,100	17.73%
	1,688,700	39.76%
	753,100	17.73%
4. RESERVES & SURPLUS		
<u>Reserve Fund</u>		
Opening Balance	2,331,249	1,438,567
Addition during the year	—	892,682
	2,331,249	2,331,248
	2,331,249	2,331,248
<u>Surplus in Profit & Loss</u>		
Opening Balance	2,711,259	(840,011)
Addition during the year	(1,357,216)	4,463,409
Less : Interest on Income Tax	—	(19,457)
Less : Transfer to Statutory Reserve	—	(892,682)
	1,354,042	2,711,259
	1,354,042	2,711,259
Total	(a+b) 3,685,292	5,042,507
	3,685,292	5,042,507

STEP TWO CORPORATION LIMITED

	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
5. OTHER CURRENT LIABILITIES		
Liabilities for expenses	325,913	36,123
	<u>325,913</u>	<u>36,123</u>
6. SHORT TERM PROVISIONS		
Provision for Current Tax	—	1,440,000
Contingent Provision for Standard Assets	99,667	96,782
	<u>99,667</u>	<u>1,536,782</u>
Provision for all known liabilities is adequate and not in excess of amount reasonable necessary.		
8. NON-CURRENT INVESTMENTS		
Investment in Equity Instruments	Face Value	No. of Shares
Recare Plastic Moulders Pvt Ltd.	10	390,000
	390,000	3,900,000
Aggregate of Unquoted Investments	<u>3,900,000</u>	<u>3,900,000</u>
9. DEFERRED TAX ASSET		
Opening Balance [(Liability)/Assets]	11,885	19,858
Deferred tax Assets Created / (Reversed) during the year	(3,116)	(7,973)
Closing Balance [(Liability)/assets]	<u>8,769</u>	<u>11,885</u>
Deferred Tax Assets and Deferred Tax Liabilities have been netted off as per AS-22.		
10. LONG TERM LOANS & ADVANCES		
(Unsecured, considered good)		
Capital Advances	2,000,000	2,000,000
Security Deposit	156,000	156,000
	<u>2,156,000</u>	<u>2,156,000</u>

STEP TWO CORPORATION LIMITED

NOTE - 7

Fixed Assets	GROSS BLOCK			DEPRECIATION				Written Down Value		
	Opening Balance	Addition	Deduction	Closing Balance	Opening Balance	During the year	Deduction	Closing Balance	as on 31-03-2019	as on 31-03-2018
Computers	98,800	-	-	98,800	93,860	-	-	93,860	4,940	4,940
Office Equipments & installations	2,69,180	-	-	2,69,180	1,64,840	11,028	-	1,75,869	93,311	1,04,339
	3,67,980	-	-	3,67,980	2,58,700	11,028	-	2,69,729	98,251	1,09,279.23
Previous Year	3,67,980	-	-	3,67,980	2,47,672	11,028	-	2,58,700	1,09,279	1,20,308

STEP TWO CORPORATION LIMITED

	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
11. INVENTORIES		
(as taken, valued & certified by the management)		
Stock in Trade of Shares & Securities	826,570	2,401,800
	<u>826,570</u>	<u>2,401,800</u>
12. TRADE RECEIVABLES		
Unsecured, Considered Good		
- Outstanding for a period exceeding six months	—	815,803
- Others	—	—
	<u>—</u>	<u>815,803</u>
Debtors balances are subject to confirmation from the respective parties.		
13. CASH & BANK BALANCE		
Cash & Cash Equivalent		
Cash in Hand	311,321	127,658
(As certified by the management)		
Balance With Bank		
-Current Account	2,674,964	3,267,646
Other Bank Balances	—	500,000
	<u>2,986,285</u>	<u>3,895,304</u>

During the financial year 1997-98, a sum of Rs. 25,00,000/- (Rupees Twenty Five Lacs only) had been fraudulently withdrawn from Punjab & Sind Bank Ltd., New Tangra Road Branch, Kolkata. The matter is under investigation by authorities. The closing balance as per the Book is Rs. 25,02,195/-.

STEP TWO CORPORATION LIMITED

	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
14. SHORT TERM LOANS & ADVANCES		
Unsecured considered good		
Balance with Govt. Authority	236,947	578,492
Other Loans & Advances		
- Others	39,866,698	38,712,632
	<u>40,103,645</u>	<u>39,291,124</u>
15. OTHER CURRENT ASSETS		
Interest Accrued on Fixed Deposit	—	2,866
	<u>—</u>	<u>2,866</u>
16. REVENUE FROM OPERATIONS		
Interest Income	3,479,089	3,274,473
	<u>3,479,089</u>	<u>3,274,473</u>
17. OTHER INCOMES		
Profit/(loss) on Current Investment	—	2,699,526
Interest on Fixed Deposit	50,784	4,102
	<u>50,784</u>	<u>2,703,628</u>
18. CHANGE IN STOCK IN TRADE		
Opening Stock	2,401,800	736,500
Less: Closing Stock	(826,570)	(2,401,800)
	<u>1,575,230</u>	<u>(1,665,300)</u>
19. EMPLOYEE BENEFIT EXPENSES		
Salary & Bonus	510,000	553,537
Directors Remuneration (refer note no 24)	600,000	600,000
	<u>1,110,000</u>	<u>1,153,537</u>

STEP TWO CORPORATION LIMITED

	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
20. FINANCE EXPENSES		
Interest Paid	61,471	1,720
	<u>61,471</u>	<u>1,720</u>
21. DEPRECIATION & AMORTIZATION EXPENSES		
Depreciation	11,028	11,028
	<u>11,028</u>	<u>11,028</u>
22. OTHER EXPENSES		
Auditors Fees(Refer Note 21.1)	18,220	17,700
Advertisement Expenses	34,398	18,987
Rent	96,000	96,000
Rent & Taxes	8,870	8,900
Legal & Professional Charges	474,300	158,400
Contingent Provision for Standard Assets	2,885	29,523
Power & Fuel	26,163	27,808
Repair & Maintenance	10,280	8,220
Balance Written off	815,803	—
Depository & Registrar Expenses	73,069	72,790
Postage & Telegram	48,580	26,964
Printing & Stationary	37,668	46,111
Travelling & Conveyance	61,345	77,150
General Expenses	84,365	29,170
Listing Fees	315,650	287,500
Sundry Expenses(Refer Note 22.3)	18,648	20,511
	<u>2,126,245</u>	<u>925,734</u>

STEP TWO CORPORATION LIMITED

	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
22.1 AUDITOR'S REMUNERATION		
Statutory Audit Fees	18,220	17,700
	<u>18,220</u>	<u>17,700</u>
22.2 RENT, RATES & TAXES		
Professional Tax	4,620	2,500
Municipal Tax	—	2,150
Trade License	4,250	4,250
	<u>8,870</u>	<u>8,900</u>
22.3 SUNDRY EXPENSES		
Miscellaneous Expenses	18,648	20,511
	<u>18,648</u>	<u>20,511</u>
23. EARNINGS PER SHARE		
Profit/(Loss) after Tax attributable to equity shareholders	(1,357,216)	4,463,409
Weighted Average no. of shares Outstanding	4,247,300	4,247,300
Weighted Average no. of shares Outstanding including potential equity shares [Diluted]	4,247,300	4,247,300
Basic Earning per Share (Rs.)	(0.32)	1.05
Diluted Earning per Share (Rs.)	(0.32)	1.05

STEP TWO CORPORATION LIMITED

24. Related Party Disclosure

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

Name of Related Party	Relation	Nature of transaction	Amount(Rs.)	Amount(Rs.)
Bholanath Manna	Key Management Personnel	Remuneration	300,000	300,000
Sanjay Agarwal	Key Management Personnel	No Transactions	—	—
Keshav Kumar Saraf	Key Management Personnel	No Transactions	—	—
Mamta Sharma	Key Management Personnel	Remuneration	300,000	300,000
Basant Kumar Agarwal	Key Management Personnel	Remuneration	150,000	150,000

STEP TWO CORPORATION LIMITED

C. Cash Flow from Financing Activities

Share Allotment Money Received	—	—
Cash Flow from Financial Activities	—	—
Net Increase in Cash & Cash equivalent (A+B+C)	(909,019)	(728,845)
Cash & Cash equivalent (opening Balance)	3,895,304	4,624,148
Cash & Cash Equivalent (Closing Balance)	2,986,285	3,895,304

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	2,674,964	3,267,646
Other Bank Balances	—	500,000
-Cash In Hand	311,321	127,658
	<u>2,986,285</u>	<u>3,895,304</u>

For, **B. P. AGARWAL & ASSOCIATES**
Chartered Accountants
FRN No. 316155E
(AMIT TULSYAN)
Partner
Membership No. 064210
Date : 30.05.2019
Place: Kolkata

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

STEP TWO CORPORATION LIMITED

Schedule to the Balance Sheet of Non-Banking Financial Company

(as required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998)

Particulars	(Rs. in Thousands)	
Liabilities side :		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue
(a) Debentures : Secured	NIL	NIL
: Unsecured	NIL	NIL
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate loans and borrowing	NIL	NIL
(e) Commercial Paper	NIL	NIL
(f) Public Deposits*	NIL	NIL
(g) Other Loans (specify nature)	NIL	NIL
* Please see Note 1 below		
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
(a) In the form of Unsecured debentures	NIL	NIL
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	NIL	NIL
(c) Other public deposits	NIL	NIL
* Please see Note 1 below		
Assets side :		
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured		NIL
(b) Unsecured		39,867
(4) Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities		NIL
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease		NIL
(b) Operating lease		NIL
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire		NIL
(b) Repossessed Assets		NIL
(iii) Hypothecation loans counting towards EL/HP activities:		
(a) Loans where assets have been repossessed		NIL
(b) Loans other than (a) above		NIL

STEP TWO CORPORATION LIMITED

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

Current Investments :

1. Quoted :

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

2. Unquoted :

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

Long Term investments :

1. Quoted :

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

2. Unquoted :

(i) Shares : (a) Equity	3,900
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (Please specify)	NIL

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

Please see Note 2 below

1.1.1 Category	Amount net of provisions		
	Secured	Unsecured	Total
1.1.2 1. Related Parties **	Nil	Nil	Nil
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
1.2 2. Other than related parties	Nil	39,867	39,867
1.3 Total	Nil	39,867	39,867

STEP TWO CORPORATION LIMITED

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

Please see note 3 below

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

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

1.5.1.2 (8) **Other information**
Particulars

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

Notes :

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.