



SBC EXPORTS LIMITED

Our Company was incorporated as “SBC Exports Limited” on January 18, 2011 at Uttar Pradesh as a Public Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated January 18, 2011 issued by the Registrar of Companies, Uttar Pradesh and Uttarakhand and Later on, the Certificate of Commencement of Business was issued on 23rd February, 2011 by the Registrar of Companies, Uttar Pradesh and Uttarakhand. For further details of incorporation, change of name and registered office of our Company, please refer to chapter titled “General Information” and “Our History and Corporate Structure” beginning on pages 51 and page 142 respectively of this Draft Prospectus.

Corporate Identification Number: U18100UP2011PLC043209
Registered Office: House No.-20, Lohiya Talab, Choti Basahi, P.O. Vindhyaal Mirzapur, Uttar Pradesh-231307
Corporate office: 49/95, Sahibabad Industrial Area Site 4, Sahibabad, Ghaziabad, Uttar Pradesh- 201010
Tel: 0120-2895246

Email: info@sbcel.com **Website:** www.sbceexportslimited.com
Contact Person: Mr. Hari Om Sharma, Company Secretary & Compliance Officer

PROMOTERS OF OUR COMPANY: MR. DHEERENDRA KUMAR GUPTA AND MRS. DEEPIKA GUPTA

THE ISSUE	
<p>INITIAL PUBLIC ISSUE OF 29,82,000 EQUITY SHARES OF A FACE VALUE OF RS. 10/- EACH (THE "EQUITY SHARES") OF SBC EXPORTS LIMITED ("OUR COMPANY" OR "SBC" OR "THE ISSUER") FOR CASH AT A PRICE OF RS. 22/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. 12 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO RS. 656.04 LAKHS ("THE ISSUE") OF WHICH UPTO 1,50,000 EQUITY SHARES AT AN ISSUE PRICE OF RS. 22 PER EQUITY SHARE AGGREGATING TO RS. 33.00 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UPTO 28,32,000 EQUITY SHARES OF FACE VALUE OF RS. 10.00 EACH AT AN ISSUE PRICE OF RS. 22 PER EQUITY SHARE AGGREGATING TO RS. 623.04 LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 28.18% AND 26.76%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.</p> <p>THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED. IN TERMS OF RULE 19(2)(b)(i) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253 OF THE SEBI (ICDR) REGULATIONS, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER CHAPTER TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 232.</p> <p>In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to the chapter titled "Issue Procedure" beginning on page 232. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.</p> <p style="text-align: center;">THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH AND THE ISSUE PRICE IS RS. 22. THE ISSUE PRICE IS 2.20 TIMES OF THE FACE VALUE.</p>	
ELIGIBLE INVESTORS	
<p>For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" beginning on page 232.</p>	
RISK IN RELATION TO THE FIRST ISSUE	
<p>This being the first public issue of the Issuer, there has been no formal market for the securities of our Company. The face value of the Equity Shares of our Company is Rs.10 and the Issue price of Rs. 22 per Equity Share. The Issue Price (has been determined and justified by our Company in consultation with the Lead Manager, as stated under chapter titled "Basis for Issue Price" beginning on page 89) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.</p>	
GENERAL RISKS	
<p>Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 25.</p>	
ISSUER'S ABSOLUTE RESPONSIBILITY	
<p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.</p>	
LISTING	
<p>The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE") in terms of the Chapter IX of the SEBI (ICDR) Regulations, as amended from time to time. Our Company has received an approval letter dated [●] from BSE Limited ("BSE") for using its name in the Offer Document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited.</p>	
LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
<p>NAVIGANT CORPORATE ADVISORS LIMITED 423, A Wing, Bonanza, Sahar Plaza Complex, J B Nagar, Andheri Kurla Road, Andheri East, Mumbai-400 059 Tel No. +91-22-41204837/49735078 Email Id- navigant@navigantcorp.com Investor Grievance Email: info@navigantcorp.com Website: www.navigantcorp.com SEBI Registration Number: INM000012243 Contact Person: Mr. Vikas Chhangani</p>	<p>BIGSHARE SERVICES PRIVATE LIMITED E2 Asna Industrial Estate, Saki Vihar Road, Sakinaka Andheri East, Mumbai -400072 Tel.No. +91-22-40430200 Fax No. +91-22-28475207 Email: ipo@bigshareonline.com Investor Grievance Email: ipo@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Srinivas Dornala SEBI Regn. No.: INR000001385</p>
ISSUE PROGRAMME	
ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies, as amended, supplemented or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Prospectus but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI (ICDR) Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms used in of the sections “Statement of Tax Benefits”, “Financial Information of the Company”, “Main Provisions of Articles of Association”, “Basis for Issue Price”, “Our History and Corporate Structure”, “Other Regulatory and Statutory Disclosures” and “Outstanding Litigation and Material Developments” beginning on pages 92, 170, 260, 89, 142, 215 and 203 respectively, shall have the meaning ascribed to such terms in the relevant section.

GENERAL TERMS:

TERMS	DESCRIPTION
“SBCEL” “the Company”, “our Company” “SBC Exports” and “SBC Exports Limited “	SBC Exports Limited, a Company incorporated in India under the Companies Act, 1956 having its Registered office at House No.-20, Lohiya Talab, Choti Basahi, P.O.: Vindhyachal Mirzapur, Uttar Pradesh-231307 and Corporate office at 49/95, Sahibabad Industrial Area Site 4, Sahibabad, Ghaziabad, Uttar Pradesh- 201010
“we”, “us” and “our”	Unless the context otherwise indicates or implies, refers to our Company
“you”, “your” or “yours”	Prospective investors in this Issue
Our Promoters	Mr. Dheerendra Gupta and Mrs. Deepika Gupta
Promoters Group	Companies, Individuals and Entities (other than Companies) as defined under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 which is provided in the Section titled “Our Promoters and Promoters Group” beginning on page 163 of this Draft Prospectus.

COMPANY RELATED TERMS:

TERMS	DESCRIPTION
AOA/Articles/ Articles of Association	Articles of Association of SBC Exports Limited as amended from time to time
Associate Companies	A body corporate in which any other company has a significant influence, but which is not a subsidiary of the company having such influence and includes a joint venture company.
Auditors/ Statutory Auditors	M/s. R.N.K.A. & Co., Chartered Accountants
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013. For further details, please refer chapter titled “Our Management” beginning on page 148.
Banker to the Issue	[•]
Board of Directors / the Board / our Board	The Board of Directors of SBC Exports Limited, including all duly constituted Committees thereof. For further details of our Directors,

TERMS	DESCRIPTION
	please refer to section titled " Our Management" beginning on page 148 of this Draft Prospectus.
CMD	Chairman and Managing Director
CIN	Corporate Identification Number.
Chief Financial Officer	The Chief Financial Officer of our Company being Mr. Mukesh Bhatt.
Companies Act / Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Mr. Hari Om Sharma.
Corporate Office	49/95, Site-IV, Sahibabad Industrial Area, Ghaziabad, Uttar Pradesh-201010
Depositories Act	The Depositories Act, 2018, as amended from time to time.
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
DIN	Directors Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
ED	Executive Director
Equity Shares	Equity Shares of the Company of Face Value of Rs. 10/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons/ Entities holding Equity Shares of our Company.
GIR Numbers	General Index Registry Number.
Group Companies/ Group Company	The word "group companies", shall include such companies (other than promoter (s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board of the issuer as disclosed in "Our Group companies"on page 214 of this Draft Prospectus.
HUF	Hindu Undivided Family.
IBC	The Insolvency and Bankruptcy Code, 2016
IFRS	International Financial Reporting Standards
Independent Director	A Non- executive, Independent Director as per the Companies Act, 2013 and the Listing Regulations
Indian GAAP	Generally Accepted Accounting Principles in India
ISIN	International Securities Identification Number. In this case being - INE04AK01010
IT Act	The Income Tax Act,1961 as amended till date
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013. For details, see section entitled "Our Management" on page 148 of this Draft Prospectus.
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
MD	Managing Director
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on 15 th December, 2018, in accordance with the requirements of the SEBI (ICDR) Regulations
MOA / Memorandum / Memorandum of Association	Memorandum of Association of SBC Exports Limited as amended from time to time.
Nomination and Remuneration Committee	The Nomination and Remuneration committee of our Board constituted in accordance the Companies Act, 2013.
Non- Executive Director	A Director not being an Executive Director or an Independent Director
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident

TERMS	DESCRIPTION
	Outside India) Regulations, 2000.
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being Jagdish Chand & Co., Chartered Accountants.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office	House No.-20, Lohiya Talab, Choti Basahi, P.O.: Vindhyachal Mirzapur, Uttar Pradesh-231307
Reserve Bank of India/RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Information	The restated audited financial statements of our Company, which comprises of the restated audited balance sheet, the restated audited profit and loss information and restated audited cash flow information, as at and for period ended December 31, 2018 and for years ended March 31, 2018, 2017, & 2016 together with the annexure and notes thereto as disclosed in Section titled “Financial Statements” beginning on page 170 of this Draft Prospectus
RoC/ Registrar of Companies	Registrar of Companies, Uttar Pradesh
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI (ICDR) Regulations /ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015 / SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2018 as amended, including instructions and clarifications issued by SEBI from time to time.
Subsidiary/Subsidiaries	For details of our Subsidiaries, Please refer section titled “Our Promoters and Promoter Group” beginning on page 163 of this Draft Prospectus.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
Stakeholder’s Relationship Committee	Stakeholder’s relationship committee of our Company constituted in accordance with the Companies Act, 2013
Stock Exchange	Unless the context requires otherwise, refers to, BSE Limited
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Subscriber to MOA	Initial Subscribers to MOA & AOA being Mr. Govind ji Gupta, Mrs. Deepika Gupta, Late Mr. Sandeep Kumar Gupta, Mrs. Sarika Gupta, Mr. Dheerendra Kumar Gupta, Mr. Gaurav Gupta and Mr. Sudeshwar Kumar Gupta.
WTD	Whole-time Director

ISSUE RELATED TERMS:

Terms	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an applicant as proof of registration of the Application.
Allotment/Allot/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Issue to the successful applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allottee (s)	A successful applicant to whom the Equity Shares are allotted.
Applicant/ Investor	Any prospective investor who makes an application pursuant to the terms of the Prospectus and the Application form.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Draft Prospectus.
Application Form	The form, whether physical or electronic, used by an Applicant to make an application, which will be considered as the application for Allotment for purposes of this Draft Prospectus.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by all applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB. Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors shall apply through ASBA process only.
ASBA Account	Account maintained by the ASBA Investor with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Investor.
ASBA Application Location (s)/ Specified Cities	Cities as specified in the SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Ahmedabad, Bangalore, Baroda (Vadodara), Chennai, Delhi, Hyderabad, Jaipur, Kolkata, Mumbai, Pune, Rajkot and Surat
Bankers to our Company	Such bank which is disclosed as bankers to our company in the chapter titled "General Information" on page 51 of this Draft Prospectus.
Bankers to the Issue and Refund Banker	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being [●]
Banker to the Issue Agreement	Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful applicants under the issue and which is described in the Section titled " <i>Issue Procedure</i> " beginning on page 232 of the Draft Prospectus.
Broker Centers	Broker centres notified by the Stock Exchanges, where the investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
BSE	BSE Limited
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository	A depository participant as defined under the Depositories Act, 1996, registered

Terms	Description
Participants or CDPs	with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the LM, the Registrar to the Issue and the Stock Exchange.
Demographic Details	The demographic details of the applicants such as their Address, PAN, name of the applicants father/husband, investor status, Occupation and Bank Account details.
Depository / Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Designated Date	On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/ or unblocked in terms of the Draft Prospectus
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/ . Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com
Designated Intermediaries/ Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Market Maker	[•]
Designated Stock Exchange	BSE Limited (SME Exchange) ("BSE SME")
DP	Depository Participant
DP ID	Depository Participant's Identity Number
Draft Prospectus	Draft prospectus dated 10 th April, 2019 issued in accordance with Section 32 of the Companies Act, 2013.
Eligible NRI	A Non Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Draft Prospectus will constitute an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value Rs. 10/- each
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened demat accounts with SEBI registered qualified depository

Terms	Description
	participants.
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI.
Issue Agreement	The Agreement dated 8 th April, 2019 between our Company and LM
IPO	Initial Public Offering.
Issue / Public Issue / Issue size/ Initial Public Issue / Initial Public Offer/ Initial Public Offering / IPO	The Public Issue 29,82,000 Equity shares of Rs. 10/- each at issue price of Rs. 22/- per Equity share, including a premium of Rs. 12/- per equity share aggregating to Rs. 656.04 Lakhs.
Issue Closing Date	The date after which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Opening Date	The date on which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Draft Prospectus being Rs. 22/- per equity share.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer Section titled " Objects of the Issue " beginning on page 83 of the Draft Prospectus
Listing Agreement	The Equity Listing Agreement to be signed between our Company and BSE.
LM/Lead Manager	Lead Manager to the Issue, in this case being Navigant Corporate Advisors Limited.
Lot Size	6000 Equity Shares
Market Maker	Member Brokers of BSE who are specifically registered as Market Makers with the BSE Emerge Platform. In our case, [●] is the sole Market Maker
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker

Terms	Description
Market Maker Reservation Portion	The reserved portion of 1,50,000 Equity Shares of Rs. 10/- each at an Issue price of Rs. 22/- each aggregating to Rs. 33.00 Lakh to be subscribed by Market Maker in this issue.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 28,32,000 equity Shares of Rs. 10/-each at a price of Rs. 22/- per Equity Share (the “Issue Price”), including a share premium of Rs. 12/- per equity share aggregating to Rs. 623.04 (In Lakhs).
Net Proceeds	The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the Chapter titled “ <i>Objects of the Issue</i> ” beginning on page 83 of this Draft Prospectus.
Non-Institutional Investors	Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than Rs. 2,00,000/-
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB’s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Prospectus	The prospectus, filed with the ROC in accordance with the provisions of Section 32 of the Companies Act, 2013, containing, <i>inter alia</i> , the Issue Price will be determined before filing the Prospectus with RoC
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the Applicant, on the Designated Date.
Qualified Institutional Buyers/ QIBs	A Mutual Fund, Venture Capital Fund, Alternative Investment Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign portfolio investor/ investor other than Category III foreign portfolio investor, registered with the Board; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of ` 25.00 Crore; a pension fund with minimum corpus of Rs. 25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 - DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and systemically important non-banking financial companies.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue being Bigshare Services Pvt. Ltd.
Registrar Agreement	The agreement dated 8 th April, 2019 entered into between our Company, and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registered Broker	Individuals or companies registered with SEBI as “Trading Members”(except Syndicate/Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges, through which

Terms	Description
	investors can buy or sell securities listed on stock exchanges, a list of which is available on https://www.bseindia.com/members/MembershipDirectory.aspx?expandable=2 or http://www.nseindia.com/membership/content/cat_of_mem.htm
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s).
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 DATED November 10, 2015 issued by SEBI.
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Self Certified Syndicate Bank(s) / SCSB(s)	Banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available http://www.sebi.gov.in/pmd/scsb.pdf
SME Exchange	SME Platform of the BSE i.e. BSE SME.
SEBI(PFUTP) Regulations /PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
Transaction Registration Slip / TRS	The slip or document issued by the member of the Syndicate or an SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
Underwriters	[•]
Underwriting Agreement	The Agreement dated [•] entered between the Underwriters (in this issue LM being the Underwriter), and our Company.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Working Day	Any day, other than Saturdays or Sundays, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Issue Opening Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all trading days excluding Sundays and bank holidays in India in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

INDUSTRY RELATED TERMS/TECHNICAL TERMS:

TERMS	DESCRIPTION
AIR	All Industry Rates
ARMs	Additional Revenue Measures
ASEAN	Association of Southeast Asian Nations
ASPIRE	A Scheme from Promoting Innovation and Rural Entrepreneurs

TERMS	DESCRIPTION
ASSOCHAM	The Associated Chambers of Commerce and Industry of India
BBB	Better Business Bureaus
BC	Before Christ
BCD	Basic Customs Duty
CAD	Computer-Aided Drafting
CAGR	Compound Annual Growth Rate
CAP	Corrective Action Plan
Cap Ex	Capital Expenditure
CARE	Credit Analysis and Research
CENVAT	Central Value Added Tax
CGTMSE	Credit Guarantee Trust Fund for Micro and Small Enterprises
CLCSS	Credit Linked Capital Subsidy Scheme
CIS	Capital Investment Subsidy
CoE	Centre for Excellence
CPI	Consumer price index
CSO	Central Statistics Office
Credit Suisse	Credit Suisse Business Analytics India
DIPP	Department of Industrial Policy and Promotion
EBO	Exclusive Brand Outlet
EIEs	Emerging Industrial Economics
EMDEs	Emerging Market and Developing Economies
EMEs	Emerging Market Economies
FDI	Foreign Direct Investment
FOB	Freight On Board or Free on Board
FPI	Foreign Portfolio Investment
FY	Financial Year
GST	Goods and Service Tax
GVA	Gross Value Added
HTC	High Tech Computer Corporations
IBEF	India Brand Equity Foundation
IIP	Index of Industrial Production
IMF	International Monetary Fund
JV	Joint Venture
Ktpa	Kilo-Tonnes per Annum
Mtrs	Meters
MAI	Market Access Initiative
MAT	Minimum Alternative Tax
MBOs	Multi-brand outlets
MDA	Market Development Assistance Scheme
MEIS	Merchandize Exports From India Scheme
M-o-M	Month-On-Month
MoS	Minister of State
MoU	Memorandum of Understanding
MSECDP	Micro and Small Enterprises - Cluster Development Programme
MSMEs	Micro, Small and Medium Enterprises
MT	Million Tones
MUDRA	Micro Unit Development & Refinance Agency Limited
MYEA	Mid-Year Economic Analysis
NER	North East Region
NITI Aayog	National Institution for Transforming India Aayog
NITRA	Northern India Textile Research Association
NMP	National Manufacturing Policy

TERMS	DESCRIPTION
NTP, 2000	National Textile Policy, 2000 issued by the Ministry of Textiles, Gol
OMO	Open Market Operations
Pcs	Pieces
PC	Pay Commission
PMEGP	Prime Minister's Employment Generation Programme
PMI	Purchasing Managers' Index
PMMY	Pradhan Mantri MUDRA Yojana
PMO	Prime Ministers' Office
PPP	Purchasing Power Parity
RMG	Readymade Garments
RTS	Ready to Stitch
RTW	Ready to Wear
SASMIRA	The Synthetic and Art Silk Mills' Research Association
SFURTI	Scheme of Fund for Regeneration of Traditional Industries
SIDBI	Small Industries Development Bank of India
SITP	The Scheme for Integrated Textile Parks
SITRA	The South India Textile Research Association
Sq. Mtrs	Square Meters
TADF	Technology Acquisition and Development Fund
Texprocil	The Cotton Textiles Exports Promotion Council
TMTT	Technology Mission on Technical Textiles
TPA/ tpa	Tonnes Per Annum
TPM/ tpm	Tonnes Per Month
TUFS	Technology Up gradation Fund Scheme
UAM	Udyog Aadhaar Memorandum
UAN	Udyog Aadhaar Number
UK	United Kingdom
UNIDO	United Nations Industrial Development Organisation
US Fed	United State Federal Reserve
US\$/ US dollar	United States Dollar, the official currency of United States of America
US/ U.S./ USA	United States of America
WEO	World Economic Outlook
WPI	Wholesale Price Index
WTO	World Trade Organisations

ABBREVIATIONS:

ABBREVIATION	FULL FORM
ACS	Associate Company Secretary
A/C	Account
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
AOA	Articles of Association
ASBA	Application Supported by Blocked Amount
B.Com	Bachelor of Commerce
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
B.Sc.	Bachelor of Science
B. Tech.	Bachelor of Technology
BSE	BSE Limited

ABBREVIATION	FULL FORM
CAGR	Compounded Annual Growth Rate
CB	Controlling Branch
CC	Cash Credit
CENVAT	Central Value Added Tax
C. A.	Chartered Accountant
CIN	Corporate Identification Number
CST	Central Sales Tax
CAIIB	Certified Associate of the Indian Institute of Bankers
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
C.S.	Company Secretary
DGFT	Directorate General of Foreign Trade
DIN	Director Identification Number
DIPP	Department of Industrial Policy & Promotion
DP	Depository Participant
DP ID	Depository Participant's Identification Number
DNB	Diplomat of National Board
ECS	Electronic Clearing System
EBIDTA	Earnings before Interest, Depreciation, Tax and Amortisation
EGM / EOGM	Extra Ordinary General Meeting of the shareholders
EPFA	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per Equity Share
ESOP	Employee Stock Option Plan
ESIC	Employee's State Insurance Corporation
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued there under.
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time
FPIs	"Foreign Portfolio Investor" means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992
FIs	Financial Institutions.
FIPB	Foreign Investment Promotion Board, Department of Economic Affairs, Ministry of Finance, Government of India
FY / Fiscal	The period of twelve (12) months ended on March 31 of that particular year
FV	Face Value
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gol/ Government	Government of India
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
i.e.	That is
IFRS	International Financial Reporting Standards
IRDA	Insurance Regulatory and Development Authority

ABBREVIATION	FULL FORM
Indian GAAP	Generally Accepted Accounting Principles in India
I. T. Act	The Income Tax Act, 1961, as amended.
IT Authorities	Income Tax Authorities
I. T. Rules	The Income Tax Rules, 1962, as amended, except as stated otherwise
INR / Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
IPO	Initial Public Offer
KMP	Key Managerial Personnel
LM	Lead Manager
MICR	Magnetic Ink Character Recognition
Mn	Million
MNC	Multi National Company
MOA	Memorandum of Association
MOF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
MBA	Master's in Business Administration
N.A.	Not Applicable
NAV	Net Asset Value
No.	Number
NR	Non Resident
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NRE Account	Non-Resident (External) Account
NRO Account	Non-Resident (Ordinary) Account
NI Act	Negotiable Instruments Act, 1881
OCB	Overseas Corporate Bodies
p.a	Per annum
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
Pvt	Private
P/E Ratio	Price/Earnings Ratio
QIB	Qualified Institutional Buyer
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement Indian Rupees, the official currency of the Republic of India
SARFAESI	The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts Regulations Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI (Venture Capital) Regulations	Regulations Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time
Sec.	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985



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ABBREVIATION	FULL FORM
SME	Small And Medium Enterprises
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
USD/ \$/ US\$	The United States Dollar, the legal currency of the United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US\$/ \$	United States Dollar, the official currency of the United States of America
VAT	Value added tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India
w.e.f	With effect from
YoY	Year on Year



SBC EXPORTS LIMITED

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION

Certain Conventions

All references in the Draft Prospectus to “India” are to the Republic of India. All references in the Draft Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this Draft Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “SBC Exports”, and “SBCEL”, and, unless the context otherwise indicates or implies, refers to SBC Exports Limited. In this Draft Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Use of Financial Data

Unless stated otherwise, throughout this Draft Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Draft Prospectus is derived from our financial statements prepared and restated for the period ended 31st December, 2018 and for financial year ended 31st March 2018, 2017 and 2016 and in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “**Financial Statements**” beginning on page 170 of this Draft Prospectus. Our Company has subsidiaries. Accordingly, financial information relating to us is presented on Standalone basis. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “**Risk Factors**”, “**Business Overview**”, “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” and elsewhere in the Draft Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Review Auditor, set out in section titled “**Financial Statements**” beginning on page 170 of this Draft Prospectus.

For additional definitions used in this Draft Prospectus, see the section “**Definitions and Abbreviations**” on page 2 of this Draft Prospectus. In the section titled “**Description of Equity shares and terms of the Articles of Association**”, on page 260 of the Draft Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

Use of Industry & Market Data

Unless stated otherwise, industry and market data and forecast used throughout the Draft prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.



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Although, we believe industry and market data used in the Draft Prospectus is reliable, it has not been independently verified by us or the LM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In accordance with the SEBI (ICDR) Regulations, the section titled “*Basis for Issue Price*” on page 89 of the Draft Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

Currency of Financial Presentation

All references to “Rupees” “Rs.” or “INR” or “`” are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled “*Industry Overview*” throughout the Draft Prospectus all figures have been expressed in thousands, Lakhs/Lakhs, Million and Crore.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*” on page 25, 110 and 193 in the Draft Prospectus, unless otherwise indicated, have been calculated based on our restated respectively financial statement prepared in accordance with Indian GAAP.

The Draft Prospectus contains conversion of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI (ICDR) Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

FORWARD LOOKING STATEMENTS

This Draft Prospectus includes certain “forward-looking statements”. We have included statements in the Draft Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. General economic and business conditions in India and other countries;
2. Ability to retain the customers is heavily dependent upon various factors including our reputation and our ability to maintain a high level of service quality including our satisfactory performance for the customers;
3. Dependence on our information technology systems;
4. We operate in a significantly fragmented and competitive market in each of our business segments;
5. Regulatory changes relating to the finance and capital market sectors in India and our ability to respond to them;
6. Our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks that have an impact on our business activities or investments;
7. Our ability to retain our key managements persons and other employees;
8. Our ability to grow our business;
9. The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
10. Changes in the value of the Rupee and other currencies;
11. The occurrence of natural disasters or calamities; and
12. Change in political and social condition in India.

For further discussion of factors that could cause our actual results to differ, see the Section titled “**Risk Factors**”; “**Our Business**” and “**Management’s Discussion and Analysis of Financial Position and Results of Operations**” beginning on page 25, 110 and 193 respectively of the Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Neither our Company, our Directors, our Officers, Lead Manager and Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, Selling Shareholder and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

SECTION II - SUMMARY OF DRAFT PROSPECTUS

PRIMARY BUSINESS OF THE COMPANY

In the year 2011, Our Company was engaged in the Trading of handmade carpets, cushion covers, cotton quilts and bedspreads etc. in the Mirzapur. Our Company established itself in the major portion of Uttar Pradesh and became a manufacturer of quality readymade apparels. In order to diversify the business, we expanded our activities in Information Technology, Manpower Supply Services and Tour and Travels Services.

Our Company was initially incorporated as “SBC Exports Limited” on January 18, 2011 at Uttar Pradesh as a Public Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated January 18, 2011 issued by the Registrar of Companies, Uttar Pradesh and Uttarakhand and Later on, the Certificate of Commencement of Business was issued on 23rd February, 2011 by the Registrar of Companies, Uttar Pradesh and Uttarakhand.

Mrs. Deepika Gupta, Mr. Dheerendra Kumar Gupta along with their relatives laid the foundation of our Company in the name of M/s SBC Exports Limited in the year 2011 and since incorporation, Our Present Promoter i.e. Mrs. Deepika Gupta, Mr. Dheerendra Kumar Gupta are heading the Company.

Our Company operates in 3 (Three) key segments:

- Textiles, Garments including Carpets;
- IT Services & Manpower supply; and
- Online & Offline Hotel / Travel / Vacation Bookings



We have been evolved as a trading company and were engaged in the trading of handmade carpets, cushion covers, cotton quilts and bedspreads etc., Going forward, our Company started its Hosiery Fabrics & Hosiery Garments Trading in Mirzapur. In the year 2017, Our Company set up its own manufacturing plants at

- House No-20, Lohiya Talab, Chotti Basahi, P.O, Vindhyachal, Mirzapur, Uttar Pradesh-231307; and
- 49/95 Site-IV Sahibabad industrial Area, Ghaziabad Uttar Pradesh-201010.

Our Company has in-house stitching and quality control which is supervised at all levels by experienced people to ensure high end quality product gets passed on to customer. Our Company continuously strives to update and improve its quality.

Our Company is also engaged in production of quality Hosiery Fabrics & Hosiery Garments for Ladies, Mens' and Kids'. Our Company has a bouquet of a variety of T-Shirts, Denims, Sweat Shirts, Trousers, and Jackets and Leggings etc. which are sold under brand name of “SBC DESIGN+”, “SBC F-ROUTE”, “IEDEE”. We have also forayed into Home Furnishings which includes handmade carpets, cushion covers, cotton quilts and bedspreads etc. We have also started to direct sales our products through our online selling website www.frouteclothing.com and mobile APP which has product customisation offering.



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We source our raw materials, other fabrics and finished materials from various suppliers, weavers and traders. To maintain quality of our product we have implemented several quality control mechanisms for sourcing of raw materials.

Our Company believes that our current manufacturing facility is well-equipped with automated and semi-automated equipment and facilities. We have a dedicated team of creative work force including fashion designers, fashion technologists, CAD designers, sketch and paint artists, other skilled and semi-skilled job workers etc. who possess in-depth knowledge of market behaviour and customer preference and helps us to introduce new and niche designs. Our successful association with experienced fashion designers in past have redefined our outlook towards global fashion trends.

Our Company primarily sells our products through our distributors. Our Company provide our product samples along with design catalogue to distributors for reaching out to the wholesale and retail shops in domestic market.

Our Company also diversified its business to Information Technology and Manpower Supply Services wherein we provide various types of services to the Government sector Departments such as Software Development, E-Office Modernization, E-Governance, Manpower etc. Our Company has worked on some of projects with National Informatics Centre Services Inc. (NICS) - India, Delhi Government, Broadcast Engineering Consultants India Limited (BECIL), Delhi Government and Jharkhand Agency for Promotion of Information Technology, Jharkhand Government and is amongst very few Companies shortlisted for Manpower Supply projects.

Following are some of our focused service areas of engagement:

- e-Governance Projects - Training and Implementation (Rollout of Services)
- Manpower support (IT and Non-IT) for Speedy Implementation and Rollout of Projects (MMPs)
- Professional Support Services for Application Development / Web Development
- Manpower Categories include Data Entry Operator / Operation Manager / Operation Assistant / IT Assistants / Office Assistant / Multi-Tasking Staff / Team Leader / Software Developer etc
- Web Based Software / Application Development / Website Development (GIGW Compliance)
- Scanning and Digitization / Document Management System
- Skill Development (Registered with DDUGKY)
- Training and Development (Soft Skill Trainings)
- Security & Surveillance Projects
- System Integration

Also, Our Company also started its business operations in the area of the Tour and Travel Services by launching of its online portal www.maujitrrip.com, a one stop destination for all travel, hotel & vacation bookings.

The portal works as a Tour & Travel Booking engine, which arranges all kinds of facilities to the customers who book their tours & travel. Our Company with its professionally managed travel engine specializes mainly in organizing Adventure, Cultural, Religious, Hill station & wildlife tours in India through a sprawling network. It offers 24 X 7 hours services that include travel planning, itinerary design, hotel bookings, ticket reservations and transport facilities. It also provides holiday packages, customized as per client's need and budget. Its services cover all the destinations in India from the remote lifestyle tucked in the Indian Himalaya to the underwater coral life of Andaman and from the tribes of North East India to royal heritage of Rajasthan.

For detailed information on our business activities, please refer to section titled "OUR BUSINESS" on page 110 of this Draft Prospectus.



SBC EXPORTS LIMITED

SUMMARY OF INDUSTRY IN WHICH THE COMPANY IS OPERATING

India’s textiles sector is one of the oldest industries in Indian economy dating back several centuries. India’s overall textile exports during FY 2017-18 stood at US\$ 39.2 billion.

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

The Indian textiles industry, currently estimated at around US\$ 150 billion, is expected to reach US\$ 250 billion by 2019. India’s textiles industry contributed seven per cent of the industry output (in value terms) of India in 2017-18. It contributed two per cent to the GDP of India and employs more than 45 million people in 2017-18. The sector contributed 15 per cent to the export earnings of India in 2017-18.

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market.

High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

For more details please refer chapter titled “Industry Overview” beginning on page 94 of this Draft Prospectus.

NAME OF PROMOTERS

The Promoters of our Company is Mr. Dheerendra Kumar Gupta and Mrs. Deepika Gupta. For detailed information on our Promoters and Promoters’ Group, please refer to Chapter titled “Our Promoters and Promoters’ Group” on page 163 of this Draft Prospectus.

SIZE OF THE ISSUE

Our Company is proposing the Initial Public Issue of 29,82,000 Equity Shares of face value of Rs.10 each for cash at a price of Rs. 22 per Equity Share including a Share Premium of Rs. 12 per Equity Share (the “issue price”) aggregating to Rs. 656.04 Lakhs (“the issue”) of which 1,50,000 Equity Shares of face value of Rs. 10 each for cash at a price of Rs. 22 per Equity Share including a Share Premium of Rs. 12 per Equity Share aggregating to Rs. 33.00 Lakhs will be reserved for subscription by Market Maker to the issue (the “Market Maker Reservation Portion”). The issue less the Market Maker Reservation portion i.e. 28,32,000 Equity Shares of face value of Rs. 10 each at a price of Rs. 22 per Equity Share including a Share Premium of Rs. 12 per Equity Share aggregating to 623.04 lakh is herein after referred to as the “net issue”. The Issue and the Net Issue will constitute 28.18% and 26.76% respectively of the Post Issue Paid up Equity Share Capital of our Company.

OBJECT OF THE ISSUE

The details of proceeds of the Issue are set out in the following table:

Particulars	Estimated Amount (Rs.in Lakhs)
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Particulars	Estimated Amount (Rs.in Lakhs)
To part finance working capital requirements of the Company.	510.00
General Corporate Purpose	96.04
Issue related expenses	50.00
Gross Proceeds from the Issue	656.04

For detailed information on the “Objects of the Issue”, please refer to section titled “Objects of the Issue” on page 83 of this Draft Prospectus.

AGGREGATE PRE-ISSUE SHAREHOLDING OF THE PROMOTER AND PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF OUR COMPANY

Aggregate Pre-Issue Shareholding of the Promoter and Promoter as a percentage of the paid-up share capital of our Company.

Sr. No.	Name of share holder	No. of equity shares (Pre- issue)	As a % of Pre-issue Issued Capital*
Promoters			
1	Mr. Dheerendra Kumar Gupta	25,25,000	33.22
2	Mrs. Deepika Gupta	31,30,000	41.18
Total - A		56,55,000	74.40
Promoters' Group			
1	Mr. Govindji Gupta	4,04,000	5.32
2	M/s. SBC Finmart Ltd	10,00,000	13.16
3	Mr. Sudeshwar Kumar Gupta	2,500	0.03
Total - B		14,06,500	18.51
Total Promoters and Promoters' Group (A+B)		70,61,500	92.91

FINANCIAL DETAILS

Following are details as per the restated financial statements for past three years and stub period in tabular format:

(Rs. in Lakhs except EPS and NAV per share)

Sr. No.	Particulars	For the period Ended on December 31, 2018	For the year ended on		
			March 31, 2018	March 31, 2017	March 31, 2016
1.	Share Capital	760.00	10.00	10.00	10.00
2.	Net worth	1209.14	141.28	58.32	25.47
3.	Revenue from operations	5848.51	6399.45	2865.70	2115.76
4.	Profit After Tax	69.37	82.97	32.84	6.58
5.	Earnings Per Share - Basic (Rs.)	2.60	82.97	32.84	6.58
6.	Earnings Per Share - Diluted (Rs.)	2.60	82.97	32.84	6.58
7.	NAV per Equity Shares	45.38	141.28	58.34	25.47
8.	Total Borrowings (As per Restated Balance Sheet)*	301.15	120.71	40.79	12.31

QUALIFICATIONS OF AUDITORS

The Restated Financial Statements do not contain any qualification requiring adjustments by the Auditors.

OUTSTANDING LITIGATIONS

S.No.	Outstanding Litigations	Amount (in Lakhs)
1.	Pending Litigations involving our Company, our directors, our promoters	NIL

For detailed information on the “Outstanding Litigations”, please refer to section titled “Outstanding Litigations and Material Developments” on page 203 of this Draft Prospectus.

RISK FACTORS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India or does SEBI guarantees the accuracy or adequacy of this document.

Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page 25 of this Draft Prospectus.

CONTINGENT LIABILITIES

There are no the Contingent Liabilities of the Company for the period ended on December 31, 2018 and financial years ended on March 31, 2018, 2017 and 2016.

For detailed information on the Contingent Liabilities on our Company, please refer chapter titled “Financial Statements” beginning on page 170 of this Draft Prospectus.

RELATED PARTY TRANSACTIONS
STATEMENT OF DETAILS OF RELATED PARTY TRANSACTIONS

Particulars	Relationship	Name	(Rs. In Lakhs)			
			31.12.18	31.03.18	31.03.17	31.03.16
Director Remuneration	Director	Mrs. Deepika Gupta	7.38	10.00	9.00	3.00
	Director	Mr. Dheerendra Kumar Gupta	4.92	7.00	5.00	3.00
	Director	Mr. Amit Kumar Agrawal	6.86	6.50	6.00	-
	Director	Mr. Parveen	4.84	6.38	3.58	-
Equity Contribution	Director	Mrs. Deepika Gupta	372.00	-	-	-
	Director	Mr. Dheerendra Kumar Gupta	377.00	-	-	-
	Director	Mr. Amit Kumar Agrawal	50.00	-	-	-
	Relative of Director	Mr. Govindji Gupta	100.00	-	-	-
	Group company	M/s. SBC Finmart Ltd	100.00	-	-	-

FINANCING ARRANGEMENTS

The promoters, members of the promoter group, the directors of the company which is a promoter of the issuer, the directors of the issuer and their relatives have not financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Prospectus.

WEIGHTED AVERAGE PRICE & COST OF ACQUISITION

Weighted average price at which the Equity Shares were acquired by our Promoters in Last One Year:

Sr. No.	Name of Promoters	No. of Equity Shares Acquired during last one Year	Weighted Average Price* (in Rs. per equity share)
1	Mr. Dheerendra Kumar Gupta	25,00,000	10
2	Mrs. Deepika Gupta	31,00,000	10

The promoters i.e. Mr. Dheerendra Kumar Gupta and Mrs. Deepika Gupta had further invested Rs. 126.96 Lakhs and Rs. 121.92 Lakhs respectively pursuant to the provisions of Regulation 14 of SEBI ICDR Regulations, 2018 to meet the requirement of Promoter's Contribution.

* The Weighted Average Price for Equity Shares acquired during last one year has been calculated by taking into account the amount paid by the Promoter to acquire, by way of fresh issuance or transfer, the Equity Shares and the net cost of acquisition has been divided by total number of shares acquired during last one year.

**As certified by our Statutory Auditor vide their certificate dated 8th April, 2019.

AVERAGE COST OF ACQUISITIONS OF SHARES FOR PROMOTERS*

Sr. No.	Name of Promoters	No. of Equity Shares held	Average Cost of Acquisition per equity share (in Rs.)*
1	Mr. Dheerendra Kumar Gupta	25,25,000	10.00
2	Mrs. Deepika Gupta	31,30,000	10.00

The promoters i.e. Mr. Dheerendra Kumar Gupta and Mrs. Deepika Gupta had further invested Rs. 126.96 Lakhs and Rs. 121.92 Lakhs respectively pursuant to the provisions of Regulation 14 of SEBI ICDR Regulations, 2018 to meet the requirement of Promoter's Contribution.

* The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares less amount received by them for the sale of Equity Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date of the Draft Prospectus.

**As certified by our Statutory Auditor vide their certificate dated 8th April, 2019.

PRE-IPO PLACEMENT

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Prospectus till the listing of the Equity Shares.



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ISSUE OF SHARE FOR CONSIDERATION OTHER THAN CASH

Our Company has not issued any equity shares for consideration other than cash during last one year.

SPLIT / CONSOLIDATION

No Split or Consolidation was happened during the last one year.

SECTION III**RISK FACTORS**

An investment in Equity Shares involves a high degree of risk. prospective investors should carefully consider all the information in this Draft Prospectus, particularly the “Financial Statements” and the related notes, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 170, 110 and 193 respectively and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.

The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares.

While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Draft Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved.

The following factors have been considered for determining the materiality of Risk Factors:

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively;*
- *Some events may not be material at present but may have material impact in future.*

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Draft Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein.

In this Draft Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “Risk Factors” beginning on page 25 and “Management Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 193 unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “Audited Financial Statements, as restated” prepared in accordance with the Indian Accounting Standards.

For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviations” beginning on page 2 of this Draft Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of

one risk factor over another.

INTERNAL RISK FACTORS:*Risk factors related to Textile and Garment Business :-*

- 1. Our manufacturing operations at our Manufacturing Facility Situated at House No-20, Lohiya Talab, Chotti Basahi, P.O, Vindhyachal, Mirzapur, Uttar Pradesh - 231307, 49/95 Site-IV Sahibabad industrial Area, Ghaziabad Uttar Pradesh-201010 are critical to our business and any shutdown of our manufacturing facilities may have an adverse effect on our business, results of operations and financial condition.**

Our Company produces quality Hosiery Fabrics & Hosiery Garments for Ladies, Mens' and Kids' and our success depend on our ability to successfully manufacture and deliver our products to meet our customer demand. Our manufacturing facilities are also susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. It is also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties.

- 2. Obsolescence, destruction, theft, breakdowns of our major plants or machineries or failures to repair or maintain the same may affect our business, cash flows, financial condition and results of operations.**

Obsolescence, destruction, theft or breakdowns of our major plants or machineries may significantly increase our machineries purchase cost and the depreciation of our plants and machineries, as well as change the way our management estimates the useful life of our plants and machineries. In such cases, we may not be able to acquire new plants or machineries or repair the damaged plants or machineries in time or at all, particularly where our plants or machineries are not readily available from the market or require services from original machinery manufacturers. Some of our major machineries or parts may be costly to replace or repair. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability. Such obsolescence, destruction, theft, breakdowns, repair or maintenance failures or price increases may not be adequately covered by the insurance policies availed by our Company and may have an effect our business, cash flows, financial condition and results of operations. For further details of our Plant and Machineries, please refer to chapter titled "Our Business" beginning on page 110 of the Draft Prospectus.

- 3. Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances. A significant disruption at any of our manufacturing facilities may adversely affect our production schedules, costs, sales and ability to meet customer demand.**

Our business operations are subject to hazards such as risk of equipment failure, work accidents, fire or explosion and require individuals to work under potentially dangerous circumstances or with flammable materials. Although we employ safety procedures in the operation of our facilities and maintain what we believe to be adequate insurance, there is a risk that an accident or death may occur in one of our facilities. An accident may result in destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects.

4. Our Manufacturing operations may be adversely affected in case of industrial accidents at any of our production facilities.

Usage of heavy machinery, handling of materials by labour during production process or otherwise, lifting of materials by humans, cranes, heating processes of the furnace etc. may result in accidents, which could cause injury to our labour, employees, other persons on the site and could also damage our properties thereby affecting our operations. Further our plants and machinery and personnel are not covered under insurance and hence any such occurrence of accidents could hamper our production and consequently affect our profitability.

In particular, if operations at our manufacturing facility were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects.

5. The capacity of our current plant units is not fully utilized. Consecutively, if there is also any under-utilization of our capacities in next three years, it could affect our ability to fully absorb fixed costs and thus may adversely impact our financial performance.

The capacity of our current plant is not fully utilized. The capacity utilization of our plant situated at House No-20, Lohiya Talab, Chotti Basahi, P.O, Vindhyachal, Mirzapur, Uttar Pradesh - 231307, 49/95 Site-IV Sahibabad industrial Area, Ghaziabad Uttar Pradesh-201010 has not been fully utilized at these plant. Also, Our Company had used to increase its Capacity in previous. For more details, please refer chapter “Our Business” on page 110 of this Draft prospectus.

Further, we propose to fully utilize our production capacities in coming years based on our estimates of market demand and profitability. In the event of nonmaterialization of our estimates and expected order flow for our product and/or failure of optimum utilization of our capacities, due to factors including adverse economic scenario, change in demand or for any other reason, our capacities may not be fully utilized thereby impairing our ability to fully absorb our fixed cost and may adversely impact our financial performance.

6. We face foreign exchange risks that could affect our results of operations

We face foreign exchange rate risk to the extent that certain of our revenues are denominated in a currency other than the Indian Rupee. Due to our foreign currency exposures, exchange rate fluctuations between the Indian Rupee and foreign currencies, especially the U.S. dollar, can have a material impact on our results of operations, cash flows and financial condition. The exchange rate between the Indian Rupee and U.S. dollar has been volatile in recent periods and may continue to fluctuate in the future.

7. Our Logo **IEDEE, SBC DESIGN PLUS and  is in the process of getting registered. If we fail to obtain trademark registration our brand building efforts may be hampered which might lead to adverse effect on our business.**

We have made an application for registration of our Logo/trademark under the Trademarks Act, 1999 and are in the process of getting the same registered. If our Company is unable to obtain registration of trademark, it may not be able to successfully enforce or protect our intellectual property rights and obtain



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statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks in future could have a material adverse effect on our business, which in turn could adversely affect our results of operations. For further details please refer to section titled “Government & Other Approvals” on page 210 of this Draft Prospectus.

8. Our cost of production is exposed to fluctuations in the prices of Raw materials.

Our Company is dependent on third party suppliers for procuring the raw material. We are exposed to fluctuations in the prices of these raw materials as well as its unavailability, particularly as we typically do not enter into any long term supply agreements with our suppliers and our major requirement is met in the spot market. We may be unable to control the factors affecting the price at which we procure the materials. We also face the risks associated with compensating for or passing on such increase in our cost of production/ trades on account of such fluctuations in prices to our customers. Upward fluctuations in the prices of raw material may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations. Though we enjoy favourable terms from the suppliers both in prices as well as in supplies, our inability to obtain high- quality materials in a timely and cost-effective manner would cause delays in our production and delivery schedules, which may result in the loss of our customers and revenues.

9. Improper handling, processing or storage of our raw materials or products, or spoilage of and damage to such raw materials and products, could damage our reputation and have an adverse effect on our business, results of operations and financial condition.

Our raw materials as well as the products that we manufacture are subject to risks during their manufacture, or storage. Although, raw materials procured by us are extensively tested at our facilities, we cannot assure you that quality tests conducted by us will be accurate at all times. Any shortcoming in the production or storage of our products due to negligence, human error or otherwise, may damage our products and result in noncompliance with applicable quality standards. Any allegation that our products do not match requisite quality standards could damage our reputation, adversely affect our sales and result in legal proceedings being initiated against us, irrespective of whether such allegations have any factual basis.

We sell our products, directly to customers and if the products sold by those customers are found to be faulty on account of our products, our customers may return our goods, terminate their relationships with us and initiate legal proceedings against us. We cannot assure you that we will not be subject to such product liability claims in the future. Should any of our products be perceived or found to be faulty, we may be subject to regulatory action, product recalls and our reputation, business, results of operations and financial condition may be adversely affected.

We may also be exposed to liability from consumers for defects in the quality of our products, which may be occasioned by manufacturing defects or contamination, spoilage or damage to our raw materials. Significant product liabilities could adversely affect our reputation, sales revenues and results of operations.

10. We are dependent on third party transportation providers for the delivery of raw materials and products. Accordingly, continuing increases in transportation costs or unavailability of transportation services for our products, as well the extent and reliability of Indian infrastructure may have an adverse effect on our business, financial condition, results of operations and prospects.

We use third party transportation providers for the supply of most of our raw materials and for delivery of our products to our customers. Transportation strikes could have an adverse effect on our receipt of raw materials and our ability to deliver our products to our customers. Non-availability of trucks and railway could also adversely affect our receipt of raw materials and the delivery of our products. In addition, transportation costs in India have been steadily increasing over the past several years. While usually the end consumer bears the cost, we may not always be able to pass on these costs to our customers.

Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects.

11. Our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.

We believe that the Garment Manufacturing industry faces competitive pressures in recruiting and retaining skilled and unskilled labour. Our industry being labour intensive is highly dependent on labour force for carrying out its business operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment.

We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Such disruptions may adversely affect our business and results of operations, reputation and may also divert the management's attention and result in increased costs. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages.

12. Our inability to maintain an optimal level of inventory for our business may impact our operations adversely.

Our daily operations largely depend on consistent inventory control which is generally dependent on our projected sales in different months of the year. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a range of finished products. If we over-stock inventory, our required working capital will increase and if we under-stock inventory, our ability to meet consumer demand and our operating results may be adversely affected. Any mismatch between our planning and the actual off take by customers can impact us adversely.

13. Any failure in our quality control processes may have an adverse effect on our business, results of operations and financial condition. We may face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations.

Our products may contain quality issues or undetected errors or defects, especially when first introduced or when new products are developed, resulting from the design or manufacture of the product or raw materials used in the product. We have implemented quality control processes and regularly conduct inspections of raw materials sourced from suppliers and finished products manufactured on the basis of our internal quality standards. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality assurance procedures, negligence, human error or otherwise, may damage our products and result in deficient products. In the event the quality of our products is not in accordance with our standards or our products are defective, our customers may return our products, we may be required to recall or exchange such products at additional cost to us and our reputation may be impacted, which in turn may adversely affect our business, results of operations and financial condition. We also face the risk of legal proceedings and product liability claims being brought against us by various entities including distributors, large format stores, customers, for defective products sold.

We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs.

- 14. We also rely on third parties for our sales and distribution operations, and if such third parties fail to assist us in a consistent, timely and efficient manner, our business, results of operations and financial condition may be adversely affected.**

Our sales operations also depend upon our network of third parties acting as our distributors. We cannot assure you that such distributors or we will be able to establish or maintain adequate sales capabilities, or will be successful in ensuring sale of our products.

Further, although we do not enter into distributorship agreements with such distributors, we cannot assure you that such distributors will be able to fulfil their sales commitment entirely, in a manner acceptable to us, or at all. Distributors, as independent business operators, may, from time to time, disagree with us and our strategies regarding the business or our interpretation of our respective rights and sales obligations. We cannot assure you that such distributors shall choose to terminate their arrangements with our Company. We may have to initiate litigation in respect of any breach by such distributors, and such litigation could divert the attention of our management from our operations, which could harm our business, financial condition and results of operation. We further cannot assure you that the outcome of any such litigation will be favourable to us.

Risk factors related to IT Services & Manpower supply Business:-

- 15. Our revenues from IT Services are dependent upon our meeting specific customer requirements largely on case to case basis. Any failure or limitation on our ability to provide customised software services may detrimentally affect our future growth.**

Our assignments for providing IT services largely involve us providing business and software solutions on a case to case basis, depending upon the needs of each customer. Our inability to provide customised software solutions could lead to erosion of our market image and brand value, which could lead to customers discontinuing their work with us and stagnation of our customer sets which in turn could harm our business and profitability. Our future growth will depend on our continued evolution of specific sets of customised services to deal with the rapidly evolving and diverse needs of our customers in a cost competitive and effective manner. For further details for business of our Company, Kindly refer section titled “our business” beginning on page 110 Of this Draft Prospectus.

- 16. Significant security breaches in our computer systems and network infrastructure and fraud could impact our business.**

We seek to protect our computer systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems. Computers break -in and power disruptions could affect the security of information stored in and transmitted through these computers systems and networks. To address these issues and to minimize the risk of security breaches we employ security systems such as conduct periodic penetration testing for identification and assessment of potential vulnerabilities and storing critical passwords. However, these systems may not guarantee prevention of frauds, break-ins, damage and failure. A significant failure in security measures could have an effect on our business. For further details for business of our Company, Kindly refer section titled “our business” beginning on page 110 of this Draft Prospectus.

- 17. Our total revenue includes revenue derived from the IT Services and Manpower services business. Any decrease in the demand for our IT Services and Manpower services may have an adverse impact on our business, financial condition and result of operations.**

Our revenue generated from the IT Services and Manpower business account constitute 36.93% portion of the total revenue generated by our company for the nine months ended 31st December, 2018. Any reduction in the demand for the IT Services and Manpower service due to any shift from manpower toward electronic

services may have an adverse effect on our revenues. Any decline in, or adverse impact on, our manpower business may have an adverse impact on our business, financial condition and results of operations. For further details for business of our Company, Kindly refer section titled “our business” beginning on page 110 of this Draft Prospectus.

18. We may be subjected to risk related to Manpower service related claims and losses or employee disruptions which may have an adverse effect on our reputation, business, results of operations and financial condition.

Our Manpower business segments require us to deploy manpower across the customer workplace. Our ability to control the workplace environment is limited. The risk associated with the deployment of manpower includes possible claims relating to actions of our employees which may require us to indemnify our customer for any losses caused due to failure of supplied manpower to perform their duties, violation of any regulations or mistakes committed by our supplied manpower at Customer’s workplace, malicious acts by existing or former manpower, damage to the customer’s facilities or properties due to negligence of our supplied manpower and any criminal acts, torts or other negligent action by our employees.

Such claims may give rise to action against us by our customers and claims for damages, which could restrain our resources and result in loss of customers. Any such act or action taken against us may also result in negative publicity and adversely impact our reputation and ultimately have an adverse effect on our reputation, business, results of operations and financial condition.

Risk factors related to Online & Offline Hotel / Travel Bookings Business:-

19. We are largely dependent on our Tour & Travel business associates, both in India and abroad for travel bookings and other related services. Any failure on their part to honour commitments may have adverse effect on our business, financial condition and operations

The travel industry largely operates through associate networks. Our Company has appointed agents across India to facilitate its travel business. Appropriate service delivery by these associates is critical for the success of the business. Our Company currently has longstanding healthy business relations with its associates and does not foresee any major problem on service delivery from their side. However, the same level of service delivery cannot be guaranteed by our Company for the future.

20. We derive income from travel and travel related services like assistance in ticketing, hotel reservations etc. Increasing penetration of the internet and advances in payment solutions, has led to 'disintermediation' i.e. direct dealings between the airline companies / hotels and the travellers. Further, the domestic as well as the international airline industry involves intense competition, which has resulted in a fare war. In this scenario, there is pressure on the players to reduce costs, including commissions to travel agents. Many airlines offer special fares for direct bookings. These trends have the potential to adversely affect our business income.

Common Risk factors:-

21. We have in the past entered into related party transactions and may continue to do so in the future.

Our Company has entered into related party transactions with our Promoter, Directors and the Promoter Group. While our Company believes that all such transactions have been conducted on the arms length basis, there can be no assurance that it could not have been achieved on more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future. There can be no assurance that such transactions,

individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For further details, please refer to Financial Statements on page 170 of Draft Prospectus.

If our Company experience delays in production or shutdowns at our facility due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company’s operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations. Further, continuous addition of industries in and around our manufacturing facilities without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure therein, which may adversely affect our business.

22. Substantial portion of our revenues has been dependent upon our few clients. The loss of any one or more of our major clients would have a material effect on our business operations and profitability.

Our customers include various distributors that market our products and direct sellers. For the nine months ended 31st December, 2018, our top ten clients accounted for approximately 58.63% of our total revenue. The loss of any significant client would have a material effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these clients/distributors or that we will be able to replace these clients/distributors in case we lose any of them. Furthermore, major events affecting our clients, such as bankruptcy, change of management, mergers and acquisitions could impact our business. If any of our major clients becomes bankrupt or insolvent, we may lose some or all of our business from that client and our receivable from that client would increase and may have to be written off, impacting our income and financial condition.

23. The Registered Office, Corporate office cum factories of our Company are not owned by us.

Our registered office and one of the factories are situated at House No-20, Lohiya Talab, Chotti Basahi, P.O, Vindhyachal, Mirzapur, Uttar Pradesh - 231307. Mr. Sandeep Kumar, member of promoter group has provided a No Objection Certificate dated 28th December, 2010 to use the said premises as registered office. Any discontinuance of facility to use the office will lead us to locate any other premises. Our inability to identify the new premises may adversely affect the operations, finances and profitability of our Company.

Our Corporate office and one of the factories are situated at 49/95 Site-IV Sahibabad industrial Area, Ghaziabad Uttar Pradesh-201010 which has been taken on lease from Mr. Sanjeev Gupta to use the place situated at 49/95 Site-IV Sahibabad industrial Area, Ghaziabad Uttar Pradesh-201010 as Corporate office cum Company factory office vide agreement dated 12th December, 2018 for a period 11 (eleven) months w.e.f. 12th December, 2018. Any discontinuance of facility to use the office will lead us to locate any other premises. Our inability to identify the new premises may adversely affect the operations, finances and profitability of our Company.

For further details please refer to section titled “Our Business” on page 110 of this Draft Prospectus.

24. Some of the Properties are not owned are not owned by us.

In addition to Registered office, Corporate office and Factories, Our Company are also operating from various office and operating as Godown / other officers and detailed below have been taken on lease:

S.No.	Details of the Property	Nature of Occupancy
1.	B-17 Second Floor Patparganj Industrial Area Delhi-110092.	Lease for a period of Two (2) years commencing from 1 st April, 2018

S.No.	Details of the Property	Nature of Occupancy
2.	73, Patparganj Industrial Area, Delhi-110092.	Lease for a period of Five (5) years commencing from 9 th April, 2018
3.	130, Patparganj Industrial Area, Delhi-110092.	Lease for a period of Five (5) years commencing from 1 st August, 2018
4.	Shop No. 253, GF, Block -F, Indirapuram Habitat Centre, Plot No. 16, Ahinsa Khand-1, Indirapuram, Ghaziabad	Lease for a period of 11 (eleven) months commencing from 24 th July, 2018
5.	101, 1 st Floor, Subodh Complex Hinoo, Ranchi-834002 (JH)	Lease for a period of 11 (eleven) months commencing from 12 th February, 2019

Any discontinuance/expiration of agreement to use the office will lead us to locate any other premises. Our inability to identify the new premises may adversely affect the operations, finances and profitability of our Company.

25. The average cost of acquisition of Equity Shares by our Promoter may be less than the Issue Price.

The average cost of acquisition of Equity Shares by our Promoters may be less than the Issue Price. The details of average cost of acquisition of Equity Shares acquired by our Promoters are set out below:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Dheerendra Kumar Gupta	25,25,000	10.00
Mrs. Deepika Gupta	31,30,000	10.00

The promoters i.e. Mr. Dheerendra Kumar Gupta and Mrs. Deepika Gupta had further invested Rs. 126.96 Lakhs and Rs. 121.92 Lakhs respectively pursuant to the provisions of Regulation 14 of SEBI ICDR Regulations, 2018 to meet the requirement of Promoter's Contribution.

**The average cost of acquisition of our Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares, including the issue of bonus shares, if any, to them. The average cost of acquisition of our Equity Shares by our Promoters has been reduced due to the issuance of bonus shares to them, if any. For more information, please refer to the section titled "Capital Structure" on page 60.*

26. SEBI has passed Adjudication Order against two of our members of Promoter Group i.e. Mr. Govindji Gupta & Sudheshwar Kumar Gupta in the matter of Richa Industries Limited.

SEBI has passed Adjudication Order against two of our members of Promoter Group i.e. Mr. Govindji Gupta & Sudheshwar Kumar Gupta dated 19th May, 2015 No. EAD-2/DSR/RG/406-465/2015 and thereby imposed a penalty of Rs. 6,00,000 on Mr. Govindji Gupta and Rs. 5,00,000 on Mr. Sudheshwar Kumar Gupta. Both of them have filed appeals to SAT on 27th December, 2018. However, the same is yet to be admitted with SAT. Any adverse ruling and findings, against both the members of Promoter Group will adversely impact on our goodwill and could adversely affect our business and financial operations.

27. Our Company enters into several agreements that have several obligations with some of our clients which may impact our business if non fulfilled as per terms of agreements.

Our Company enters into several agreements with our clients and has several contractual obligations thereof including confidentiality, non compete service agreements etc. The services that we provide to our

clients are often critical to our client's business. If our client's proprietary rights are infringed by our employees in violation of any applicable confidentiality agreements and /or our customers perceive any deficiency and delay in service, our customers may consider us liable for that act and seek damages from us.

28. Our Company has reported certain negative cash flows from its investing and financing activities, details of which are given below. Sustained negative cash flow could impact our growth and business in the future.

Our Company had reported certain negative cash flows from its investing and financing activities in the previous years as per the restated financial statements and the same are summarized as under:

(In Lakhs.)

Particulars	31.12.2018	31.03.18	31.03.17	31.03.16
Net Cash flow from Operative activities	(907.01)	123.19	21.30	51.08
Net Cash Flow from investing activities	(265.39)	(85.41)	(14.99)	(47.72)
Net Cash Flow from Financing activities	1124.30	42.04	21.53	12.21
Net Cash Flow for the Year	(48.10)	79.82	27.84	15.57

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

29. Our Company if not able to manage our growth or to successfully implement our business plan could have an effect on our business, results of operations and financial condition.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. If our Company is not able to execute our strategy on time and within our estimated budget, or that our expansion and development plans fail to generate the required results, it may adversely impact our profitability. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management could cause disruptions to our business and could be detrimental to our long term business outlook. Further, we operate in a highly dynamic industry, and on account of changes in market conditions, industry dynamics, technological improvements or changes in trends and fashions and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. Our inability to implement our business strategies and sustain our growth may impair our financial growth and thus result in an adverse impact on our Company's share price.

30. Any delay or default in payment from our customers could result in the reduction of our profits and affect our cash flows. consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Accordingly, we have and may continue to have high levels of outstanding receivables.

For the nine months ended 31st December, 2018, our trade receivables were Rs. 1,490.21 Lakhs, which constituted 25.48% of our total restated standalone revenues for the same periods, respectively. If our customers delay or default in making these payments, our profits margins and cash flows could be adversely affected.

31. Our Company has allotted Equity Shares during the preceding one year from the date of the Draft Prospectus which may be lower than the Issue Price.

Our Company has allotted the following Equity Shares during the preceding one year from the date of the Draft Prospectus which is lower than the Issue Price:

S. No.	Names of Allottee	Number of Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Whether the allottee forms part of Promoter Group	Reason for issuance of shares
1.	Mrs. Deepika Gupta	25,00,000	10.00	10.00	Yes	To broaden the capital base of the Company and to infuse the funds into the Company.
2.	Mr. Govind ji Gupta	10,00,000	10.00	10.00	Yes	
3.	Mr. Dheerendra Kumar Gupta	25,00,000	10.00	10.00	Yes	
4.	Mr. Amit Kumar Aggarwal	5,00,000	10.00	10.00	No	
5.	M/s. SBC Finmart Ltd	10,00,000	10.00	10.00	Yes	
	Total	75,00,000				

32. Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and any failure to obtain and renew them in a timely manner may adversely affect our business operations.

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which may have expired and we may have either made or are in the process of making an application to obtain such approval or its renewal. Further, we cannot assure that we will be able to obtain the approvals for which applications have been made including renewals in a timely manner or at all. The approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous. If our Company fails to comply with, or unable to comply with any of these conditions stipulated under the licenses, our certificate of registration / licenses for carrying on a particular activity may be suspended and / or cancelled and we will not be able to carry on such activity, which would adversely impact our business and results of operations. Additionally, we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or seek fresh approvals, from time to time, as and when required in the ordinary course of our business. We endeavour to obtain all approvals, licenses, registrations and permits required for running of our business.

For more information on the licenses obtained by our Company and the licenses applied for by our Company, please refer chapter titled "Government and Other Approvals" beginning on page 210 of the Draft Prospectus.

33. Compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our business, prospects, financial condition and results of operations.

Due to the nature of our business, we expect to be or continue to be subject to extensive and increasingly stringent environmental, health and safety laws and regulations and various labour, workplace and related laws and regulations. We are also subject to environmental laws and regulations, including but not limited to:

- a. Environment (Protection) Act, 1986
- b. Air (Prevention and Control of Pollution) Act, 1981
- c. Water (Prevention and Control of Pollution) Act, 1974
- d. Hazardous Waste Management & Handling Rules, 2008

which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our business.

The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted and hence the costs and management time required to comply with these requirements could be significant. Amendments to such statutes may impose additional provisions to be followed by our Company and accordingly the Company needs to incur clean-up and remediation costs, as well as damages, payment of fines or other penalties, closure of production facilities for non-compliance, other liabilities and related litigation, could adversely affect our business, prospects, financial condition and results of operations.

34. The laws of various countries govern our customer contracts and disputes arising from such contracts may be subject to the exclusive jurisdiction of courts situated in such countries.

Several of our purchase orders executed with our customers are governed by the laws of the country in which either the customer is incorporated or where the business of the customer is situated and any disputes related to such contracts may be subject to the exclusive jurisdiction of courts situated in such countries. Lawsuits with respect to such disputes may be instituted in courts situated outside India, and it may become unfeasible for our Company to manage such litigation or obtain enforcement of awards made in such suits. Further, we may also incur significant litigation costs as a result of pursuing dispute resolution mechanisms outside India.

35. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

36. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.

Modernization and technology up gradation is essential to reduce costs and increase the efficiency. Our technology may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we are utilizing latest technology by using latest machineries and equipments, we shall continue to strive to keep our technology updated. In case of a new found technology in the Garments Manufacturing/ IT Industry, we may be required to implement new technology employed by us. Further, the cost in upgrading our technology is significant which could substantially affect our finances and operations.

37. Our ability to retain the clients is heavily dependent upon various factors including our reputation and Our skill to maintain the quality in Products manufactured by us and our ability to maintain a high level of service quality including our satisfactory performance for the customers. Any failure by us to retain or attract customers may impact its business and revenues.

We believe our strong brand reputation & our skill to maintain the quality in Products manufactured by us has helped us to attract and retain our customers. As a result, our reputation and perception of our brands and to maintain a high level of service quality are critical to our business. Although, we believe that we have a dedicated and talented team that comprise of experienced personnel in the field of Garments manufacturing/ IT Industry. Our business heavily relies on our reputation as well as the quality and popularity of the product/services provided by us and our visibility and perception amongst customers. It is important that we retain the trust placed by our customers. We must also continue to attract more and

increase the number of our customers at a consistent rate. We attempt to retain our position by maintaining quality and by our ability to improve and add value to the our performance. This requires constant upgradation of the methodology and technologies are adequately equipped. Further, we rely on a variety of advertising efforts tailored to target the customers. Failure to maintain and enhance our reputation or any actual or perceived reasons leading to reduction of benefits from our customers or any negative publicity against us may affect the rate of customers. Any failure by us to retain or attract customers may adversely impact our business and revenues.

38. If we are unable to source business opportunities effectively, we may not achieve our financial objectives.

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

39. We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. We currently carry no products liability insurance with respect to our products. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products, including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

40. Changes in customer preferences could affect our business, financial condition, results of operations and prospects.

Any change in the customer preference can render our old stock obsolete, as changes in customer preference are generally beyond our control. Some or all of our products may become less attractive in light of changing customer preferences or better products by competitors and we may be unable to adapt to such changes in a timely manner. However, we constantly focus on research and development and to develop new products to cater the customer needs, any change in customer preferences that decreases demand could affect our business, financial condition, results of operations and prospects.

41. In the event our marketing initiatives do not yield intended results our business and results of operations may be adversely affected.

We believe that the recognition and reputation of our brands has contributed to the growth of our business. We intend to continue to enhance the brand recall of our products through the use of targeted marketing and public relations initiatives. In order to maintain and enhance such recognition and reputation, we may be required to invest significant resources towards marketing and brand building exercises, specifically with

respect to new products we launch or for geographic markets where we intend to expand our operations. We incur advertising and marketing expenses to increase brand recall and capture additional demand, and in the event they do not yield their intended results, or we are required to incur additional expenditures than anticipated, our business and results of operations may be adversely affected.

42. Our limited operating experience, limited brand recognition in new markets may limit our expansion strategy and cause our business and growth to suffer.

We seek to increase our presence in eastern, southern and western India as a part of our endeavour to increase the market penetration of our products and brand across India. Further, we have a limited number of customers in these markets and we may face risks in relation to delayed acceptance of our products due to limited brand recognition., We may also face risks in expanding our operations in geographic areas in which we do not possess the same level of familiarity with the economy, consumer preference, commercial operations and distribution network and with product offerings that we have limited operating experience of. In addition, our competitors in such geographic areas may already have established operations in such geographic areas and particularly in the cotton and cotton blended apparels market, and we may find it difficult to attract customers in such geographic areas. Our expansion plans could be delayed or abandoned, could cost more than anticipated and could divert resources from other areas of our business or divert management's attention from other aspects of our business and place a strain on our management, operational and financial resources, as well as our information systems, any of which could impact our competitive position and reduce our revenue and profitability.

43. Any failure to comply with financial and other restrictive covenants imposed on us under our financing agreements may affect our operational flexibility, business, results of operations and prospects.

As on December 31, 2018, we have availed total secured borrowings amounted to Rs. 103.55 Lakhs. Our financing agreements contains certain restrictive covenants and require us to obtain the consent of, or to intimate, our lenders for certain actions including change in shareholding or directorship of our Company, drawdown of further loans, or taking up a new scheme of expansion or line of business, issuance of guarantees, and for certain corporate actions. Our failure to comply with financial or restrictive covenants or periodic reporting requirements or to obtain our lenders' consent to take certain actions in a timely manner or at all may result in declaration of an event of default by any current or future lenders, which may accelerate repayment or increase applicable interest rates or trigger cross-default or cross-acceleration under other financing agreements. The termination of, or declaration or enforcement of default under, any current or future financing agreement (if not waived or cured) may affect our ability to raise additional funds or renew maturing borrowings to finance our existing operations and pursue our growth initiatives and, therefore, influence our business, results of operations and prospects.

44. Increases in interest rates may materially impact our results of operations.

Substantially all of our secured debt carries interest at floating interest rates or at rates that are subject to adjustments at specified intervals. We are exposed to interest rate risk in respect of contracts for which we have not entered into any swap or interest rate hedging transactions, although we may decide to engage in such transactions in the future. We may further be unable to pass any increase in interest expense to our existing customers. Any such increase in interest expense may have a material effect on our business, financial condition, results of operations and cash flows.

Furthermore, if we decide to enter into agreements to hedge our interest rate risk, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us fully against our interest rate risk.

45. Our Company has borrowed certain unsecured loans that may be payable on demand.

Our Company has borrowed certain unsecured loans that may be payable on demand affecting the cash flow of the Company adversely. As per December 31, 2018, our Company has availed total sum of Rs. 197.60 lakhs unsecured loan which may be recalled at any time. Sudden recall may disrupt our operations and also may force us to opt for funding at higher interest rates, resulting in higher financial burden. Further, we will not be able to raise funds at short notice and thus result in shortage of working capital fund.

For further details, please refer the chapter “Financial Statements” on page 170 of this Draft Prospectus. Any demand for the repayment of such unsecured loan, may adversely affect our cash flow and financial condition.

46. Our Company may incur penalties or liabilities for non-compliances with certain provisions of the Companies Act and other applicable laws.

Our Company may incur penalties or liabilities for non compliance with certain provisions including lapsed/ made delay in certain filings and/or erroneous filing/ Non Filing of eforms under Company Act applicable to it. Illustrative list is as under:

I. Our Company has failed to file various e-forms or erroneous e-filing was made under the provisions of Companies Act, 2013/1956. Illustrative list of non - compliances is as under:

- Company failed to file E-form MGT-14 under Section 117 read with Section 179 of the Companies Act, 2013 for the approval of Financial Statement, Board Report, borrowing of monies, investing funds of the Company, granting loans, etc.
 - Subscribed share capital was wrongly mentioned in Form 20 while applying Certificate of Commencement of Business.
 - E-Form 23B for the first financial year ending on 31st March, 2012 was erroneously filed as period of first financial year ending was mentioned as 31st March, 2011 instead 31st March, 2012.
- II. There has been certain error with respect to disclosures made in the Board Report (including MGT 9), Filing of eform 23AC/AOC 4/ 20B/MGT -7 and/ or attachment thereof for FY 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18.
- III. Necessary eforms were not filed w.r.t alteration of main objects of MOA of the Company.
- IV. There have been other instances of discrepancies/non-compliance by our Company such as, disclosure in Auditors Report, holding AGM within the time limit, provision for retire by rotation in AGM, Payment to remuneration to Non Executive Directors, enter into certain related party transactions, DIN of directors were not mentioned, details of shareholders holding more than 5%/ related party transactions/Details of Investments were not mentioned or erroneously mentioned in Audited Financials, Non preparation of Consolidated financial statements.

V. Certain Rent Agreements were not registered in the past years.

While, we have not received any show cause notice from the concerned authorities for the same, we cannot assure that no penalty will be imposed on the Company for the said lapse in future.



SBC EXPORTS LIMITED

47. Our success depends largely on our senior management and our ability to attract and retain our key personnel.

Our success depends on the continued services and performance of the members of our management team and other key employees. Competition for senior management in the industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future.

The loss of the services of our Promoters could seriously impair our ability to continue to manage and expand our business. Further, the loss of any other member of our senior management or other key personnel may adversely affect our business, results of operations and financial condition. We do not maintain key man's life insurance for our Promoters, senior members of our management team or other key personnel.

48. The industry segments in which we operate being fragmented, we face competition from other players as well as from our customers, which may affect our business operations and financial conditions.

The industry in which we operate is highly competitive. Factors affecting our competitive success include, amongst other things, price, demand for our products, availability of raw materials, brand recognition and reliability. Our competitors vary in size, and may have greater financial, production, marketing, personnel and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the Indian market as compared with us. Competitive conditions in some of our segments have caused us to incur lower net selling prices and reduced gross margins and net earnings. These conditions may continue indefinitely. Changes in the identity, ownership structure, and strategic goals of our competitors and the emergence of new competitors in our target markets may impact our financial performance. New competitors may include foreign-based companies and domestic producers who could enter our markets.

Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

49. Insurance coverage obtained by us may not adequately protect us against unforeseen losses.

We have maintained insurance coverage of our assets and accident policies as specified in section titled Insurance Policies on page 131 of the Draft Prospectus. We believe that the insurance coverage maintained, would reasonably cover all normal risks associated with the operation of our business, however, there can be no assurance that any claim under the insurance policies maintained by us will be met fully, in part or on time. In the event we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected.

50. Our promoter and promoter group will continue to retain significant control over our Company after the IPO.

After completion of the Issue, our Promoters and Promoter Group will collectively own 66.73% of the Equity Shares. As a result, our Promoters together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority shareholders, and

we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

51. Our Promoter, Directors and Key Managerial Personnel of our Company may have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.

Our Promoters are interested in us to the extent of any transactions entered into or their shareholding and dividend entitlement in us. Our Directors are also interested in us to the extent of remuneration paid to them for services rendered as our Directors and reimbursement of expenses payable to them. Our Directors may also be interested to the extent of any transaction entered into by us with any other company or firm in which they are directors or partners or in their individual capacity. For further details, please refer our section “financial statements” on page 170 respectively.

52. Our operations are subject to high working capital requirements. Our inability to maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet requirement of working capital or pay out debts, could adversely affect our operations.

Our business requires significant amount of working capital. Major Portion of our working capital is utilized towards debtors and inventory. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. Further, we have high Debtors which may result in a high risk in case of non-payment by these Debtors. In the event we are not able to recover our dues from our Debtors, we may not be able to maintain our sales level and thus adversely affecting our financial health. If this situation persists, we may not be able to pay our lenders / creditors which may result in adversely affecting our operations and future prospects.

53. Name of Company i.e. SBC Exports Limited is not reflecting the business activities of the Company.

Our Company is engaged in three key segments i.e. Textiles, Garments, IT Services & Manpower supply & Online & Offline Hotel / Travel / Vacation Bookings, however the name of the Company i.e. SBC Exports Ltd is not reflecting its business activities. Any potential customer may not be able to understand the business activities of the Company and thus may result in losing of potential business revenue. However, in future, Our Company may change its name reflecting to its business activities in compliances of SEBI LODR Regulations, 2015.

54. Our ability to pay any dividends will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the chapter titled “Dividend Policy” beginning on page 169.

55. There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by the Audit Committee.

As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for Issue size above Rs. 10,000 Lakhs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue

proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the BSE and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

56. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.

The issue price of the equity shares have been based on many factor and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled “Basis for Issue Price” beginning on page 89. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

57. The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.

Prior to this Issue, there has been no public market for our Equity Shares. [●] is acting as Market Maker for the Equity Shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India’s fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

58. Delay in raising funds from the IPO could adversely impact the implementation schedule.

The proposed expansion, as detailed in the section titled “*Objects of the Issue*” is to be entirely funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

59. The Objects of the Issue for which funds are being raised, are based on our management estimates and any bank or financial institution or any independent agency has not appraised the same. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titles “Objects of the Issue”.

The fund requirement and deployment, as mentioned in the “Objects of the Issue” on page 83 of this Draft Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all.

In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter “Objects of the Issue” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency.

Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “Objects of the Issue” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

60. We have not independently verified certain data in this Draft Prospectus.

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

EXTERNAL RISK FACTORS

61. Our business is dependent on the Indian economy.

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by centre or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. There have been periods of slowdown in the economic growth of India. India’s economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results. The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries.

Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors’ reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

62. Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time to time experienced instances of civil unrest and hostilities among

neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India, may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the world, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

63. Changing laws, rules and regulations and legal uncertainties in India, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter “Government and Other Approvals” beginning on page 210 for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. For instance, the Government has proposed a comprehensive national goods and services tax (GST) regime that will combine taxes and levies by the Central and state Governments into a unified rate structure. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST.

The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

64. Instability in financial markets could materially and adversely affect our results of operations and financial conditions.

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors’ reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in benchmark index of stock exchanges i.e. NSE-NIFTY and BSE-SENSEX. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

65. Natural calamities could have a negative impact on the Indian economy and cause our Company’s business to suffer

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

66. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in effect in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the rupees proceeds from the sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the Income Tax authorities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained.

67. If certain labour laws become applicable to us, our profitability may be adversely affected.

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

68. Our performance is linked to the stability of policies and the political situation in India.

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian governments have pursued policies of economic liberalization and financial sector reforms. The current Government has announced its general intention to continue India's current economic and financial sector liberalization and deregulation policies.

However there can be no assurance that such policies will be continued and a significant change in the government's policies in the future could affect business and economic conditions in India and could also adversely affect our business, prospects, financial condition and results of operations.

Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will continue under the newly elected government. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the industrial equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

SECTION IV: INTRODUCTION
THE ISSUE

The following table summarizes the Issue details:

Equity Shares Offered	
Public Issue of Equity Shares by our Company ⁽¹⁾ ⁽²⁾	Issue of 29,82,000 Equity Shares of face value of Rs.10/- each for cash at a price of Rs.22.00 per Equity Share (including a share premium of Rs.12.00 per Equity share) aggregating Rs. 656.04 lakhs.
Of which:	
Market Maker Reservation Portion	1,50,000 Equity Shares of face value of Rs.10/- each at a price of Rs.22.00 per Equity Share (including a share premium of Rs.12.00 per Equity share) aggregating Rs. 33.00 lakhs.
Net Issue to the Public	28,32,000 Equity Shares having face value of Rs.10.00 each at a price of Rs.22.00 per Equity Share (including a share premium of Rs.12.00 per Equity share) aggregating Rs. 623.04 lakhs.
Of Which:	
A. Retail Portion (3)	14,16,000 Equity Shares of face value of Rs.10/- each at a price of Rs. 22.00 per Equity Share (including a share premium of Rs.12.00 per Equity share) aggregating Rs. 311.52 lakhs i.e. 50% of the Net Issue shall be available for allocation to Retail Individual Investors.
B. Non-Retail Portion(3)	14,16,000 Equity Shares of face value of Rs.10/- each at a price of Rs.22.00 per Equity Share (including a share premium of Rs.12.00 per Equity share) aggregating Rs. 311.52 lakhs i.e. 50% of the Net Issue shall be available for allocation for investors other than Retail Individual Investors.
Pre and Post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	76,00,000 Equity Shares
Equity Shares outstanding after the Issue	1,05,82,000 Equity Shares
Use of Net Proceeds	For details please see the chapter titled "Objects of the Issue" beginning on page 83.

(1) This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018. For further details, Please refer to section titled "Issue Related Information" beginning on page 223.

(2) The Issue has been authorized by a resolution of our Board of Directors dated December 15, 2018 and by a special resolution of our Shareholders in their EGM dated January 02, 2019.



SBC EXPORTS LIMITED

(3) As per Regulation 253 (2) of the SEBI (ICDR) Regulations, 2018 as amended, the allocation in the net offer Category shall be as follows:

(a) Minimum fifty per cent to retail individual investors; and

(b) Remaining to:

(i) Individual applicants other than retail individual investors; and

(ii) Other investors including corporate bodies or institutions, irrespective of the number of specified Securities applied for;

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

If the retail individual investor category is entitled to more than the allocated portion on proportionate basis, the retail individual investors shall be allocated that higher percentage.

For further details regarding the Issue Structure and Issue Procedure, kindly refer to the chapters titled “Issue Structure” and “Issue Procedure” beginning on pages 229 and 232 respectively.

SUMMARY OF OUR FINANCIALS
STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED
(Rs. In Lakhs)

Particulars	31.12.2018	31.03.2018	31.03.17	31.03.16
Equity & Liabilities				
Shareholders' Funds				
Share Capital	760.00	10.00	10.00	10.00
Reserve & Surplus	449.66	131.29	48.32	15.48
Total (A)	1209.66	141.29	58.32	25.48
Non Current Liabilities				
Share Application Money	-	-	-	-
Long Term Borrowings	197.60	120.61	41.91	12.31
Deferred Tax Liabilities (Net)	0.52	-	-	0.62
Other Long Term Liabilities	-	-	-	-
Long Term Provisions	-	-	-	-
Total (B)	198.12	120.61	41.91	12.93
Current Liabilities				
Short Term Borrowings	103.55	0.10	(1.12)	
Trade Payables	1302.12	1391.35	731.85	364.67
Other Current Liabilities	94.91	187.08	76.39	72.20
Short Term Provisions	30.30	52.27	18.52	4.27
Total (C)	1530.88	1630.8	825.64	441.14
Total (D=A+B+C)	2938.66	1892.70	925.87	479.55
Assets				
Non Current Assets				
Fixed Assets:				
(i) Tangible Assets	353.21	113.80	45.42	42.32
(ii) Intangible Assets	-	-	-	-
(iii) Capital Work in Progress	-	-	-	-
(iv) Intangible Assets under development	-	-	-	-
Long Term Loans & Advances	-	-	-	-
Non Current Investments	-	-	-	-
Deferred Tax Assets (Net)	-	0.82	0.05	-
Other Non Current Assets				
Total (E)	353.21	114.62	45.47	42.32
Current Assets				
Current Investments	-	-	-	-
Inventories	703.56	748.62	333.18	144.03
Trade Receivables	1490.21	744.01	403.93	252.20
Cash & Bank Balances	79.62	127.72	47.90	20.06
Short Term Loans & Advances	45.33	88.33	51.17	6.54
Other Current Assets	266.73	69.40	44.22	14.40
Total (F)	2585.45	1778.08	880.40	437.23
Total (G=E+F)	2938.66	1892.70	925.87	479.55

STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. In Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Income				
Revenue from Operations	5848.51	6399.45	2865.70	2115.76
Other Income	3.27	21.50	2.88	0.14
Total	5851.78	6420.95	2868.59	2115.91
Expenditure				
Cost of Goods Sold	5184.17	5979.77	2662.68	2007.65
Employee Benefit Expenses	236.83	169.06	100.64	55.10
Administrative, Selling and Other Expenses	248.64	90.77	35.74	30.15
Total	5669.64	6239.6	2799.06	2092.9
Profit before Depreciation, Interest and Tax	182.14	181.35	69.53	23.01
Depreciation & Amortisations	25.98	17.04	11.88	12.72
Preliminary Expenses Written Off	0.00	0.00	0.00	0.00
Profit before Interest & Tax	156.16	164.31	57.65	10.29
Financial Expenses	55.14	37.87	6.95	0.10
Exceptional Items	-	-	-	-
Net Profit before Tax	101.02	126.44	50.7	10.19
Less: Provision for Taxes:				
Current Tax	30.31	44.25	18.52	4.27
Deferred Tax	(1.34)	0.78	0.66	0.66
Net Profit After Tax & Before Extraordinary Items	69.37	82.97	32.84	6.58
Extra Ordinary Items	-	-	-	-
Net Profit	69.37	82.97	32.84	6.58

STATEMENT OF CASH FLOW, AS RESTATED
(Rs. In Lakhs)

Particulars	31.12.2018	31.03.18	31.03.17	31.03.16
CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before taxes	101.02	126.44	50.70	10.19
Adjustment for:				
Add: Commission/Interest				-
Add: Depreciation & Amortizations	25.98	17.04	11.88	12.72
Add: Financial Expenses	55.14	37.87	6.95	0.10
Add / (Less): Loss / (Profit) on Sale of Fixed Assets	-	-	-	-
Operating Profit before Working capital changes	182.14	181.35	69.53	23.01
Adjustments for:				
Decrease (Increase) in Inventories	45.06	(415.44)	(189.15)	(94.67)
Decrease (Increase) in Trade & Other Receivables	(746.21)	(340.07)	(151.73)	261.33
Decrease (Increase) in Short Term Loans & Advances(Excl. Taxes)	43.00	(37.16)	(44.64)	(0.57)
Decrease (Increase) in Other Current Assets	(197.33)	(25.18)	(29.81)	2.25
Increase (Decrease) in Trade Payables	(89.23)	659.50	367.18	(208.22)
Increase (Decrease) in Short Term Provisions (Excl. Taxes)	(21.97)	33.75	14.25	2.12
Increase (Decrease) in Other Current Liabilities	(92.17)	110.68	4.19	70.10
Net Changes in Working Capital	(1058.85)	(13.91)	(29.71)	32.34
Cash Generated from Operations	(876.71)	167.44	39.82	55.35
Less: Taxes	30.30	(44.25)	(18.52)	(4.27)
Net Cash Flow from Operating Activities (A)	(907.01)	123.19	21.30	51.08
CASH FLOW FROM INVESTING ACTIVITIES				
Sale / (Purchase) of Fixed Assets and CWIP	(265.39)	(85.41)	(14.99)	(47.72)
Decrease (Increase) in Non Current Assets		-	-	-
Decrease (Increase) in Investments		-	-	-
Net Cash Flow from Investing Activities (B)	(265.39)	(85.41)	(14.99)	(47.72)
CASH FLOW FROM FINANCING ACTIVITIES				
Issue of share capital and Proceeds / (Refund) from Share Application Money	750.00	-	-	-
Directly infuse additional capital in general reserve	249.00	-	-	-
Interest & Finance Charges	(55.14)	(37.87)	(6.95)	(0.10)
Preliminary Expenses Incurred		-	-	-
Increase/ (Repayment) of Long Term Borrowings	76.98	78.70	29.60	12.31
Increase / (Repayment) of Short Term Borrowings	103.46	1.21	(1.12)	-
Decrease (Increase) in Long Term Loans & Advances		-	-	-
Net Cash Flow from Financing Activities (C)	1124.30	42.04	21.53	12.21
Net Increase / (Decrease) in Cash & Cash Equivalents	(48.10)	79.82	27.84	15.57
Cash and cash equivalents at the beginning of the year / Period	127.72	47.90	20.06	4.49
Cash and cash equivalents at the end of the year/ Period	79.62	127.72	47.90	20.06



SBC EXPORTS LIMITED

GENERAL INFORMATION

Our Company was incorporated as “SBC Exports Limited” on January 18, 2011 at Uttar Pradesh as a Public Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated January 18, 2011 issued by the Registrar of Companies, Uttar Pradesh and Uttarakhand and Later on, the Certificate of Commencement of Business was issued on 23rd February, 2011 by the Registrar of Companies, Uttar Pradesh and Uttarakhand.

For further details please refer to chapter titled “Our History and Corporate Structure” beginning on page 142.

REGISTERED OFFICE OF OUR COMPANY

SBC Exports Limited
House No.-20, Lohiya Talab, Choti Basahi,
P.O. Vindhyachal Mirzapur,
Uttar Pradesh-231 307
CIN: U18100UP2011PLC043209
E-mail: info@sbccl.com
Website: www.sbcexportslimited.com
Tel. No. 05447-242525

CORPORATE OFFICE OF OUR COMPANY

SBC Exports Limited
49/95, Sahibabad Industrial Area Site 4,
Sahibabad, Ghaziabad,
Uttar Pradesh- 201010
CIN: U18100UP2011PLC043209
E-mail: info@sbccl.com
Website: www.sbcexportslimited.com
Tel. No. +91-0120-2895246

ADDRESS OF REGISTRAR OF COMPANIES

Registrar of Companies, Uttar Pradesh
37/17, Westcottt Buidling, The Mall,
Kanpur-208001
Tel No. 0512-2310443, 2310227, 2310323
Email: roc.kanpur@mca.gov.in
Website: www.mca.gov.in

DESIGNATED STOCK EXCHANGE

BSE LIMITED, SME PLATFORM OF BSE
P.J. Towers, Dalal Street, Mumbai, Maharashtra, 400 001

BOARD OF DIRECTORS OF OUR COMPANY

The Board of Directors of our Company consist of:

NAME	DESIGNATION	DIN	PAN	ADDRESS
Mrs. Deepika Gupta	Whole-Time Director	03319765	ASFPG0156J	317 SF-1, Gyan Khand-1, Indirapuram, Shipra Sun City,



SBC EXPORTS LIMITED

NAME	DESIGNATION	DIN	PAN	ADDRESS
				Ghaziabad, Uttar Pradesh.- 201014
Mr. Dheerendra Kumar Gupta	Managing Director	03321016	ANJPG3113C	Plot No- 317, 2 nd Floor -1, Gyan Khand -1, Indirapuram, Shipra Sun City, Ghaziabad, Uttar Pradesh -201014
Mr. Akshat Gupta	Non- Executive Independent Director	08295391	BKWPG7419J	32/98, Maniram Bagia, Kanpur Nagar, Kanpur, Uttar Pradesh.- 208001
Mr. Vinod Kumar	Non- Executive Independent Director	08296368	CRXPK3209F	Vill- Makandruganj, Teh- Sadar, Pratapgarh, Uttar Pradesh - 230001
Mrs. Manupriya Mishra	Non- Executive Independent Director	08296485	CUJPM1551M	SRA-68C, Shipra Rivera, Gyan Khand-3, Indirapuram, Ghaziabad, Uttar Pradesh - 201014
Mr. Amit Jaiswal	Non- Executive Independent Director	08297910	AHCPJ1858N	Teacher Colony, Mahuwariya, Mirzapur, Uttar Pradesh-230001
Mr. Manish Gupta	Non- Executive Independent Director	08299385	AEVPG4142E	73, Stanley Road, Allahabad Kty, Soroan, Allahabad, Uttar Pradesh-211002

For further details in relation to our Directors, please refer to chapter titled “*Our Management*” beginning on page 148 of this Draft Prospectus.

COMPANY SECRETARY & COMPLIANCE OFFICER:

Mr. Hari Om Sharma
49/95, Sahibabad Industrial Area Site 4,
Sahibabad, Ghaziabad,
Uttar Pradesh- 201010
CIN: U18100UP2011PLC043209
E-mail: info@sbccl.com
Website: www.sbcexportslimited.com
Tel. No. +91-0120-2895246

CHIEF FINANCIAL OFFICER:

Mr. Mukesh Bhatt
49/95, Sahibabad Industrial Area Site 4,
Sahibabad, Ghaziabad,
Uttar Pradesh- 201010
CIN: U18100UP2011PLC043209
E-mail: info@sbccl.com
Website: www.sbcexportslimited.com
Tel. No. +91-0120-2895246

Note: Investors may contact our Company Secretary and Compliance Officer and / or the Registrar to the Issue and/ or the Lead Manager, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund etc.



SBC EXPORTS LIMITED

All grievances may be addressed to the Registrar to the issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The applicant should give full details such as name of the sole or first applicant, ASBA Form number, applicant DP ID, Client ID, details of UPI IDs, PAN, date of the ASBA Form, address of the applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the applicant.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/ information mentioned hereinabove.

For all Issue related queries, and for redressal of complaints, applicant may also write to the Lead Manager. All Complaints, queries or comments received by Stock Exchange and SEBI shall be forwarded to the Lead Manager, who shall respond to the same.

STATUTORY AUDITORS:

M/s. R.N.K.A. & Co.
Chartered Accountants
Office No. 304, Gali No. 1, Building No. 13,
Veer Savarkar Block, Shakarpur, Delhi-110092
Tel.No. +91-011-22543259
Email: rrcoffice@gmail.com
Firm Registration No.: 021745N
Contact Person: CA Rajesh Kumar, Partner

PEER REVIEW AUDITORS:

M/s. Jagdish Chand & Co.
Chartered Accountants
E-24, Basement, Sector-3, Noida, U.P.-210301
Tel.No. 0120- 4108475
Mob.No. +91- 9313403910
Email: caabbhinav1990@gmail.com
Firm Registration No.: 000129N
Contact Person: Mr. Abhinav Anand

LEAD MANAGER:

Navigant Corporate Advisors Limited
423, A Wing, Bonanza,
Sahar Plaza Complex,
J B Nagar, Andheri Kurla Road,
Andheri East, Mumbai-400 059
Tel.No. +91-22-41204837/49735078
Email Id- navigant@navigantcorp.com
Investor Grievance Email: info@navigantcorp.com
Website: www.navigantcorp.com
SEBI Registration Number: INM000012243
Contact Person: Mr. Vikas Chhangani

LEGAL ADVISORS TO THE ISSUE:

LAW AND LEGAL JURISTS
Chamber No. 612, Dwarka Court Complex,
Sector - 10, Dwarka,



SBC EXPORTS LIMITED

New Delhi - 110 075
Tel: +91-011-2381 2302
Email: ljurists@yahoo.co.in
Contact Person: Mr. Ranjan Kumar

REGISTRAR TO THE ISSUE:

Bigshare Services Private Limited
E2 Asna Industrial Estate, Saki Vihar Road,
Sakinaka Andheri East, Mumbai -400072
Tel.No. +91-22-40430200
Fax No. +91-22-28475207
Email: ipo@bigshareonline.com
Investor Grievance Email: ipo@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Mr. Srinivas Dornala
SEBI Regn. No.: INR000001385

PRINCIPAL BANKER TO THE COMPANY

Punjab National Bank
Branch: Shakarpur, Laxmi Nagar
Delhi-110092
IFSC: PUNB0160300

BANKER TO THE ISSUE AND SPONSOR BANK*:

[•]

**The Banker to the Issue and Sponsor Bank shall be appointed prior to filing of the Prospectus with the RoC.*

STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES:

Since, Navigant Corporate Advisors Limited is the sole Lead Manager to this issue and all the responsibilities relating to coordination and other activities in relation to the Issue shall be performed by them, hence a statement of inter-se allocation of responsibilities is not required.

SELF CERTIFIED SYNDICATE BANKS:

The list of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (“ASBA”) Process are provided on <http://www.sebi.gov.in/pmd/scsb.pdf>. For details on designated branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.

CREDIT RATING:

As the Issue is of Equity shares, credit rating is not required.



SBC EXPORTS LIMITED

DEBENTURE TRUSTEES:

As this issue is not a debenture issue, the appointment of debenture trustees is not required.

IPO GRADING:

Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement of appointing an IPO Grading agency.

BROKERS TO THE ISSUE:

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

MONITORING AGENCY:

As per Regulation 262(1) of the SEBI (ICDR) Regulations, 2018 as amended, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10,000 Lakhs and hence our Company has not appointed a monitoring agency for this issue.

However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company would be monitoring the utilization of the proceeds of the Issue.

APPRAISING ENTITY:

The objects of the Issue and deployment of funds are not appraised by any independent agency/ bank/ financial institution.

EXPERT OPINION:

Except the report of the Statutory Auditor of our Company on the financial statements and statement of tax benefits included in this Draft Prospectus, our Company has not obtained any other expert opinion.

FILLING OF THIS PROSPECTUS:

The Draft Prospectus is being filed with BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001, Maharashtra India.

A soft copy of the Draft Prospectus shall be filed with SEBI through SEBI Intermediary Portal at <https://siportal.sebi.gov.in> as per Regulation 246(1) of SEBI (ICDR) Regulations and SEBI shall not issue any observation on the offer document in terms of Regulation 246(2) of SEBI ICDR Regulations.

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Registrar of Companies, Uttar Pradesh at 37/17, Westcottt Buidling, The Mall, Kanpur-208001

UNDERWRITING AGREEMENT:

The Company and the Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten by in the capacity of Underwriters to the issue.

Pursuant to the terms of the Underwriting Agreements dated [•] entered into by Company with Underwriters, the obligations of the Underwriters are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriters	Number of Equity Shares Underwritten*	Amount Underwritten (Rupees In Lakhs)	% of Total Issue Size Underwritten
NAVIGANT CORPORATE ADVISORS LIMITED 423, A Wing, Bonanza, Sahar Plaza Complex, J B Nagar, Andheri Kurla Road, Andheri East, Mumbai-400 059 Tel No. +91-22-41204837/49735078 Email Id- navigant@navigantcorp.com Investor Grievance Email: info@navigantcorp.com Website: www.navigantcorp.com SEBI Registration Number: INM000012243 Contact Person: Mr. Vikas Chhangani	[•]	[•]	[•]
[•]	[•]	[•]	[•]
Total	29,82,000	656.04	100.00

*Includes 1,50,000 Equity shares of Rs.10 each for cash of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018.

In the opinion of the Board of Directors of Our Company, the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective obligations in full.

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE:

Our Company has entered into an agreement dated [•] with the Lead Manager and Market Maker to fulfill the obligations of Market Making for this Issue.

Name	[•]
Correspondence Address:	[•]
Tel No.:	[•]
Fax No.:	[•]
Email:	[•]
Website:	[•]
Contact Person:	[•]
SEBI Registration No.:	[•]
Market Maker Registration Number (SME Segment of BSE)	[•]

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE, and SEBI regarding this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be Rs. 1,00,000. However, the investors with holdings of value less than Rs. 1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and SME Platform of BSE from time to time.
4. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size (including [.] Equity Shares to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
6. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for quotes given by him.
7. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
8. The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE and Market Maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
9. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
10. The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
11. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market - for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.

12. The Market Maker shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker and execute a fresh arrangement.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.

13. **Risk containment measures and monitoring for Market Makers:** SME Platform of BSE will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
14. **Punitive Action in case of default by Market Makers:** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

15. **Price Band and Spreads:** The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
16. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to Rs. 20 Crore	25%	24%
Rs. 20 to Rs. 50 Crore	20%	19%
Rs. 50 to Rs. 80 Crore	15%	14%
Above Rs. 80 Crore	12%	11%

All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

17. The SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 250 crores, the applicable price bands for the first day shall be:

- i) In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of this issue price.
- ii) In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of this issue.

Additionally, the securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange Platform.

18. SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 250 crores, the applicable price bands for the first day shall be:

- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange/ Platform.

Sr. No.	Market Price Slab (in Rs.)	Proposed spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

CHANGES IN THE AUDITORS

There has been no change in the statutory auditor during the three years immediately preceding the date of this Draft Prospectus except that the name of the Auditors' firm has been changed from Rajesh Ranjit & Co. to R N K A & Co. w.e.f. 9th May, 2018.

CAPITAL STRUCTURE

Set forth below are the details of the Equity Share Capital of our Company as on the date of this Draft Prospectus:

Amount (Rs. in Lakhs, except share data)

Sr. No.	Particulars	Aggregate nominal Value	Aggregate Value at Issue Price
A	Authorized Share Capital 1,11,00,000 Equity Shares having Face Value of Rs 10/- each	1,110.00	-
B	Issued, Subscribed & Paid-up Share Capital before the Issue 76,00,000 Equity Shares having Face Value of Rs.10/- each fully paid up before the Issue.	760.00	-
C	Present Issue in terms of the Draft Prospectus[^] 29,82,000 Equity Shares having Face Value of Rs.10/- each with a premium of Rs. 12.00 per Equity Share.	298.20	656.04
	Which Comprises		
I.	Reservation for Market Maker portion 1,50,000 Equity Shares of Rs. 10/- each at a premium of Rs. 12.00 per Equity Share	15.00	33.00
II.	Net Issue[#] to the Public 28,32,000 Equity Shares of Rs.10/- each at a premium of Rs. 12.00 per Equity Share	283.20	623.04
	of which		
	14,16,000 Equity Shares of Rs.10/- each at a premium of Rs. 12.00 per Equity Share will be available for allocation for allotment to Retail Individual Investors applying for a value of up to Rs. 2.00 Lakh	141.60	311.52
	14,16,000 Equity Shares of Rs.10/- each at a premium of Rs. 12.00 per Equity Share will be available for allocation for allotment to Other Investors applying for a value of above Rs. 2.00 Lakh	141.60	311.52
D	Issued, Subscribed and Paid up Equity Share capital after the Issue 1,05,82,000 Equity Shares having Face Value of Rs. 10/- each	1,058.20	2,328.04
E	Securities Premium Account Before the Issue After the Offer		Nil 357.84

[#]For detailed information on the Net Issue and its allocation various categories, please refer chapter titled "The Issue" on page 46 of this Draft Prospectus.

^Fresh Issue of Equity Shares in terms of Draft Prospectus has been authorized pursuant to a resolution of our Board of Directors dated December 15, 2018 and by special resolution passed at the Extra Ordinary General Meeting of the members held on January 02, 2019.

NOTES TO THE CAPITAL STRUCTURE
1. Changes in the Authorized Share Capital of the Company:

Since Incorporation of our Company, the authorized share capital of our Company has been changed in the manner set forth below:

S.No.	Particulars of Increase	Cumulative no. of Equity Shares	Cumulative Authorize Share Capital (Rs. In Lakh)	Date of Meeting	Whether AGM/ EoGM
1.	On Incorporation	1,00,000	10.00	-	Incorporation
2.	Increase in Authorised Share Capital from Rs. 10.00 Lakhs divided into 1,00,000 equity shares of Rs. 10 each to Rs. 1,110.00 Lakhs divided into 1,10,00,000 equity shares of Rs. 10 each	1,10,00,000	1,110.00	18.08.2018	EGM

2. History of Paid-up Share Capital of our Company:

(a) The history of the paid-up equity share capital and the securities premium account of our company is as set out in the following table:-

Date of Allotment / Date of Fully Paid Up	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (Rs.)	Cumulative Securities Premium (Rs.)
On Incorporation ⁽ⁱ⁾	1,00,000	10	10	Cash	Subscribers to MOA (refer not (i) below)	1,00,000	10,00,000	-
September 29, 2018 ⁽ⁱⁱ⁾	75,00,000	10	10	Cash	Right Issue in the ratio of 75:1 (refer not (ii) below)	76,00,000	7,60,00,000	-

Notes:

(i) Initial Subscribers to the Memorandum of Association subscribed to Equity Shares of Face Value of Rs. 10/- each, details of which are given below:

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Govindji Gupta	40,000
2.	Mrs. Deepika Gupta	20,000
3.	Mr. Sandeep Kumar Gupta	20,000
4.	Mrs. Sarika Gupta	5,000
5.	Mr. Dheerendra Kumar	10,000

S. No.	Names of Person	Number of Shares Allotted
6.	Mr. Gaurav Gupta	2,500
7.	Mr. Sudeshwar Kumar Gupta	2,500
	Total	1,00,000

(ii) Right Issue in the ratio of 75 Equity Share for every 1 Equity Shares held, the details of Equity Shares are as under:-

S. No.	Names of Person	Number of Shares Allotted
1.	Mrs. Deepika Gupta	25,00,000
2.	Mr. Govindji Gupta	10,00,000
3.	Mr. Dheerendra Kumar Gupta	25,00,000
4.	Mr. Amit Kumar Aggarwal	5,00,000
5.	M/s. SBC Finmart Ltd	10,00,000
	Total	75,00,000

- b) As on the date of this Draft Prospectus, our Company does not have any preference share capital.
- Our Company has not issued shares for consideration other than cash or out of revaluation of reserves, including Bonus Shares, at any point of time since incorporation.
 - Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391-394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013 at any point of time since incorporation.
 - Our Company has not revalued its assets since inception and has not issued equity shares (including bonus shares) by capitalizing any revaluation reserves.
 - Our Company has never issued any Equity Shares pursuant to any Employee Stock Option Scheme / Employee Stock Purchase Scheme. Further, we also do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. However, as and when options are granted to our employees under the Employee Stock Option Scheme, our Company shall ensure to comply with all the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014.
 - The details of Equity Shares that have been issued at a price lower than the issue price during the preceding one year from the date of the Draft Prospectus is as under:

S. No.	Names of Allottee	Number of Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Whether the Allottee forms part of Promoter Group	Reason for issuance of shares
1.	Mrs. Deepika Gupta	25,00,000	10.00	10.00	Yes	To broaden the capital base of the Company and to infuse the funds.
2.	Mr. Govind ji Gupta	10,00,000	10.00	10.00	Yes	
3.	Mr. Dheerendra Kumar Gupta	25,00,000	10.00	10.00	Yes	
4.	Mr. Amit Kumar Aggarwal	5,00,000	10.00	10.00	No	
5.	M/s.SBC Finmart Ltd	10,00,000	10.00	10.00	Yes	
	Total	75,00,000				

Details of Allotment made in the last two years preceding the date of this Draft Prospectus:

Except as mentioned below, we have not issued any Equity Share in the last two years preceding the date of this Draft Prospectus.

S. No.	Names of Allottee	Number of Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)
1.	Mrs. Deepika Gupta	25,00,000	10.00	10.00
2.	Mr. Govind ji Gupta	10,00,000	10.00	10.00
3.	Mr. Dheerendra Kumar Gupta	25,00,000	10.00	10.00
4.	Mr. Amit Kumar Aggarwal	5,00,000	10.00	10.00
5.	M/s. SBC Finmart Ltd	10,00,000	10.00	10.00
	Total	75,00,000		

8. Capital Build up in respect of shareholding of our Promoters:

a) Set forth below is the build-up of the shareholding of our Promoters in our Company since incorporation.

MR. DHEERENDRA KUMAR GUPTA									
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)	Nature of Transactions	Source of Fund	Pledge	Pre-issue shareholding %	Post-issue shareholding %
18.01.2011	Cash	10,000	10	10	Subscription to MOA	Own Funds	NO		
03.12.2014	Cash	15,000	10	10	Acquisition through Transfer	Own Funds	NO		
29.09.2018	Cash	25,00,000	10	10	Allotment through Right Share	Own Funds	NO		
Total		25,25,000						33.22	23.86

MRS. DEEPIKA GUPTA									
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)	Nature of Transactions	Source of Fund	Pledge	Pre-issue shareholding %	Post-issue shareholding %
18.01.2011	Cash	20,000	10	10	Subscription to MOA	Own Funds	NO		
03.12.2014	Cash	10,000	10	10	Acquisition through Transfer	Own Funds	NO		
29.09.2018	Cash	25,00,000	10	10	Allotment through Right Share	Own Funds	NO		
16.11.2018	Cash	6,00,000	10	10	Acquisition through Transfer	Own Funds	NO		
Total		31,30,000						41.18	29.58

b. Details of Promoter's Contribution:

Pursuant to Regulation 236 and Regulation 238 of the SEBI (ICDR) Regulations, 2018 an aggregate of 20% of the post-Issue Equity Share capital of our Company held by our Promoters shall be considered as Promoters' Contribution ("Promoters' Contribution") and shall be locked-in for a period of three years from the date of allotment of equity shares issued pursuant to this Issue. The lock in of Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares. We further confirm that Minimum Promoters' Contribution of 20.12 % of the post Issue Paid-up Equity Shares Capital does not include any contribution from Alternative Investment Fund.

Details of the Equity Shares (eligible for inclusion in the Minimum Promoters Contribution, in terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018) forming part of Minimum Promoters Contribution and proposed to be locked-in for a period of three years from the date of allotment are as follows:

The details of Minimum Promoters' Contribution are as follows:

Name of the Promoter	Date of Allotment	Nature of Allotment	No. of Shares	Face Value (Rs.)	Issue Price (Rs.)	%age of promoters' contribution to total issued capital	
						Pre-issue	Post-issue
Mrs. Deepika Gupta	18.01.2011	Subscription to MOA	20,000	10	10		
	03.12.2014	Acquisition through Transfer	10,000	10	10		
	29.09.2018	Allotment through Right Share	10,16,000	10	10		
			10,46,000			13.76	9.88
Mr. Dheerendra Kumar Gupta	18.01.2011	Subscription to MOA	10,000	10	10		
	03.12.2014	Acquisition through Transfer	15,000	10	10		
	29.09.2018	Allotment through Right Share	10,58,000	10	10		
			10,83,000			14.25	10.23
			21,29,000			28.01	20.12

For details on the build-up of the Equity Share capital held by our Promoters, please refer to "Build-up of our Promoter's shareholding in our Company" in section "Capital Structure" beginning on page 60.

Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20.12% of the fully diluted Post-Issue Equity Share Capital of our Company as Minimum Promoter's Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoter's Contribution from the date of filing this Draft Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI (ICDR) Regulations, except as may be permitted, in accordance with the SEBI (ICDR) Regulations.

The minimum Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot and from persons identified as "promoter" under the SEBI (ICDR) Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Minimum Promoter's Contribution under SEBI (ICDR) Regulations. Further, in terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018, the Minimum Promoters' Contribution of 20.12% of the Post Issue Capital of our Company as mentioned above does not consist of;

In this regard, we confirm that:

(i) Equity Shares acquired during the three (3) years preceding the date of this Draft Prospectus for consideration other than cash and where revaluation of assets or capitalisation of intangible assets was involved or bonus issue out of revaluations reserves or unrealised profits or against Equity Shares that are otherwise ineligible for computation of Minimum Promoters' Contribution;

(ii) the Minimum Promoter's Contribution does not include Equity Shares acquired during the one (1) year preceding the date of this Draft Prospectus at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

(iii) Our Company has not been formed by conversion of a partnership firm into a company and hence no Equity Shares have been issued in the one year immediately preceding the date of this Draft Prospectus pursuant to conversion of a partnership firm; and

(iv) the Equity Shares held by our Promoters and offered as part of the Minimum Promoter's Contribution are not subject to any pledge.

c) Details of Equity Shares Locked-in for One (1) Year

Other than the Equity Shares held by our Promoters, which will be locked-in as minimum Promoters' contribution for three years, all pre-Issue Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Issue as provided in clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018.

d) Other requirements in respect of lock-in

Pursuant to Regulation 242 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters and locked-in for one (1) year may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. Equity Shares locked-in as Minimum Promoters' Contribution for three (3) years can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

In terms of Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters may be transferred between our Promoters and Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "Takeover Regulations").

Further, in terms of Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by persons other than our Promoters prior to the Issue and locked-in for a period of one (1) year, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in applicable to the transferee and compliance with the provisions of the Takeover Regulations.

9. Our Shareholding pattern

The following tables present the shareholding pattern of Our Company:

Table I - Summary of Shareholding Pattern

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities* (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class X	Class Y								
(A)	Promoter and Promoter Group	5	7061500	-	-	7061500	92.91	7061500	-	7061500	92.91	-	-	-	-	-	7061500
(B)	Public	4	538500	-	-	538500	7.09	538500	-	538500	7.09	-	-	-	-	-	538500
(C-)	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



SBC EXPORTS LIMITED

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities* (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights	Total as a % of (A+B+C)				No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
								Class X	Class Y	Total								
(C-1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C-2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	9	76,00,000	-	-	76,00,000	100	76,00,000	-	76,00,000	100.00	-	100	-	-	-	-	76,00,000

Table II - Statement showing Shareholding Pattern of the Promoter and Promoter Group

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C 2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights	Total as a % of Total Voting Rights				No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
		(Not to be Disclosed)							Class X	Class Y	Total								
(1)	Indian																		
(a)	Individual / Hindu Undivided Family																		
	Mrs. Deepika Gupta		1	3130000	-	-	3130000	41.18	3130000	-	3130000	41.18	-	41.18	-	-	-	-	3130000
	Mr. Dheerendra Kumar Gupta		1	2525000	-	-	2525000	33.22	2525000	-	2525000	33.22	-	33.22	-	-	-	-	2525000
	Mr. Govindji Gupta		1	404000	-	-	404000	5.32	404000	-	404000	5.32	-	5.32	-	-	-	-	404000
	Mr. Sudeshwar Kumar Gupta		1	2500	-	-	2500	0.03	2500	-	2500	0.03	-	0.03	-	-	-	-	2500



SBC EXPORTS LIMITED

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights	Total as a % of Total Voting Rights				No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
																			Class X
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c.)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (Corporate / LLP) M/s. SBC Finmart Limited	-	1	1000000	-	-	1000000	13.16	1000000	-	1000000	13.16	-	13.16	-	-	-	-	100000
	Sub Total (A-1)		5	7061500	-	-	7061500	92.91	7061500	-	7061500	92.91	-	92.91	-	-	-	-	7061500
(2)	Foreign																		

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights		Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
									Class X	Class Y									Total
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c.)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (A-2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights	Total as a % of Total Voting Rights				No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
		(Not to be Disclosed)							Class X	Class Y	Total								
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		5	7061500	-	-	7061500	92.91	7061500	-	7061500	92.91	-	92.91	-	-	-	-	7061500

Table III - Statement showing Shareholding Pattern of the Public shareholder

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights	Total as a % of Total Voting Rights	Total			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
																			Class X
(1)	Institutions																		
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c.)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



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Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights		Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
									Class X	Class Y									Total
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	Non-institutions																		
(a)	i. Individual	-	2	8000	-	-	8000	0.11	800	-	8000	0.11	-	0.11	-	-	-	-	8000



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Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C 2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights		Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
									Class X	Class Y									Total
	shareholders holding nominal share capital up to Rs. 2 lakhs.	(Not to be Disclosed)							0										
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	-	2	530500	-	-	530500	6.98	530500	-	530500	6.98	-	6.98	-	-	-	-	530500
	Mr. Amit Kumar Aggarwal	-	1	505500	-	-	505500	6.65	505500	-	505500	6.65	-	6.65	-	-	-	-	505500
	Mrs. Sarika Gupta	-	1	25000	-	-	25000	0.33	25000	-	25000	0.33	-	0.33	-	-	-	-	25000
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



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Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights	Total as a % of Total Voting Rights				No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
		(Not to be Disclosed)							Class X	Class Y	Total								
(c.)	Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (Corporates):																		
	Sub-Total (B)(3)	-	4	538500	-	-	538500	7.09	538500	-	538500	7.09	-	7.09	-	-	-	-	538500
	Total Public Shareholding (B)= (B)(1) + (B)(2)+ (B)(3)	-	4	538500	-	-	538500	7.09	538500	-	538500	7.09	-	7.09	-	-	-	-	538500

Table IV - Statement showing Shareholding Pattern of the Non Promoter- Non Public shareholder

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No of Voting Rights	Total as a % of Total Voting Rights				No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
		(Not to be Disclosed)							Class X	Class Y	Total							
(1)	Custodian/DR Holder																	
(a)	Name of DR Holder (if available)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub total (C)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



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Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights	Total as a % of Total Voting Rights				No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
		(Not to be Disclosed)							Class X	Class Y	Total								
	Benefit) Regulations, 2014)																		
	Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

*As on date of this draft prospectus 1 Equity share holds 1 vote.

** Pursuant to SEBI (ICDR) Regulations, at least 20% of the post Issue Paid-up Equity Shares Capital (Minimum Promoters' Contribution) shall be locked in for a period of three years and the remaining entire shareholding shall be locked in for a period of one year from the date of allotment in the Initial Public Offer.

10. The Lead Manager and its associates do not hold any Equity Shares as on the date of this Draft Prospectus.

11. The Lead Manager and its affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.

12. Pre Issue and Post Issue Shareholding of our Promoters and Promoters' Group

Set forth is the shareholding of our Promoters and Promoter Group before and after the proposed issue:

Particulars	Pre Issue		Post Issue	
	No. of Shares	%	No. of Shares	%
Promoter:				
Mrs. Deepika Gupta	31,30,000	41.18	31,30,000	29.58
Mr. Dheerendra Kumar Gupta	25,25,000	33.22	25,25,000	23.86
Promoter Group				
M/s. SBC Finmart Limited	10,00,000	13.16	10,00,000	9.45
Mr. Govindji Gupta	4,04,000	5.32	4,04,000	3.82
Mr. Sudeshwar Kumar Gupta	2,500	0.03	2,500	0.02
TOTAL	70,61,500	92.91	70,61,500	66.73

13. Details of Major Shareholders:

a) Details of our major shareholders holding 1% or more of the paid-up capital of the company as on date of the Draft Prospectus:

Sr. No.	Names	Shares Held (Face Value of Rs. 10/- each)	% of shares held (% Pre Issue paid up Capital)*
1.	Mrs. Deepika Gupta	31,30,000	41.18
2.	Mr. Dheerendra Kumar Gupta	25,25,000	33.22
3.	M/s. SBC Finmart Limited	10,00,000	13.16
4.	Mr. Amit Kumar Aggarwal	5,05,500	6.65
5.	Mr. Govindji Gupta	4,04,000	5.32
	Total	75,64,500	99.53

*The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on the date of the Draft Prospectus.

b) Details of our major shareholders holding 1% or more of the paid-up capital of the company as on two years prior to date of the Draft Prospectus:

Sr. No.	Names	Shares Held (Face Value of Rs. 10/- each)	% of shares held*
1.	Mrs. Deepika Gupta	30,000	30.00
2.	Mr. Govindji Gupta	4,000	4.00
3.	Mr. Dheerendra Kumar Gupta	25,000	25.00

Sr. No.	Names	Shares Held (Face Value of Rs. 10/- each)	% of shares held*
4.	Mr. Parveen	5,500	5.50
5.	Mr. Amit Kumar Aggarwal	5,500	5.50
6.	Mr. Gaurav Gupta	2,500	2.50
7.	Mr. Sudeshwar Kumar Gupta	2,500	2.50
8.	Mrs. Sarika Gupta	25,000	25.00
	Total	1,00,000	100.00

*The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on the date of the Draft Prospectus.

- c) Details of our major shareholders holding 1% or more of the paid-up capital of the company as on one year prior to the date of the Draft Prospectus:

Sr. No.	Names	Shares Held (Face Value of Rs. 10/- each)	% of shares held*
1.	Mrs. Deepika Gupta	30,000	30.00
2.	Mr. Govindji Gupta	4,000	4.00
3.	Mr. Dheerendra Kumar Gupta	25,000	25.00
4.	Mr. Parveen	5,500	5.50
5.	Mr. Amit Kumar Aggarwal	5,500	5.50
6.	Mr. Gaurav Gupta	2,500	2.50
7.	Mr. Sudeshwar Kumar Gupta	2,500	2.50
8.	Mrs. Sarika Gupta	25,000	25.00
	Total	1,00,000	100.00

*The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on the date of the Draft Prospectus.

- d) Details of our major shareholders holding 1% or more of the paid-up capital of the company as on ten days prior to the date of the Draft Prospectus:

Sr. No.	Names	Shares Held (Face Value of Rs. 10/- each)	% shares held (% Pre Issue paid up Capital)*
1.	Mrs. Deepika Gupta	31,30,000	41.18
2.	Mr. Dheerendra Kumar Gupta	25,25,000	33.22
3.	M/s. SBC Finmart Limited	10,00,000	13.16
4.	Mr. Amit Kumar Aggarwal	5,05,500	6.65
5.	Mr. Govindji Gupta	4,04,000	5.32
	Total	75,64,500	99.53

*The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on the date of the Draft Prospectus.

14. The average cost of acquisition of or subscription of shares by our promoters is set forth in the table below:

Sr. No.	Name of Promoters	Shares Held (Face Value of Rs. 10/- each)	Average Price* (in Rs. per equity share)
1	Mr. Dheerendra Kumar Gupta	25,25,000	10
2	Mrs. Deepika Gupta	31,30,000	10

The promoters i.e. Mr. Dheerendra Kumar Gupta and Mrs. Deepika Gupta had further invested Rs. 126.96 Lakhs and Rs. 121.92 Lakhs respectively pursuant to the provisions of Regulation 14 of SEBI ICDR Regulations, 2018 to meet the requirement of Promoter's Contribution.

As certified by our Statutory Auditor vide their certificate dated 8th April, 2019.

15. Shareholding of our Directors and Key Managerial Personnel in our Company

Set forth below is the shareholding of our Directors and Key Managerial Personnel in our Company, as on the date of this Draft Prospectus.

Sr. No.	Names	Shares Held (Face Value of Rs. 10/- each)	% shares held (% Pre Issue paid up Capital)*
1.	Mrs. Deepika Gupta	31,30,000	41.18
2.	Mr. Dheerendra Kumar Gupta	25,25,000	33.22

16. None of our Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of this Draft Prospectus.

17. Neither, we nor our Directors and the Lead Manager to this Issue have entered into any buy-back and/or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.

18. As on the date of filing of this Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person, any option to acquire our Equity Shares after this Initial Public Offer.

19. As on the date of this Draft Prospectus, the entire Issued Share Capital, Subscribed and Paid up Share Capital of our Company is fully paid up.

20. Since the entire Issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.

21. As on the date of this Draft Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.

22. The Lead Manager i.e. Navigant Corporate Advisors Limited and its associates do not hold any Equity Shares in our Company as on the date of filing of this Draft Prospectus.

23. We hereby confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of this Draft Prospectus until the Equity Shares offered have been listed or application moneys refunded on account of failure of Issue.

24. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments.

25. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.

26. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange i.e. BSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

27. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.

28. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.

29. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.

30. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

31. Our Company shall comply with such disclosure and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.

32. As on the date of this Draft Prospectus, our Company has not issued any equity shares under any employee stock option scheme and we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme.

33. There are no Equity Shares against which depository receipts have been issued.

34. Except as mentioned below, there have been no purchase or sell of Equity Shares by Promoters, Promoter Group, our Directors and relatives of our Directors during a period of six months preceding the date of this Draft Prospectus.

S. No.	Date	Name	Number of Shares	Price (Rs.)	Type and mode of transaction
1.	29.09.2018	Mrs. Deepika Gupta	25,00,000	10.00	Acquisition by way of allotment in Right Issue of the Company
2.	29.09.2018	Mr. Govind ji Gupta	10,00,000	10.00	
3.	29.09.2018	Mr. Dheerendra Kumar Gupta	25,00,000	10.00	
4.	29.09.2018	Mr. Amit Kumar Aggarwal	5,00,000	10.00	
5.	16.11.2018	Mr. Govindji Gupta	(6,00,000)	10.00	Transfer of equity share
6.	16.11.2018	Mrs. Deepika Gupta	6,00,000	10.00	Acquisition of equity shares through Transfer

35. Other than the Equity Shares, there is no other class of securities issued by our Company as on date of filing of this Draft Prospectus.

36. We have 9 (Nine) Shareholders as on the date of filing of this Draft Prospectus.

37. There are no safety net arrangements for this Public issue.

38. Our Promoters and Promoter Group will not participate in this Issue.

39. This Issue is being made through Fixed Price method.



SBC EXPORTS LIMITED

40. Except as disclosed in this Draft Prospectus, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation to the date of this Draft Prospectus.

41. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.

42. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering the Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchange within 24 hours of such transactions being completed.

43. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

44. As per RBI regulations, OCB's are not allowed to participate in the Issue.

45. Allocation to all categories shall be made on a proportionate basis subject to valid applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and BSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

OBJECTS OF THE ISSUE

Our Company proposes to utilize the net proceeds from the Issue towards funding the following objects and achieve the benefits of listing the equity shares on the SME Platform of BSE Limited. We believe that the listing of Equity shares will enhance our brand name and provide liquidity to the existing shareholders. Listing will also provide a public market for the Equity Shares in India.

The Issue includes a fresh Issue of 29,82,000 Equity Shares of our Company at an Issue Price of Rs. 22 per Equity Share.

Objects of the Fresh Issue

1. To part finance working capital requirements of the Company;
2. To meet General corporate purposes;
3. To meet the expenses of the Issue.

(Collectively referred as the “Objects”)

We believe that the listing of Equity Shares will enhance our Company’s corporate image, brand name and create a public market for our Equity Shares in India.

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

Utilization of Net Proceeds

The details of the proceeds of the Issue are summarized below:

(Rs. In Lakhs)

S. No.	Particulars	Amounts
1)	Gross Proceeds	656.04
2)	(Less) Issue related expenses	50.00
3)	Net Proceeds	606.04

FUND REQUIREMENTS

We intend to utilize the Net Proceeds from the Issue, in the manner set below:

(Rs. In Lakhs)

S. No.	Particulars	Amounts
1)	To part finance working capital requirements of the Company.	510.00
2)	General corporate purposes.	96.04
	Total	606.04

The requirements of the objects detailed above are intended to be funded from the Proceeds of the Issue and Internal Accruals. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.

The fund requirement and deployment is based on internal management estimates and our Company’s current business plan and is subject to change in light of changes in external circumstances or costs,

other financial conditions, business or strategy. These estimates have not been appraised by any bank or financial institution.

Any amount, deployed by our Company out of internal accruals towards the aforementioned objects till the date of receipt of Issue Proceeds shall be recouped by our Company from the Issue Proceeds of the Issue. In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

As we operate in competitive environment, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled “Risk Factors” beginning on page 25 of this Draft Prospectus.

DETAILS OF THE OBJECTS

1. TO PART FINANCE WORKING CAPITAL REQUIREMENTS OF THE COMPANY.

We are currently are very small company with relatively limited scope of operations and large potential for growth. The increasing expansion of our company will in turn lead to the increase in the requirement of working capital. It is imperative for a company of our size of operations to provide upfront payment to our vendors/suppliers to maintain credibility. At the same time there might be some delay in collection of payment from customers based on company’s distribution network and payment policy. Hence, it is imperative that company is fully prepared to capture any opportunity that may arise its way. We intend to expand into new regions which would require us to maintain good payment cycle with our vendors and investment in advance payment for deliverables. This would require us to have adequate working capital to ensure a smooth and uninterrupted flow of our business operations. Accordingly, we expect a further increase in the working capital requirements in view of current and potential business operations that we may undertake. Accordingly, we have proposed to use Rs. 510.00 lakhs out of the issue proceeds to meet the increase in long term working capital requirements.

(Rs. In lakhs)

Sr. No.	Particulars	31.03.2017	31.03.2018	31.12.2018	31.03.2020
		Audited	Audited	Audited	Forecasted
A.	Current Assets				
	Inventories	333.18	748.62	703.56	[•]
	Trade receivables	403.93	744.01	1490.21	[•]
	Cash and bank balances	47.90	127.72	79.62	[•]
	Short Term Loans and Advances	51.17	88.33	45.33	[•]
	Other current assets	44.22	69.40	266.73	[•]
	Total Current Assets	880.40	1,778.07	2,585.45	[•]
B.	Current Liabilities				
	Short-term borrowings	(1.12)	0.10	103.55	[•]
	Trade payable	731.85	1391.35	1302.12	[•]
	Other current liabilities	76.39	187.08	94.91	[•]
	Short-term provisions	18.52	52.27	30.30	[•]
	Total Current Liabilities	825.64	1,630.80	1,530.88	[•]

Sr. No.	Particulars	31.03.2017	31.03.2018	31.12.2018	31.03.2020
		Audited	Audited	Audited	Forecasted
C.	Working Capital Gap (A-B)	54.76	147.27	1,054.57	[•]
D.	Owned Funds/Internal Accruals available for working capital	-	-	-	[•]
E.	Working Capital funding through IPO Proceeds	-	-	-	510.00

As per our estimates, we would require Rs. 510.00 lakhs out of the issue proceeds to meet the working capital requirements.

Justification of Holding Level

- **Inventory:**

We expect inventory holding period of 48-49 days for FY 2018-19 and FY 2019-20 lower than holding period of around 56 days in FY 2017-18, as we expect good sales prospects that would help us in preventing inventory pile up.

- **Trade Receivables:**

We expect debtors' holding days to be at 32 & 33 days for FY 2018-19 and FY 2019-20 and FY 2017-18 respectively based on increased sales and efficient collection policies.

- **Trade Payables:**

We expect creditors' payment days to be 55 days for FY 2018-19 and FY 2019-20 which is lower than the payment days of around 61 days witnessed in FY2017-18 as we expect greater liquidity due to better working capital management.

2. TO FINANCE THE GENERAL CORPORATE PURPOSE.

The Net Proceeds will first be utilized towards the Objects set out above, as well as meeting the Issue-related expenses. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds of Rs. 96.04 Lakhs towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time. We confirm that utilization for general corporate purposes will not exceed 25% of the Net Proceeds of the Issue, in compliance with the SEBI ICDR Regulations.

Such general corporate purposes may include, but are not restricted to, the following:

- Strategic initiatives, including investments or acquisitions, from time to time;
- Brand building, promotional and outreach activities;
- Strengthening our infrastructure and systems and processes, in-house training initiatives, etc.;
- Repayment of present or future loans; and
- Ongoing general corporate purposes or exigencies, as approved by the Board, subject to compliance with applicable law.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time.

APPRAISAL BY APPRAISING AGENCY

None of the Objects have been appraised by any bank or financial institution or any other independent third party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

SCHEDULE OF IMPLEMENTATION/ UTILIZATION OF ISSUE PROCEEDS

Our Company proposes to deploy the Net Proceeds in the aforesaid objects as follows:

(Rs. In lakhs)

Sr. No.	Particulars	Amount Proposed to be Deployed from Net Proceeds	Estimated Schedule of Deployment of Net Proceeds
			FY 2019-20
1)	To part finance working capital requirements of the Company.	510.00	510.00
2)	General Corporate Purpose	96.04	96.04
	Total	606.04	606.04

DETAILS OF FUNDS ALREADY DEPLOYED TILL DATE AND SOURCES OF FUNDS DEPLOYED

The funds deployed up to March 31, 2019 pursuant to the object of this Issue as certified by the Auditors of our Company, viz. M/s. R.N.K.A & Co., Chartered Accountants pursuant to their certificate dated 8th April, 2019 is given below:

Deployment of funds	Amount (Rs. In Lakhs)
Issue Related Expenses	6.81
Total	6.81

Sources of funds	Amount (Rs. In Lakhs)
Internal Accruals	6.81
Bank Finance	-
Total	6.81

ISSUE RELATED EXPENSES

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. 50 Lakhs.

Particulars	Amount (Rs. in Lakhs)	% of Total Issue Expenses	% of Total Issue Size
Issue management fees, Underwriting Fees selling commissions, brokerages, Payment to other intermediaries such as Legal Advisors, Registrars, Market Making fee for three years etc.	37.00	74.00%	5.64%

Particulars	Amount (Rs. in Lakhs)	% of Total Issue Expenses	% of Total Issue Size
Printing & Stationery, Distribution, Postage, etc.	1.00	2.00%	0.15%
Advertisement & Marketing Expenses	2.00	4.00%	0.30%
Regulatory & other expenses	5.00	10.00%	0.76%
Miscellaneous Expenses	5.00	10.00%	0.76%
Total	50.00	100.00%	7.62%

BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may borrow such amounts, as may be required, from other lenders until the completion of the Issue. Further, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance additional working capital needs until the completion of the Issue. Any amount that is borrowed from lenders or drawn down from the overdraft arrangement / cash credit facility during this period to finance additional working capital needs will be repaid from the Net Proceeds of the Issue.

INTERIM USE OF FUNDS

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilisation of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

MONITORING UTILIZATION OF FUNDS

As the size of the Issue does not exceed Rs. 10,000 lakhs, in terms of Regulation 16 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds. Pursuant to Regulation 32 of the Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilized, our Company will disclose the utilization of the Issue Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Issue Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Issue Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1) (a) of the Listing Regulations our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Issue Proceeds for the objects stated in this Draft Prospectus.

CONFIRMATION REGARDING PURCHASE OF SECOND-HAND EQUIPMENT AND MACHINERY

No second-hand equipment and machinery is proposed to be purchased by our Company from the Net Proceeds.

OTHER CONFIRMATIONS

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, associates or Key Management Personnel, except in the normal course of business and in compliance with applicable.



SBC EXPORTS LIMITED

VARIATION IN OBJECTS

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the Postal Ballot Notice) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

BASIS FOR ISSUE PRICE

The face value of the Equity Shares is Rs.10.00 and Issue Price is Rs. 22.00 per Equity Share and 2.20 times of the face value.

The Issue Price has been determined by our Company in consultation with the Lead Manager and justified by our Company in consultation with the Lead Manager on the basis of the below mentioned information.

Investors should also refer to the sections titled “Our Business”, “Risk Factors” and “Financial Statements” on page 110, 25 and 170 respectively of this Draft Prospectus, to have an informed view before making an investment decision.

Qualitative Factors

We believe that our business strengths listed below enable us to remain competitive in the businesses:

- Experienced Promoters and a well trained employee base
- Strategic Location of our manufacturing facility
- Creative product designing process
- Diversified Product Portfolio offering affordable fashion across various price segments
- Quality Assurance and Standards
- Integrated provider for travel services
- End to End IT services
- Diversified Business model catering to various segments which are not related to each other protects company from slowdown in any specific Industry

For detail on qualitative factors pertaining to the pricing of this issue, please refer to “Our Business” on page 110 of this Draft Prospectus.

Quantitative factors

Information presented below relating to our Company is based on the Restated Financial Statements.

Some of the quantitative factors which form the basis or computing the issue price are as follows:

1. **Earnings Per Share (EPS) and Diluted Earnings Per Share, Pre Issue, for last three years (as Adjusted for change in capital) ***

On the basis of Standalone Financial Statements

Financial Year	Basic EPS	Diluted EPS	Weights
2017-18	82.97	82.97	3
2016-17	32.84	32.84	2
2015-16	6.58	6.58	1
Weighted Average EPS			53.53
EPS for nine months ended 31 st December, 2018 (not Annualized)			2.60

Note-

- Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. The figures disclosed above are based on the Financial Statements as Restated of our Company.
- Face value of each equity share is Rs. 10.
- EPS has been calculated in accordance with Accounting Standard 20 “Earning per Share” issued by Institute of Chartered Accountants of India.
- For further details, please refer the sections titled “Financial Statements” on page 170 of this Draft Prospectus.

2. Price/Earning (P/E) ratio in relation to issue Price of Rs. 22/-

On the basis of Standalone financial statements

Particulars	PE ratio based on Issue Price
P/E ratio based on Diluted EPS for Nine Months ended December 31, 2018	8.46
P/E ratio based on Weighted Average Basic EPS	0.41

Industry PE*	
Highest	74.78
Lowest	11.32
Average	43.05

*Industry composite consists of Monte Carlo Fashions Limited, Vardhman Textiles Limited, Page Industries Limited and Jet Knitwears Limited.

3. Return on Net Worth in the last three years

On the basis of standalone financial statements

Financial Years	Return on Net Worth (RONW) (%)	Weights
2017-18	58.70	3.00
2016-17	56.30	2.00
2015-16	25.80	1.00
Weighted Average RONW		52.44%
For the Nine Months ended December 31, 2018 (not annualized)		5.70%

Note: The RONW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding revaluation reserves, if any) of our Company.

4. Net Asset value (NAV) per Equity Share

Based Standalone Financial Statement

Particulars	In Rs.
Net Asset Value per Equity Share as of December 31, 2018	45.38
Net Asset Value per Equity Share as of March 31, 2018	141.28
Issue Price per Equity Share	22.00
Net Asset Value per Equity Share after the Issue	17.63

Note:

- Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares outstanding at the end of the period.
- Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding revaluation reserves, if any) of our Company.

5. Comparison of Accounting ratios with Industry peers

S.No.	Name of Company	Face Value (Rs. per share)	CMP	EPS & Diluted EPS (Rs. Per share)	P/E Ratio	Average RONW (%)	NAV (Rs. Per share)	PAT (Rs. In Lakhs)
1	SBC Exports Limited	10	-	82.97	1.70	83.13%	141.28	82.97
2	SBC Exports Limited (Nine Months ended on 31 st December, 2018)	10	22.00	2.60	8.46	5.70%	45.38	69.37
Peer Group*								
1.	Monte Carlo Fashions Ltd.	10	380.85	27.48	13.86	11.65%	243.39	5,972.14
2.	Vardhman Textiles Limited	10	1076.15	95.02	11.32	12.67%	806.49	54,576.00
3.	Page Industries Limited	10	23,262.25	311.08	74.78	45.86%	759.65	34,697.60
4.	Jet Knitwears Limited	10	50.55	2.72	18.56	8.93%	33.88	120.02

*Source: www.bseindia.com, www.nseindia.com, and Capital Market

**Average RONW is not annualized

Notes:

- The figures for SBC Exports Limited are based on the restated results for the year ended March 31, 2018.
- The Nine months figures for SBC Exports Limited are based on the restated results for the nine months ended 31st December, 2018.
- The figures for the peer group are based on audited results for the respective year ended March 31, 2018.
- Current Market Price (CMP) is the closing price of as on January 11, 2018 for Monte Carlo Fashions Limited, Vardhman Textiles Limited, Page Industries Limited and Jet Knitwears Limited.
- Average return on net worth is calculated as PAT divided by average of starting net worth and ending net worth for the specific period.

For further details see section titled “Risk Factors” beginning on page 25 and the financials of the Company including profitability and return ratios, as set out in the section titled “Financial Statements” beginning on page 170 of this Draft Prospectus for a more informed view.



SBC EXPORTS LIMITED

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
SBC Exports Limited
49/95, Sahibabad Industrial Area Site 4,
Sahibabad, Ghaziabad, Uttar Pradesh- 201010

Dear Sirs,

Sub: Statement of Possible Special Tax Benefits (“The Statement”) available to SBC Exports Limited (“The Company”) and its shareholders prepared in accordance with the requirement in Schedule VI of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018 (“The Regulation”).

We hereby report that the enclosed annexure prepared by SBC Exports Limited, states the possible special tax benefits available to SBC Exports Limited (the Company) and the shareholders of the Company under the Income - Tax Act, 1961 (‘Act’), as applicable to the Assessment Year 2019-20 relevant to the Financial Year 2018-19 for inclusion in the Draft Prospectus/Prospectus (“Offer Documents”) for the proposed issue of shares. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, these benefits are not exhaustive and the preparation of enclosed statement and the contents stated therein is the responsibility of the Company’s management. We are informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares (“the Issue”) by the Company.

We do not express any opinion or provide any assurance as to whether:

- a) The Company or its Equity Shareholders will continue to obtain these benefits in future; or
- b) The conditions prescribed for availing the benefits, where applicable have been/would be met.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For M/s. R.N.K.A. & Co
Chartered Accountants
Sd/-

Rajesh Kumar
Partner

Firm Registration No.: 021745N

Date: 8th April, 2019

Place: Delhi

ANNEXURE TO THE STATEMENT OF TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act, 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

A. SPECIAL TAX BENEFITS TO THE COMPANY	NIL
B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER	NIL

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION V- ABOUT THE COMPANY**INDUSTRY OVERVIEW**

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

OVERVIEW OF GLOBAL ECONOMY

Global growth is moderating as the recovery in trade and manufacturing activity loses steam (Figure 1.1). Despite ongoing negotiations, trade tensions among major economies remain elevated. These tensions, combined with concerns about softening global growth prospects, have weighed on investor sentiment and contributed to declines in global equity prices. Borrowing costs for emerging market and developing economies (EMDEs) have increased, in part as major advanced-economy central banks continue to withdraw policy accommodation in varying degrees. A strengthening U.S. dollar, heightened financial market volatility, and rising risk premiums have intensified capital outflow and currency pressures in some large EMDEs, with some vulnerable countries experiencing substantial financial stress. Energy prices have fluctuated markedly, mainly due to supply factors, with sharp falls toward the end of 2018. Other commodity prices—particularly metals—have also weakened, posing renewed headwinds for commodity exporters.

Economic activity in advanced economies has been diverging of late. Growth in the United States has remained solid, bolstered by fiscal stimulus. In contrast, activity in the Euro Area has been somewhat weaker than previously expected, owing to slowing net exports. While growth in advanced economies is estimated to have slightly decelerated to 2.2 percent last year, it is still above potential and in line with previous forecasts.

EMDE growth edged down to an estimated 4.2 percent in 2018—0.3 percentage point slower than previously projected—as a number of countries with elevated current account deficits experienced substantial financial market pressures and appreciable slowdowns in activity. More generally, as suggested by recent high-frequency indicators, the recovery among commodity exporters has lost momentum significantly, largely owing to country-specific challenges within this group. Activity in commodity importers, while still robust, has slowed somewhat, reflecting capacity constraints and decelerating export growth. In low-income countries (LICs), growth is firming as infrastructure investment continues and easing drought conditions support a rebound in agricultural output. However, LIC metals exporters are struggling partly reflecting softer metals prices. Central banks in many EMDEs have tightened policy to varying degrees to confront currency and inflation pressures.

In all, global growth is projected to moderate from a downwardly revised 3 percent in 2018 to 2.9 percent in 2019 and 2.8 percent in 2020-21, as economic slack dissipates, monetary policy accommodation in advanced economies is removed, and global trade gradually slows. Growth in the United States will continue to be supported by fiscal stimulus in the near term, which will likely lead to larger and more persistent fiscal deficits. Advanced-economy growth will gradually decelerate toward potential, falling to 1.5 percent by the end of the forecast horizon, as monetary policy is normalized and capacity constraints become increasingly binding.

TABLE 1.1 Real GDP¹

(Percent change from previous year)

 Percentage point differences
from June 2018 projections

	2016	2017	2018e	2019	2020f	2021f	2018e	2019	2020f
World	2.4	3.1	3.0	2.9	2.8	2.8	-0.1	-0.1	-0.1
Advanced economies	1.7	2.3	2.2	2.0	1.6	1.5	0.0	0.0	-0.1
United States	1.6	2.2	2.9	2.5	1.7	1.6	0.2	0.0	-0.3
Euro Area	1.9	2.4	1.9	1.6	1.5	1.3	-0.2	-0.1	0.0
Japan	0.6	1.9	0.8	0.9	0.7	0.8	-0.2	0.1	0.2
Emerging market and developing economies (EMDEs)	3.7	4.3	4.2	4.2	4.5	4.6	-0.3	-0.5	-0.2
Commodity-exporting EMDEs	0.8	1.7	1.7	2.3	2.9	2.9	-0.8	-0.7	-0.1
Other EMDEs	5.9	6.1	5.8	5.5	5.6	5.6	0.0	-0.3	-0.1
Other EMDEs excluding China	4.9	5.2	5.0	4.7	4.9	5.1	-0.1	-0.4	-0.2
East Asia and Pacific	6.3	6.6	6.3	6.0	6.0	5.8	0.0	-0.1	0.0
China	6.7	6.9	6.5	6.2	6.2	6.0	0.0	-0.1	0.0
Indonesia	5.0	5.1	5.2	5.2	5.3	5.3	0.0	-0.1	-0.1
Thailand	3.3	3.9	4.1	3.8	3.9	3.9	0.0	0.0	0.1
Europe and Central Asia	1.7	4.0	3.1	2.3	2.7	2.9	-0.1	-0.8	-0.3
Russia	-0.2	1.5	1.6	1.5	1.8	1.8	0.1	-0.3	0.0
Turkey	3.2	7.4	3.5	1.6	3.0	4.2	-1.0	-2.4	-1.0
Poland	3.1	4.8	5.0	4.0	3.6	3.3	0.8	0.3	0.1
Latin America and the Caribbean	-1.5	0.8	0.6	1.7	2.4	2.5	-1.1	-0.6	-0.1
Brazil	-3.3	1.1	1.2	2.2	2.4	2.4	-1.2	-0.3	0.0
Mexico	2.9	2.1	2.1	2.0	2.4	2.4	-0.2	-0.5	-0.3
Argentina	-1.8	2.9	-2.6	-1.7	2.7	3.1	-4.5	-3.5	-0.1
Middle East and North Africa	5.1	1.2	1.7	1.9	2.7	2.7	-1.3	-1.4	-0.5
Saudi Arabia	1.7	-0.9	2.0	2.1	2.2	2.2	0.2	0.0	-0.1
Iran	13.4	3.8	-1.5	-3.6	1.1	1.1	-5.8	-7.7	-3.1
Egypt ²	4.3	4.2	5.3	5.6	5.8	6.0	0.3	0.1	0.0
South Asia	7.5	6.2	6.9	7.1	7.1	7.1	0.0	0.0	-0.1
India ²	7.1	6.7	7.3	7.5	7.5	7.5	0.0	0.0	0.0
Pakistan ²	4.6	5.4	5.8	3.7	4.2	4.9	0.0	-1.3	-1.2
Bangladesh ²	7.1	7.3	7.9	7.0	6.8	6.8	1.4	0.3	-0.2
Sub-Saharan Africa	1.3	2.6	2.7	3.4	3.6	3.7	-0.4	-0.1	-0.1
Nigeria	-1.6	0.8	1.9	2.2	2.4	2.4	-0.2	0.0	0.0
South Africa	0.6	1.3	0.9	1.3	1.7	1.8	-0.5	-0.5	-0.2
Angola	-2.6	-0.1	-1.8	2.9	2.6	2.9	-3.5	0.7	0.2
Memorandum items:									
Real GDP¹									
High-income countries	1.7	2.3	2.2	2.0	1.7	1.6	0.0	0.0	-0.1
Developing countries	4.0	4.6	4.4	4.4	4.7	4.7	-0.3	-0.4	-0.1
Low-income countries	4.8	5.5	5.6	5.9	6.2	6.3	-0.1	0.0	0.0
BRICS	4.4	5.2	5.3	5.2	5.3	5.3	-0.1	-0.2	-0.1
World (2016 PPP weights)	3.2	3.7	3.6	3.5	3.6	3.6	-0.2	-0.3	-0.1
World trade volume³	2.6	5.4	3.8	3.6	3.5	3.4	-0.5	-0.6	-0.5
Commodity prices⁴									
Oil price	-15.6	23.3	-30.7	-2.9	0.0	0.0	-1.9	-1.5	-0.1
Non-energy commodity price index	-2.8	5.3	1.7	1.0	1.2	1.2	-3.4	0.8	0.7

Softening global trade and tighter financing conditions will result in a more challenging external environment for EMDE economic activity. EMDE growth is expected to stall at 4.2 percent in 2019–0.5 percentage point below previous forecasts, partly reflecting the lingering effects of recent financial stress in some large economies (e.g., Argentina, Turkey), with a sharply weaker-than-expected pickup in commodity exporters accompanied by a deceleration in commodity importers. EMDE growth is projected to plateau at an average of 4.6 percent in 2020-21, as the recovery in commodity exporters levels off. Per capita growth will remain anemic in several EMDE regions—most notably, in those with a large number of commodity exporters—likely impeding further poverty alleviation.

The projected gradual deceleration of global economic activity over the forecast horizon could be more severe than currently expected given the predominance of substantial downside risks (Figure 1.2). A sharper-than-expected tightening of global financing conditions, or a renewed rapid appreciation of the U.S. dollar, could exert further downward pressure on activity in EMDEs, including in those with large current account deficits financed by portfolio and bank flows. Government and/or private sector debt has also risen in a majority of EMDEs over the last few years, including in many LICs, reducing the fiscal room to respond to shocks and heightening the exposure to shifts in market sentiment and rising borrowing costs.

Escalating trade tensions are another major downside risk to the global outlook. If all tariffs currently under consideration were implemented, they would affect about 5 percent of global trade flows and could dampen growth in the economies involved, leading to negative global spillovers. While some countries could benefit from trade diversion in the short run, rising trade protectionism would stifle investment and severely disrupt global value chains, contributing to higher prices and lower productivity. Other downside risks—such as heightened political uncertainty, escalating geopolitical tensions, and conflict— further cloud the outlook.

FIGURE 1.1 Summary – Global prospects

Global growth is moderating, as industrial activity and trade decelerate, negatively impacting investor sentiment and equity prices. The recovery in EMDEs has stalled, owing to softening external demand, tighter external financing conditions, and heightened policy uncertainties. Many EMDE central banks have raised interest rates to fend off currency pressures. Per capita growth will remain anemic in several EMDE regions—most notably in those with a large number of commodity exporters.

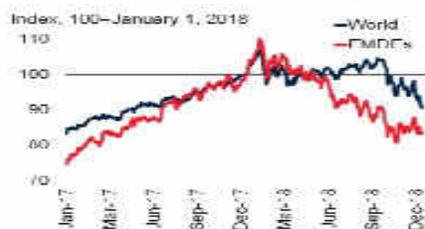
A. Global growth



B. Global industrial production and new export orders



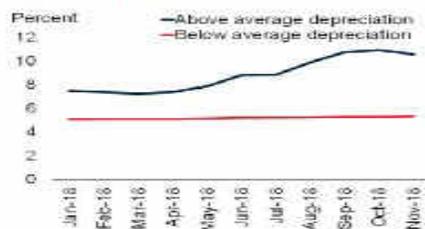
C. Global and EMDE equity prices



D. Growth in EMDEs



E. EMDE policy interest rates, by extent of currency depreciation against the U.S. dollar



F. Per capita growth, by region

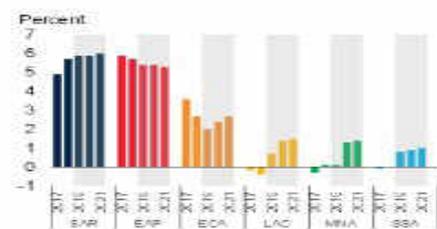
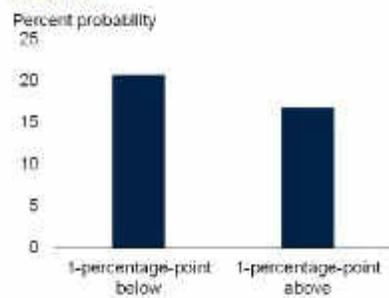


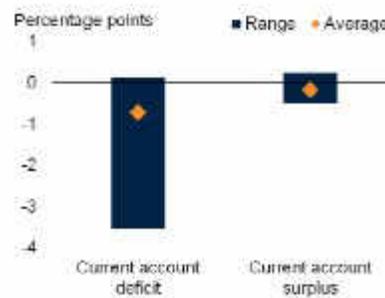
FIGURE 1.2 Global risks and policy challenges

Downside risks predominate, with the possibility of financial stress leading to further deterioration in activity in EMDEs. Escalating trade tensions involving major economies could spread globally. A simultaneous sharp slowdown in both the United States and China could have severe effect on the global outlook. Fiscal space is particularly limited in countries with high foreign-currency-denominated debt. Informality remains widespread in EMDEs and is associated with large productivity gaps between formal and informal firms.

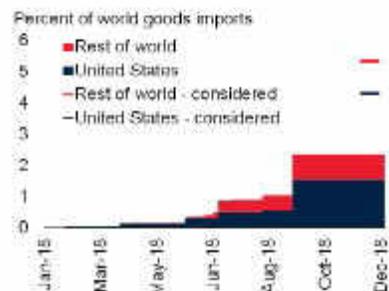
A. Probability of 2020 global growth being 1-percentage-point below/above baseline



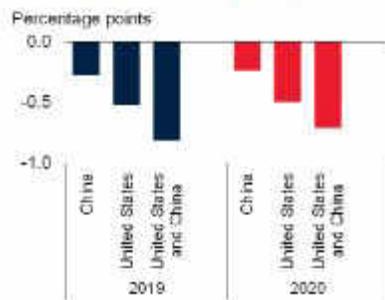
B. Growth forecast revisions and current account position, 2019



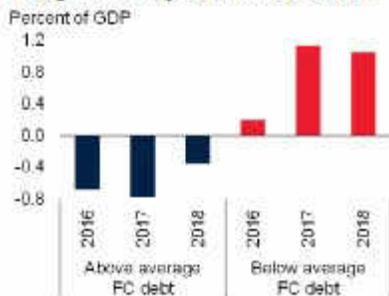
C. Imports affected by new tariffs



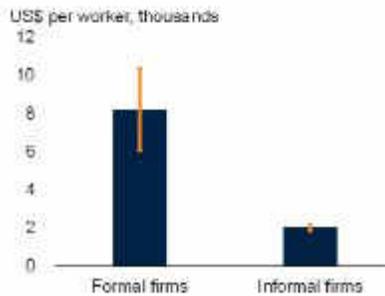
D. Impact on global growth of 1-percentage-point growth slowdowns in the United States and China



E. Fiscal sustainability gaps in EMDEs, by extent of reliance on foreign-currency-denominated debt



F. Average productivity in formal and informal firms



Even though the probability of a recession in the United States is still low, and the slowdown in China is projected to be gradual, markedly weaker-than-expected activity in the world's two largest economies could have a severe impact on global economic prospects. Stimulus measures have bolstered the near-term outlook in these two countries but could contribute to a more abrupt slowdown later on. A simultaneous occurrence of a severe U.S. downturn and a sharper-than-expected deceleration in China would significantly increase the probability of an abrupt global slowdown and thus negatively impact the outlook of other EMDEs through trade, financial, and commodity market channels. A global downturn would be particularly detrimental for those EMDEs with reduced policy space to respond to shocks.

The softening outlook and heightened downside risks exacerbate various challenges faced by policymakers around the world. Advanced economies should use this period of above-potential growth to rebuild macroeconomic policy buffers and lay the foundation for stronger growth with reforms that bolster potential output. Care should be taken to avoid shifts in trade and immigration policies that could negatively affect longer-term growth prospects, both domestically and abroad. A renewed commitment to a rules-based international trading system would also help bolster confidence, investment, and trade.

In a context of limited policy buffers, EMDE policymakers need to bolster the capacity to cope with possible bouts of financial market volatility, including sharp exchange rate movements—while undertaking measures to sustain the ongoing period of historically stable inflation (Box 1.1). This immediate priority will require a credible commitment to price stability from central banks, underpinned by strong institutional independence, as well as efforts by regulators and prudential authorities to reduce persistent financial fragilities. EMDEs also face substantial fiscal challenges and the risk of worsening debt dynamics as global financing conditions tighten. For many EMDEs, it will be imperative to restore fiscal space given cyclical conditions, as well as address the vulnerabilities associated with elevated foreign-currency-denominated debt.

Equally critically, amid a projected deceleration in potential growth, EMDEs face the pressing challenge of ensuring sustained improvements in living standards. This will require investments in human capital and skills development to raise productivity and take full advantage of technological changes. In the current environment of limited fiscal resources, the urgency of these investments highlights the critical need to prioritize effective public spending and increase public sector efficiency.

Moreover, facilitating the expansion of small- and medium-sized enterprises, including by improving their access to international markets and finance, would also spur productivity and stimulate growth-enhancing investments. For many EMDEs, there is scope to further liberalize trade and improve the extent to which they are integrated into global value chains, which would foster a more efficient allocation of resources, job creation, and export diversification. Policies that help improve outcomes in these areas would also contribute to address the challenges associated with informality, thus reinforcing the basis for future productivity growth.

(Source: <http://www.worldbank.org/en/publication/global-economic-prospects>)

OVERVIEW OF INDIAN ECONOMY

Introduction

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

Market size

India's GDP is estimated to have increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves were US\$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI.

Recent Developments

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India reached record US\$ 129.4 billion in 2018 while private equity (PE) and venture capital (VC) investments reached US\$ 20.5 billion. Some of the important recent developments in Indian economy are as follows:

- During 2018-19 (up to February 2019), merchandise exports from India have increased 8.85 per cent year-on-year to US\$ 298.47 billion, while services exports have grown 8.54 per cent year-on-year to US\$ 185.51 billion.
- Nikkei India Manufacturing Purchasing Managers' Index (PMI) reached a 14-month high in February 2019 and stood at 54.3.
- Net direct tax collection for 2018-19 had crossed Rs 10 trillion (US\$ 144.57 billion) by March 16, 2019, while goods and services tax (GST) collection stood at Rs 10.70 trillion (US\$ 154.69 billion) as of February 2019.
- Proceeds through Initial Public Offers (IPO) in India reached US\$ 5.5 billion in 2018 and US\$ 0.9 billion in Q1 2018-19.
- India's Foreign Direct Investment (FDI) equity inflows reached US\$ 409.15 billion between April 2000 and December 2018, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.
- India's Index of Industrial Production (IIP) rose 4.4 per cent year-on-year in 2018-19 (up to January 2019).
- Consumer Price Index (CPI) inflation stood at 2.57 per cent in February 2019.
- Net employment generation in the country reached a 17-month high in January 2019.

Government Initiatives

The interim Union Budget for 2019-20 was announced by Mr Piyush Goyal, Union Minister for Finance, Corporate Affairs, Railways and Coal, Government of India, in Parliament on February 01, 2019. It focuses on supporting the needy farmers, economically less privileged, workers in the unorganised sector and salaried employees, while continuing the Government of India's push towards better physical and social infrastructure.

Total expenditure for 2019-20 is budgeted at Rs 2,784,200 crore (US\$ 391.53 billion), an increase of 13.30 per cent from 2018-19 (revised estimates).

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the government are listed below:

- In February 2019, the Government of India approved the National Policy on Software Products - 2019, to develop the country as a software hub.
- The National Mineral Policy 2019, National Electronics Policy 2019 and Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles (FAME II) have also been approved by the Government of India in 2019.
- Village electrification in India was completed in April 2018. Universal household electrification is expected to be achieved by March 2019 end.
- The Government of India released the maiden Agriculture Export Policy, 2018 which seeks to double agricultural exports from the country to US\$ 60 billion by 2022.
- Around 1.29 million houses have been constructed up to December 24, 2018, under Government of India's housing scheme named Pradhan Mantri Awas Yojana (Urban).
- Prime Minister's Employment Generation Programme (PMEGP) will be continued with an outlay of Rs 5,500 crore (US\$ 755.36 million) for three years from 2017-18 to 2019-20, according to the Cabinet Committee on Economic Affairs (CCEA).

Road Ahead

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

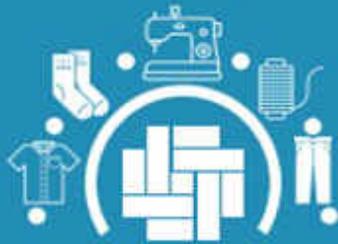
(Source: <https://www.ibef.org/economy/indian-economy-overview>)

OVERVIEW OF TEXTILE INDUSTRY

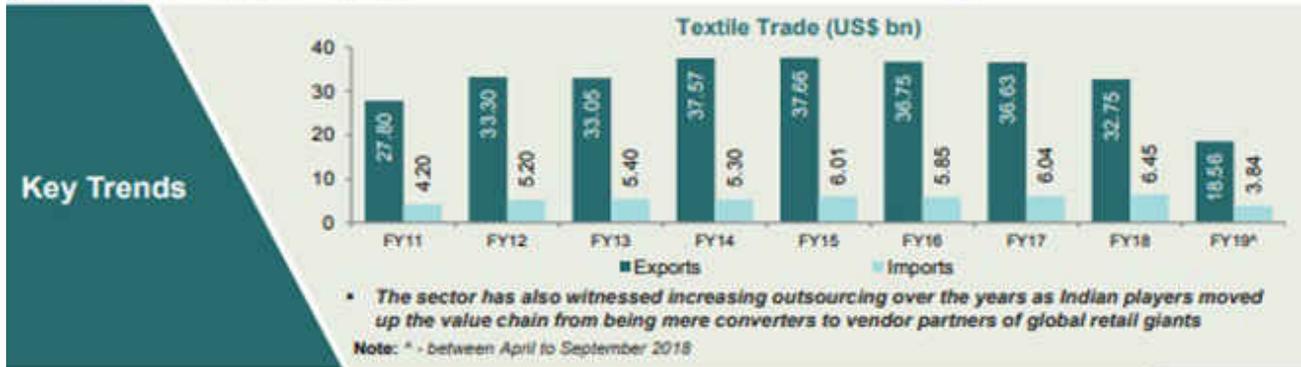
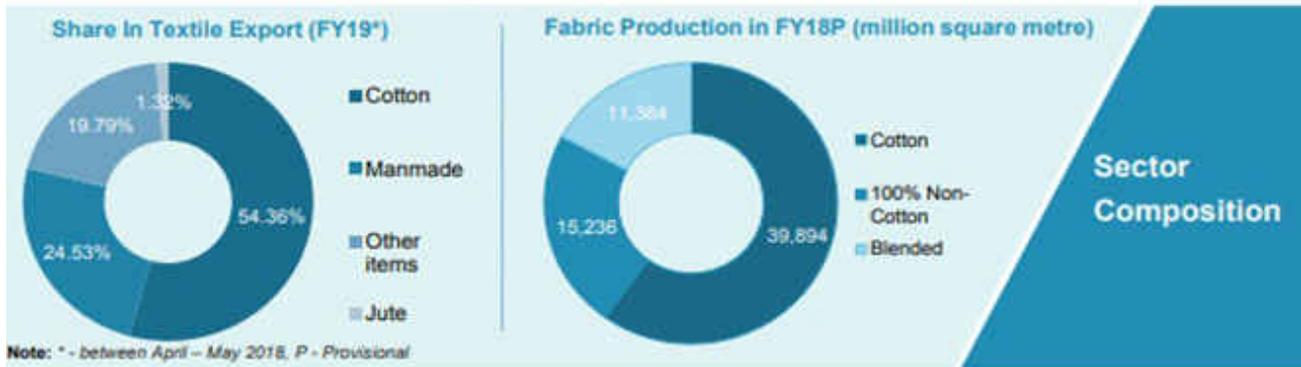
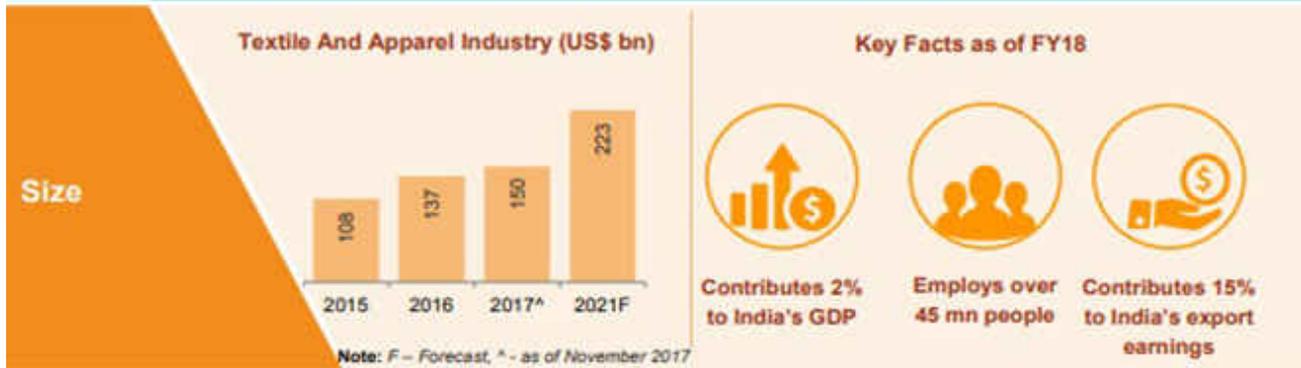
Introduction

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. India's overall textile exports during FY 2017-18 stood at US\$ 39.2 billion.

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.



Textiles and Apparel



National Textile Policy

Khadi App Store

Saathi Scheme

Government
Initiatives

Note: SAATHI - Sustainable and Accelerated Adoption of efficient Textile technologies to Help small Industries

Market Size

The Indian textiles industry, currently estimated at around US\$ 150 billion, is expected to reach US\$ 250 billion by 2019. India's textiles industry contributed seven per cent of the industry output (in value terms) of India in 2017-18. It contributed two per cent to the GDP of India and employs more than 45 million people in 2017-18. The sector contributed 15 per cent to the export earnings of India in 2017-18.

The production of raw cotton in India is estimated to have reached 34.9 million bales in FY18^.

Investment

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 2.97 billion during April 2000 to June 2018.

Some of the major investments in the Indian textiles industry are as follows:

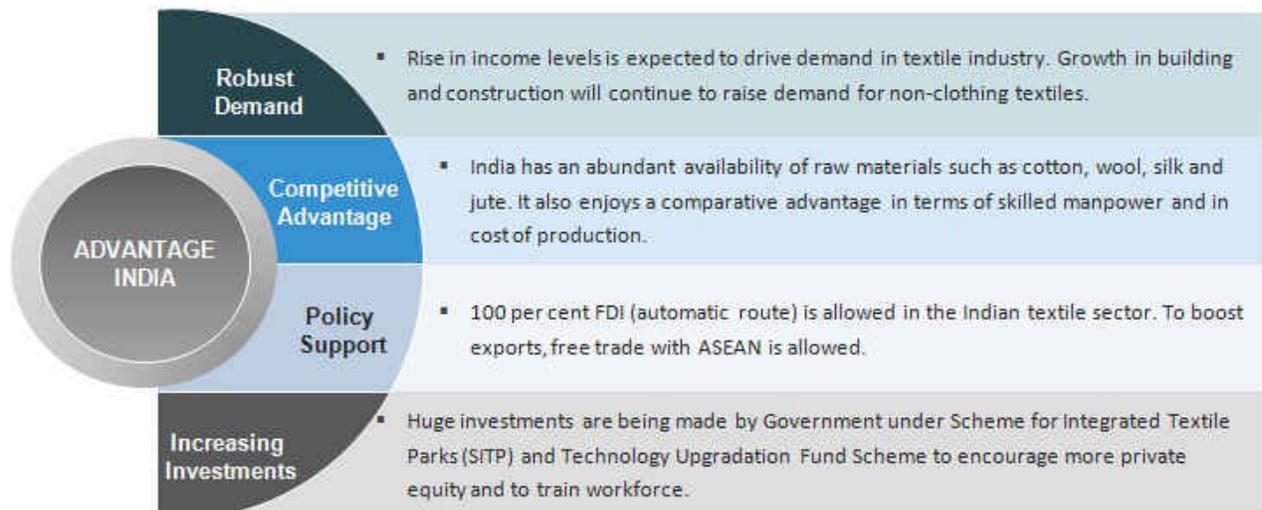
- In May 2018, textiles sector recorded investments worth Rs 27,000 crore (US\$ 4.19 billion) since June 2017.
- The Government of India announced a Special Package to boost exports by US\$ 31 billion, create one crore job opportunities and attract investments worth Rs 800.00 billion (US\$ 11.93 billion) during 2018-2020. As of August 2018, it generated additional investments worth Rs 253.45 billion (US\$ 3.78 billion) and exports worth Rs 57.28 billion (US\$ 854.42 million).

Government Initiatives

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

Initiatives taken by Government of India are:

- The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - Readymade garments and Made ups - from 2 per cent to 4 per cent.
- As of August 2018, the Government of India has increased the basic custom duty to 20 per cent from 10 per cent on 501 textile products, to boost Make in India and indigenous production.
- The Government of India announced a Special Package to boost exports by US\$ 31 billion, create one crore job opportunity and attract investments worth Rs 80,000 crore (US\$ 11.93 billion) during 2018-2020. As of August 2018 it generated additional investments worth Rs 25,345 crore (US\$ 3.78 billion) and exports worth Rs 57.28 billion (US\$ 854.42 million).
- The Government of India has taken several measures including Amended Technology Up-gradation Fund Scheme (A-TUFS), scheme is estimated to create employment for 35 lakh people and enable investments worth Rs 95,000 crore (US\$ 14.17 billion) by 2022.
- Integrated Wool Development Programme (IWDP) approved by Government of India to provide support to the wool sector starting from wool rearer to end consumer which aims to enhance the quality and increase the production during 2017-18 and 2019-20.
- The Cabinet Committee on Economic Affairs (CCEA), Government of India has approved a new skill development scheme named 'Scheme for Capacity Building in Textile Sector (SCBTS)' with an outlay of Rs 1,300 crore (US\$ 202.9 million) from 2017-18 to 2019-20.



Note: SITP - Scheme for Integrated Textile Park; ASEAN - Association of Southeast Asian Nations

Achievements

Following are the achievements of the government in the past four years:

- I-ATUFS, a web-based claims monitoring and tracking mechanism was launched on April 21, 2016.
- 381 new block level clusters were sanctioned.
- 20 new textile parks were sanctioned
- Employment increased to 8.62 million in FY18 from 8.03 in FY15.

Road Ahead

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market.

High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

(Source: www.ibef.org)

IT & ITeS INDUSTRY IN INDIA

Introduction

The global sourcing market in India continues to grow at a higher pace compared to the IT-BPM industry. India is the leading sourcing destination across the world, accounting for approximately 55 per cent market share of the US\$ 185-190 billion global services sourcing business in 2017-18. Indian IT & ITeS companies have set up over 1,000 global delivery centres in about 80 countries across the world.

India has become the digital capabilities hub of the world with around 75 per cent of global digital talent present in the country.

Market Size

India's IT & ITeS industry grew to US\$ 181 billion in 2018-19. Exports from the industry increased to US\$ 137 billion in FY19 while domestic revenues (including hardware) advanced to US\$ 44 billion.

Spending on Information Technology in India is expected to grow over 9 per cent to reach US\$ 87.1 billion in 2018.

Revenue from digital segment is expected to comprise 38 per cent of the forecasted US\$ 350 billion industry revenue by 2025.



Investments/ Developments

Indian IT's core competencies and strengths have attracted significant investments from major countries. The computer software and hardware sector in India attracted cumulative Foreign Direct Investment (FDI) inflows worth US\$ 35.82 billion between April 2000 to December 2018, according to data released by the Department of Industrial Policy and Promotion (DIPP).

Leading Indian IT firms like Infosys, Wipro, TCS and Tech Mahindra, are diversifying their offerings and showcasing leading ideas in blockchain, artificial intelligence to clients using innovation hubs, research and development centres, in order to create differentiated offerings.

Some of the major developments in the Indian IT and ITeS sector are as follows:

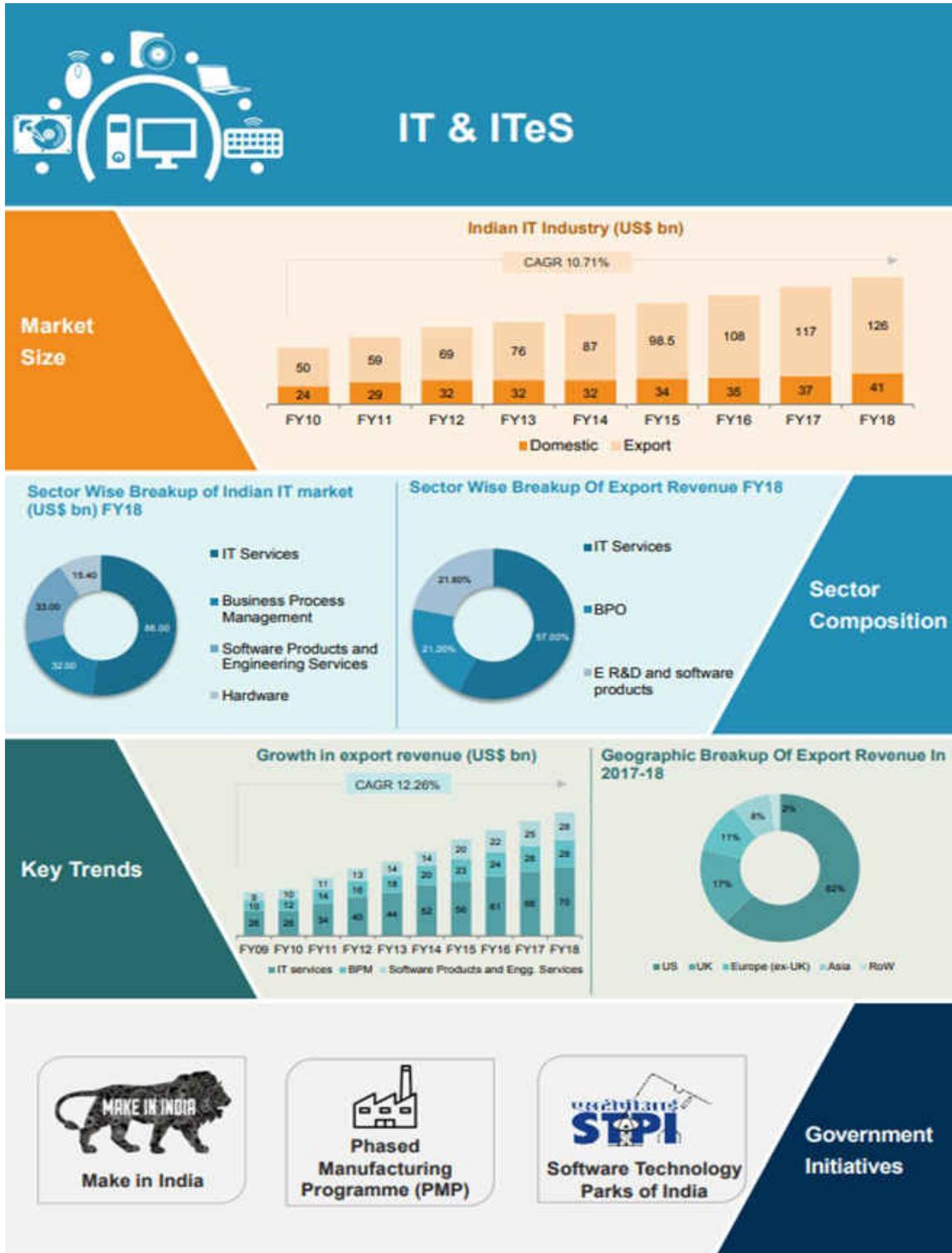
- Nasscom has launched an online platform which is aimed at up-skilling over 2 million technology professionals and skilling another 2 million potential employees and students.
- Revenue growth in the BFSI vertical stood at 6.80 per cent y-o-y between July-September 2018.
- As of March 2018, there were over 1,140 GICs operating out of India.
- PE investments in the sector stood at US\$ 2,400 million in Q4 2018.
- Venture Capital (VC) investments in the IT & ITeS sector stood at US\$ 53.0 million during Q4 2018.

Government Initiatives

Some of the major initiatives taken by the government to promote IT and ITeS sector in India are as follows:

- The government has identified Information Technology as one of 12 champion service sectors for which an action plan is being developed. Also, the government has set up a Rs 5,000 crore (US\$ 745.82 million) fund for realising the potential of these champion service sectors.
- As a part of Union Budget 2018-19, NITI Aayog is going to set up a national level programme that will enable efforts in AI and will help in leveraging AI technology for development works in the country.

- In the Interim Budget 2019-20, the Government of India announced plans to launch a national programme on AI* and setting up of a National AI* portal. National Policy on Software Products-2019 was passed by the Union Cabinet to develop India as a software product nation.



Achievements

Following are the achievements of the government during 2017-18:

- About 200 Indian IT firms are present in around 80 countries.
- IT exports from India are expected to reach highest ever mark of US\$ 126 billion in 2017-18.
- Highest ever revenue was generated by Indian IT firms at US\$ 181 billion in 2018-19.

Road Ahead

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India. Export revenue of the industry is expected to grow 7-9 per cent year-on-year to US\$ 135-137 billion in FY19. The industry is expected to grow to US\$ 350 billion by 2025 and BPM is expected to account for US\$ 50-55 billion out of the total revenue.

(Source: www.ibef.com)

TOURISM & HOSPITALITY INDUSTRY IN INDIA

Introduction

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. During 2018, FEEs from tourism increased 4.70 per cent* year-on-year to US\$ 28.59 billion. FEEs during January 2019 was US\$ 2.55 billion.

Market Size

India is the most digitally-advanced traveller nation in terms of digital tools being used for planning, booking and experiencing a journey, India's rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism.

During 2018, foreign tourist arrivals (FTAs) in India stood at 10.56 million, achieving a growth rate of 5.20 per cent year-on-year. FTAs in January 2019 stood at 1.10 million, up 5.30 per cent compared to 1.05 million year-on-year.

The travel & tourism sector in India accounted for 8 per cent of the total employment opportunities generated in the country in 2017, providing employment to around 41.6 million people during the same year. The number is expected to rise by 2 per cent annum to 52.3 million jobs by 2028.

International hotel chains are increasing their presence in the country, as it will account for around 47 per cent share in the Tourism & Hospitality sector of India by 2020 & 50 per cent by 2022.

Investments

During the period April 2000-December 2018, the hotel and tourism sector attracted around US\$ 12 billion of FDI, according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

Government Initiatives

The Indian government has realised the country's potential in the tourism industry and has taken several steps to make India a global tourism hub.

Some of the major initiatives planned by the Government of India to give a boost to the tourism and hospitality sector of India are as follows:

- Statue of Sardar Vallabhbhai Patel, also known as ‘State of Unity’, was inaugurated in October 2018. It is the highest standing statue in the world at a height of 182 metre. It is expected to boost the tourism sector in the country and put India on the world tourism map.
- The Government of India is working to achieve 1 per cent share in world’s international tourist arrivals by 2020 and 2 per cent share by 2025.
- Under Budget 2019-20, the government allotted Rs 1,160 crore (US\$ 160.78 million) for development of tourist circuits under Swadesh Darshan.
- Under Budget 2019-20, the government allotted Rs 160.50 crore (US\$ 22.25 million) for development of tourist circuits under Swadesh Darshan.



Achievements

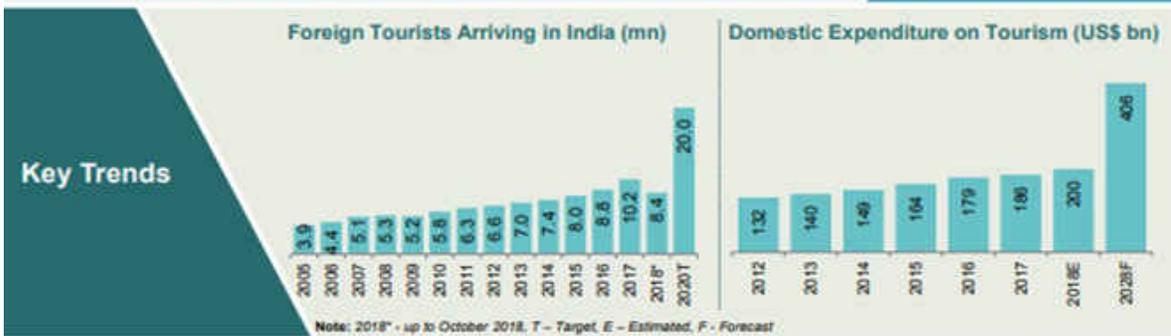
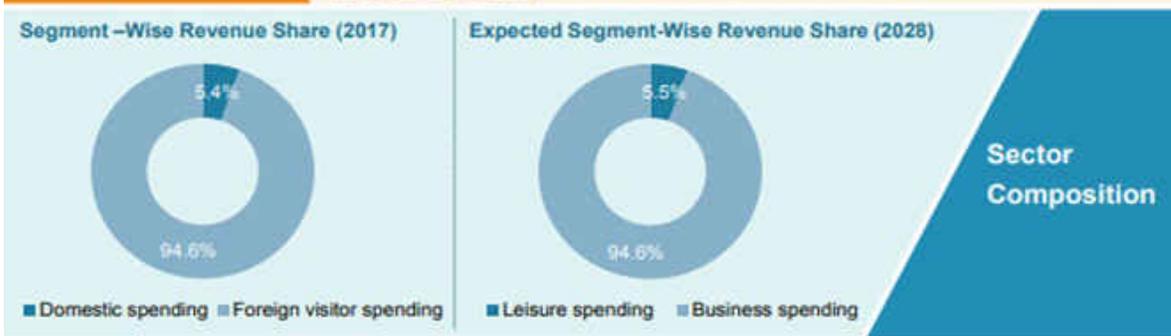
Following are the achievements of the government during 2017-18:

- During 2018-19, a total of seven projects worth Rs 384.67 crore (US\$ 54.81 million) were sanctioned under the Swadesh Darshan scheme.
- As of July 2018, 14 states had deployed tourist police. In November 2018, Nagaland also deployed a separate tourist police in the state.

Road Ahead

India’s travel and tourism industry has huge growth potential. The tourism industry is also looking forward to the expansion of E-visa scheme which is expected to double the tourist inflow to India. India’s travel and tourism industry has the potential to expand by 2.5 per cent on the back of higher budgetary allocation and low cost healthcare facility, according to a joint study conducted by Assocham and Yes Bank.

Tourism and Hospitality



Government Initiatives

Incredible India!

Swadesh Darshan

Hospitality Development & Promotion Board

(Source: www.ibef.com)

INDIAN STAFFING INDUSTRY

Hiring intent for India Inc, India's formal sector, has jumped to 15% from last year's 10%, according to the latest India Skills Report 2019 from HR solutions and technology firm PeopleStrong.

The year 2019 marks the second consecutive year of job market recovery. After a high of 23% in 2015, the year-on-year increase in hiring intent had slipped to 14% in 2016 and further to a low of 7% in 2017. There was, however, a recovery in 2018 when the intent had risen to 10%.

Driving the growth in hiring intent in 2019 will be the Software Industry. The Engineering, Automotive, Travel, and Hospitality will also see a considerable upswing in their hiring numbers next year.

The report also found that approximately 64% of employers have a positive outlook on hiring. While almost 20% of employers said they will hire the same number of people as 2018, only handful have a negative outlook for 2019.

(Source: <https://www2.staffingindustry.com/row/Editorial/Daily-News/India-Hiring-intent-in-India-Inc-to-rise-5-in-2019-48194>)

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year.

In this section, a reference to the “Company” means SBC Exports Limited. Unless otherwise indicated, financial Statements included herein are based on our Financial Statements for financial year ended March 31, 2018, 2017, and 2016 and for period ended on 31st December, 2018 included in this Draft Prospectus on page 170.

OVERVIEW

In the year 2011, Our Company was engaged in the Trading of handmade carpets, cushion covers, cotton quilts and bedspreads etc. in the Mirzapur. Our Company established itself in the major portion of Uttar Pradesh and became a manufacturer of quality readymade apparels. In order to diversify the business, we expanded our activities in Information Technology, Manpower Supply Services and Tour and Travels Services.

Our Company was initially incorporated as “SBC Exports Limited” on January 18, 2011 at Uttar Pradesh as a Public Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated January 18, 2011 issued by the Registrar of Companies, Uttar Pradesh and Uttarakhand and Later on, the Certificate of Commencement of Business was issued on 23rd February, 2011 by the Registrar of Companies, Uttar Pradesh and Uttarakhand.

Mrs. Deepika Gupta, Mr. Dheerendra Kumar Gupta along with their relatives laid the foundation of our Company in the name of M/s SBC Exports Limited in the year 2011 and since incorporation, Our Present Promoter i.e. Mrs. Deepika Gupta, Mr. Dheerendra Kumar Gupta are heading the Company.

Our Company operates in 3 (Three) key segments:

- Textiles, Garments including Carpets;
- IT Services & Manpower supply; and
- Online & Offline Hotel / Travel / Vacation Bookings



We have been evolved as a trading company and were engaged in the trading of handmade carpets, cushion covers, cotton quilts and bedspreads etc., Going forward, our Company started its Hosiery Fabrics & Hosiery Garments Trading in Mirzapur. In the year 2017, Our Company set up its own manufacturing plants at



SBC EXPORTS LIMITED

- House No-20, LohiyaTalab, ChottiBasahi, P.O, Vindhyachal, Mirzapur, Uttar Pradesh-231307; and
- 49/95 Site-IV Sahibabad industrial Area, Ghaziabad Uttar Pradesh-201010.

Our Company has in-house stitching and quality control which is supervised at all levels by experienced people to ensure high end quality product gets passed on to customer. Our Company continuously strives to update and improve its quality.

Our Company is also engaged in production of quality Hosiery Fabrics & Hosiery Garments for Ladies, Mens' and Kids'. Our Company has a bouquet of a variety of T-Shirts, Denims, Sweat Shirts, Trousers, and Jackets and Leggings etc. which are sold under brand name of "SBC DESIGN+", "SBC F-ROUTE", "IEDEE". We have also forayed into Home Furnishings which includes handmade carpets, cushion covers, cotton quilts and bedspreads etc. We have also started to direct sales our products through our online selling website www.frouteclothing.com and mobile APP which has product customisation offering.

We source our raw materials, other fabrics and finished materials from various suppliers, weavers and traders. To maintain quality of our product we have implemented several quality control mechanisms for sourcing of raw materials.

Our Company believes that our current manufacturing facility is well-equipped with automated and semi-automated equipment and facilities. We have a dedicated team of creative work force including fashion designers, fashion technologists, CAD designers, sketch and paint artists, other skilled and semi-skilled job workers etc. who possess in-depth knowledge of market behaviour and customer preference and helps us to introduce new and niche designs. Our successful association with experienced fashion designers in past have redefined our outlook towards global fashion trends.

Our Company primarily sells our products through our distributors. Our Company provide our product samples along with design catalogue to distributors for reaching out to the wholesale and retail shops in domestic market.

Our Company also diversified its business to Information Technology and Manpower Supply Services wherein we provide various types of services to the Government sector Departments such as Software Development, E-Office Modernization, E-Governance, Manpower etc. Our Company has worked on some of projects with National Informatics Centre Services Inc. (NICSI) - India, Delhi Government, Broadcast Engineering Consultants India Limited (BECIL), Delhi Government and Jharkhand Agency for Promotion of Information Technology, Jharkhand Government and is amongst very few Companies shortlisted for Manpower Supply projects.

Following are some of our focused service areas of engagement:

- e-Governance Projects - Training and Implementation (Rollout of Services)
- Manpower support (IT and Non-IT) for Speedy Implementation and Rollout of Projects (MMPs)
- Professional Support Services for Application Development / Web Development
- Manpower Categories include Data Entry Operator / Operation Manager / Operation Assistant / IT Assistants / Office Assistant / Multi-Tasking Staff / Team Leader / Software Developer etc
- Web Based Software / Application Development / Website Development (GIGW Compliance)
- Scanning and Digitization / Document Management System
- Skill Development (Registered with DDUGKY)
- Training and Development (Soft Skill Trainings)
- Security & Surveillance Projects
- System Integration

Also, Our Company also started its business operations in the area of the Tour and Travel Services by launching of its online portal www.maujitrrip.com, a one stop destination for all travel, hotel & vacation bookings.

The portal works as a Tour & Travel Booking engine, which arranges all kinds of facilities to the customers who book their tours & travel. Our Company with its professionally managed travel engine specializes mainly in organizing Adventure, Cultural, Religious, Hill station & wildlife tours in India through a sprawling network. It offers 24 X 7 hours services that include travel planning, itinerary design, hotel bookings, ticket reservations and transport facilities. It also provides holiday packages, customized as per client's need and budget. Its services cover all the destinations in India from the remote lifestyle tucked in the Indian Himalaya to the underwater coral life of Andaman and from the tribes of North East India to royal heritage of Rajasthan.

In the past three (3) years our total revenue has increased from Rs. 2,115.91 Lakhs in F.Y. 2015-2016 to Rs. 2,868.59 Lakhs in F.Y. 2016-17 and further to Rs. 6,420.95 Lakhs in F.Y. 2017-18. Our Profitpost taxes for the above mentioned periods were Rs. 6.58 Lakhs, Rs. 32.84 Lakhs and Rs. 82.97 Lakhs.

Also, Our total revenue for the Nine months ended on 31stDecember, 2018was at Rs. 5851.78 lakhs with a profit post tax of Rs. 69.37 Lakhs , which signifies growing trend of our business operations over the previous years.

Details of Total Revenue for the last Three (3) years and for the period ended on 31st December, 2018 are us under:

Financial year	Revenue from operations (Amt in lakhs)	Other Income (Amt in lakhs)	Total Revenue (Amt in lakhs)	Profit before Depreciation, Interest and Tax (Amt in lakhs)	Profit after Tax (Amt in lakhs)
2015-2016	2,115.76	0.14	2115.91	23.01	6.58
2016-2017	2,865.70	2.88	2,868.59	69.53	32.84
2017-2018	6,399.45	21.50	6,420.95	181.35	82.97
NineMonths (9) ended 31 st December, 2018	5,848.51	3.27	5,851.78	182.14	69.37

Details of "Revenue from Operations" with BUSINESS WISE Break Up for the last Three (3) years and for the period ended on 31st December, 2018 are us under:

(Amt Rs. in lakhs)

FY	Sale of Garments		IT Services& Manpower		Tour & Travel Service		Total
	Amt.	%	Amt.	%			
2015-2016	2,115.76	100.00	-	-	-	-	2,115.76
2016-2017	2,344.58	81.82	521.12	18.18	-	-	2,865.70
2017-2018	3,875.39	60.56	2,459.00	38.43	65.07	1.01	6,399.45
Nine Months (9) ended 31 st December, 2018	3,408.64	58.28	2159.83	36.93	280.05	4.79	5,848.51

OUR COMPETITIVE STRENGTHS ARE:

- 1) Experienced Promoters and a well trained employee base** - Our promoters are experienced in our line of business. Our management and employee team combines and experience to outline plans for the future development of the company. Industry knowledge and understanding also gives us the

key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues. Our Promoters are supported by a management team with several years of experience in their respective domains of sales, marketing, strategy and finance.

- 2) **Strategic Location of our manufacturing facility** -Our Manufacturing Facility is strategically located near the source of raw materials to ensure cost savings and optimum logistic benefits. Our Manufacturing plant is situated in House No-20, LohiyaTalab, ChottiBasahi, P.O, Vindhyachal, Mirzapur, Uttar Pradesh-231307 and 49/95 Site-IV Sahibabad industrial Area, Ghaziabad Uttar Pradesh-201010. Our trained and experienced design and product development team enable us to develop unique designs and also manufacture products based on our inhouse designs. Our Company is also focussing on exploring better opportunities into retail and niche product ranges with the support of its composite manufacturing process. Being a composite manufacturer, our designs as well as our products are developed inhouse, thus enabling us to gain competitive price advantage over our peer competitors, thereby enabling us to pass on the ultimate benefit to our customers.
- 3) **Creative product designing process:** We focus on bringing creativity in our products designing in order to offer different products to our customers. We have a detailed design process pursuant to which we create designs for consumers across diverse segments for various seasons Ladies, Mens' and Kids'. We rely on our design team comprising of fashion designers, fashion technologists, CAD designers, sketch and paint artists, etc. The members of our design team have significant years of experience in their relevant fields. We believe that our creative and experienced design team enable us to introduce new product designs every season to capture the latest fashion and target customers' preferences.

We adopt a well-planned thought process throughout our garment manufacturing stage commencing from designing of our products to final production of garments. We utilize our inhouse in-depth market study on customer preferences, modern trend as well as rely on information and designs available on the internet, design and pattern books, print inspirations purchased from various designs studios and based on the same, our design team enable us to develop customised designs for our products. Our CAD and surface development team help us in further development of our products to make them presentable to our customers. In case where the prints procured by us are of low quality, we take assistance from Sketch and Paint Artists to further develop and complete the prints, which is thereafter forwarded to our CAD development team for further processing and completion. Based on the design developed by our CAD development team, sample pieces of garments are tailor made and thereafter forwarded to our development and production team for final processing. Once the design and the sample garment is approved and finalised, the sample garment is sent for further colour processing by our CAD development team before the same is sent for final commercial production. Once, the design and colour of our sample products are verified and finalised, we commence final commercial production of our product through our production team.

- 4) **Diversified Product Portfolio offering affordable fashion across various price segments:** In order to offer new and varied products to our customers, we focus on creating innovative designs and optimizing fit and sizing combined with an emphasis on quality. We have variety of products FOR Ladies, Mens' and Kids'. Our Company has a bouquet of a variety of T-Shirts, Denims, Sweat Shirts, Trousers, and Jackets and Leggings etc. which are sold under Brand name of "SBC DESIGN+", "SBC F-ROUTE", "IEDEE". Our Company has also forayed into Home Furnishings which includes handmade carpets, cushion covers, cotton quilts and bedspreads etc.
- 5) **Quality Assurance and Standards:** Our Company believes in the quality in our process and products. We are committed to maintain quality at all steps of the processing chain upto dispatch of finished products. Our dedicated team ensures the compliance with good practices. We give prime focus to providing quality products to our customers and follows high quality standards.

- 6) **Integrated provider for travel services:**Our Company is an integrated provider of travel and travel related services such as travel management, airline ticket and hotel booking, package tours and travel insurance services to domestic tourists and business travellers.
- 7) **End to End IT services:**We provide end to end IT - services to our customers that support their software applications and businesses throughout the full business life-cycle. At each stage of the business life cycle, we offer services designed to address the customers' specific needs as businesses move from different stages of maturity. Our services rang software development including enterprise solutions, e-governance solutions, ERP and CRM Implementation, IT-infrastructure services, website development, web hosting solutions and licensing solutions. We believe that our end to end IT services and solutions enables us to grow our client relationships and scope of engagements, as well as instill our clients with confidence in our ability to address their diverse and dynamic business needs.
- 8) **Diversified Business model catering to various segments which are not related to each other protects company from slowdown in any specific Industry:** Our Company is catering to various segments i.e. Textiles, Garments including Carpets; IT Services & Manpower supply; and Online & Offline Hotel / Travel / Vacation Bookings which are independent to each other, we have team of professional for each segment. Our Company has been able to cater to the customers of each segment and any slowdown in any specific industry will not impact the overall revenue of the Company.

OUR BUSINESS STRATEGIES:

1. **Expansion of Domestic Market:-**We intend to expand our geographical reach and enter the large domestic market for growth opportunities of our business. We plan to deepen our presence in the existing market and expand our reach and penetrate into the large available market by giving scale down low price solution and grab major market share. We aim to achieve this by adding value to our customers through the use of latest and updated technology, quality assurances and timely delivery of results.
2. **Expand our presence in retail:** We intend to continue our strategy to grow direct sales through our online selling website www.frouteclothing.com and mobile APP which has unique product customisation offering. We believe online retail in India has witnessed faster growth in recent years compared to physical stores. However keeping intact our traditional approach of marketing through distribution network, we intend to focus on growing direct sales with specialised offerings such as customisation.
3. **Increase Brand awareness:** We believe that it's critical for success of direct sales to have strong brand recognition and recall value. We intend to enhance the brand recognition of our products through our retail presence in major cities. We also intend to focus on use of targeted marketing initiatives such as digital and print advertisements, as well as marketing through traditional channels such as outdoor advertising. Our marketing and advertising initiatives shall be directed to increase brand awareness, acquire new customers, drive customer traffic across our retail channels and strengthen our brand recall value.
4. **Expand our presence into Home furnishing:** Considering the competitive advantage in home furnishing segment in the current Indian markets and the attractive margins, our Company is also in the preliminary stage of planning and discussions for expanding its business by venturing into home furnishing segment. Our Company already has in place latest technology and machinery required to cater to the home furnishing product range.

5. **Enhance customer base by entering new geographies to establish long-term relationships:** We intend to cater to the increasing demand of our existing customers and also to increase new customer base by enhancing the distribution reach of our products in different parts of the country. We intend to continue developing and nurturing existing market and create new distribution channels partners in under and nonpenetrated geographies. We aim to further develop our domestic sales networks in those territories where there are lower transportation costs and those which have a significant demand of our products, where we can sell at price-points that can effectively offset higher transportation costs.
6. **Intensify our service offerings by increasing our Tour & Travel distribution network:** We seek to be the preferred partner to families and corporate clients alike for leisure/holidays and related services in India and abroad. Our focus is to enhance our service excellence, provide innovative offerings and strengthen our brand value along with it. With an increase in our network, we believe that we can accelerate the above focuses.
7. **Focus on New Service offerings and technology enabled through Innovation:** We regularly track new technologies, industry segments and market trends in the IT solutions market. We plan to expand our service offerings as and when there exists an opportunity. We believe that IT has great potential for development leading to value addition in the entire value chain. We propose to gain expertise in every new technology platform coming up in the market for value added services, cost-competitiveness, speed and easy to use. Our company proposes to use innovative ideas and concepts to achieve performance parameters set by the clients in their day to day business processes.
8. **Improving operational efficiencies:-** Our Company intends to improve efficiencies to achieve cost reductions so that they can be competitive. We believe that this can be done through domestic presence and economies of scale. Increasing our penetration in existing regions with new range of products, will enable us to penetrate into new catchment areas within these regions and optimize our infrastructure. As a result of these measures, our company will be able to increase its market share and profitability.
9. **Leveraging our Market skills and Relationships:-**This is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to enhance the growth by leveraging our relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.
10. **Pursue strategic acquisitions:** In order to expand, we seek to identify acquisition targets and/or joint venture partners whose resources, capabilities, technologies and strategies are complementary to and are enabling us to establish our presence in new geographical locations.

OUR PROCESSING UNIT:

Our Company is having two units at:

UNIT I: House No-20, LohiyaTalab, ChottiBasahi, P.O, Vindhyachal, Mirzapur, Uttar Pradesh-231307; and

UNIT II:49/95 Site-IV Sahibabad industrial Area, Ghaziabad Uttar Pradesh-201010.

PLANT AND MACHINERY AT UNIT I - MIRZAPUR

S. No.	Type of Machinery	No. of Machinery	Total Capacity (Monthly)	Current Utilization (Monthly)	Future Expectation	Labour on payroll	Power Back up
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S. No.	Type of Machinery	No. of Machinery	Total Capacity (Monthly)	Current Utilization (Monthly)	Future Expectation	Labour on payroll	Power Back up
1	Cutting Plotter	2	30000 - 45000 pcs	17000 pcs	At least 3 times over next two years	255	Yes 2 stablizer of 1000 KW (owned) 2 Silent Generator of 15 KVA (kirloskar green power ideas) (Rented)
2	Digital Printer	2	6000-6500 pcs	5500 pcs	At least 3 times over next two years		
3	Print & Cut	2	45000 pcs	40000 pcs	At least 3 times over next two years		
4	Pressing Machine	4	1500 pcs	800 pcs	At least 3 times over next two years		
5	Single Needle-pocket stitching	35	3000 pcs	2700 pcs	At least 3 times over next two years		
6	Single Needle-Over lock	18	4200 pcs_Tshirt 3000 pcs_lowers	3800 pcs_Tshirt 2700 pcs_lowers	At least 3 times over next two years		
7	Single Needle-Plate lock	14	10500 pcs_Tshirt-bottom fold 18000 pcs_lower commercial 10500 pcs_neck Binding	9500 pcs_Tshirt-bottom fold 16500 pcs_lower commercial 9500 pcs_neck Binding	At least 3 times over next two years		
8	Rib Cutter	5	30000 pcs	28000 pcs	At least 3 times over next two years		
9	Kansai Elastic stitching	2	12000 pcs	10000 pcs	At least 3 times over next two years		
10	Kansai Elastic stitching	2	21000 pcs	16000 pcs	At least 3 times over next two years		

PLANT AND MACHINERY AT UNIT II - SAHIBABAD

S. No.	Type of Machinery	No. of Machinery	Total Capacity (per Mch. Per mnth.)	Current Utilization (per Mch. Per mnth.)	Future Expectation	Labour on payroll	Power Back up
1	Cutting Plotter	1	30000 - 45000 pcs	15000 pcs	At least 3 times over next two years	100	Yes 1 stablizer of 1000 KW (owned)
2	Digital Printer	1	6000-6500 pcs	4500 pcs	At least 3 times over next two years		
3	Print & Cut	1	45000 pcs	36000 pcs	At least 3 times over next two years		
4	Pressing Machine	2	1500 pcs	500 pcs	At least 3 times over next two years		

S. No.	Type of Machinery	No. of Machinery	Total Capacity (per Mch. Per mnth.)	Current Utilization (per Mch. Per mnth.)	Future Expectation	Labour on payroll	Power Back up
5	Single Needle-pocket stitching	17	3000 pcs	2400 pcs	At least 3 times over next two years		1 Silent Generator of 15 KVA (kirloskar green power ideas) (Rented)
6	Single Needle-Over lock	10	4200 pcs_Tshirt 3000 pcs_lowers	3600 pcs_Tshirt 2400 pcs_lowers	At least 3 times over next two years		
7	Single Needle-Plate lock	6	10500 pcs_Tshirt-bottom fold 18000 pcs_lowercommercial 10500 pcs_neckBinding	9000 pcs_Tshirt-bottom fold 15000 pcs_lowercommercial 9000 pcs_neckBinding	At least 3 times over next two years		
8	Rib Cutter	2	30000 pcs	30000 pcs	At least 3 times over next two years		
9	Kansai Elastic stitching	1	12000 pcs	9000 pcs	At least 3 times over next two years		
10	Kansai Elastic stitching	1	21000 pcs	18000 pcs	At least 3 times over next two years		

MANUFACTURING PROCESS OF GARMENTS

Step 1: Purchase of Fabric

Step 2 Lying of Fabric on the Table for Cutting



Step 3 Patterns Making on Paper



Step 4 Cutting of the Fabric according to the Marking/Pattern



Step 5 Sticker/ Marking of Fabric cutting according to the Size/Shapes/Colours/Parts etc.

Step 6 Bundling of Cutting according to the Size/Shapes/Colours/Part etc.

Step 7 Stitching of fabrics





Step 8 Cutting of extra threads



Step 9 Pressing of the Garment Product (T-Shirt)

Step 10 Pasting of Stickers/ Making of Designs etc.



Step 11 Attaching of Logo**Step 12: Finishing of the Product and packing thereof.**

Further, it may be noted that there are certain other activities which are part and parcel of the above mentioned process such as attaching of Laces/Elastics/buttons/Zip lock etc.

It may also be noted that accessories of Garments such as buttons/ zip lock/ laces/are generally purchased by the Company.

OUR SERVICES UNDER IT AND MANPOWER SERVICES:

Major services offered by us are: -

DYNAMICS ERP: Enterprise Resource Planning (ERP) is software that allows companies of all sizes to manage their entire business organizations, including supply chain, procurement, human resources, financials and project. We provide industry specific ERP solutions based on Microsoft Dynamics AX and Dynamics NAV.

ERP is a business tool that the management uses to operate the business day-in and day-out. It is usually comprised of several modules such as a financial module, a distribution module, a production module, an HR module, a CRM module, and a supply chain module. Each of these modules share information that is housed within the database structures on which the ERP system is coded. ERP solution, in an organization, empowers people to work effectively, manage change and compete globally. It makes it easy to operate across locations and countries by standardizing processes, providing visibility across your organization and helping to simplify compliance.

DYNAMICS CRM: Customer Relationship Management (CRM) can help reduce costs and increase productivity and thus profitability by organizing and automating business processes that nurture customer satisfaction



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and loyalty in the sales, marketing, and customer service areas. Microsoft Dynamics CRM's powerful capabilities, like workflow automation & analytics, you can let your sales, marketing, & service staff easily share information and route tasks to provide a seamless customer experience.

APPLICATION DEVELOPMENT: Website Development solutions ensure transparency, effectiveness and easy access. The projects are managed with a systematic, objective and rationalistic approach. Our team is experienced in meeting our customer's needs for Interactive websites which are brand driven and aesthetically amazing by color, unique design, content, functionality, navigation, and a professional and creative overall. We are a professional web solutions partner who understands both the technical and design angle and online marketing to ensure your companies brand image is most effectively represented on the web.

MOBILE APP DEVELOPMENT: Mobile application development is a term used to denote the act or process by which application software is developed for mobile devices, such as personal digital assistants, enterprise digital assistants or mobile phones. Our Company has proficient and tech-savvy mobile apps developers. Our developers have years of experience in building mobile apps on Android and iOS.

MOBILE SOLUTION TESTING: Provide mobile users with an exceptional and secured experience by performing mobile app testing across multiple devices, operating systems and real network conditions. Our mobile center provides an end to end quality lab of real devices and emulators to help you build a memorable app extensive experience based on real-world mobile app testing, live monitoring and user insights.

DATA CENTRE OPERATIONS: Our Company has a wide range of service offerings across data center management portfolio comprising Server Management, Cloud Support, Dedicated Tech Team, Remote Monitoring Solutions. Alongside our data center management capabilities. Our solutions for datacenter infrastructure management help IT reduce total cost of ownership (TCO) and enhance operational excellence.

IT SECURITY: IT security is the protection of IT infrastructure from the theft or damage to the hardware, software or the information on them, as well as from disruption or misdirection of the services they provide.

We offer a wide array of backup and recovery services to protect client's data from system crashes, natural or man made disasters, erroneous deletions or any other unplanned events that could damage data infrastructure and threaten or cripple critical business operations.

Through our data centers, we strategically deploy application and database environments to provide fail over disaster recovery services. Critical data is transmitted between locations multiple times each day, minimizing data loss.

IT CONSULTING: Businesses are realizing the importance of improved partnership between Business and IT, to sense and respond to changing market dynamics. Our IT consulting services help you drive growth by transforming your processes and technology infrastructure. We focus on improving the IT and business alignment of your organization through strategy, process, architecture and performance. Our business and IT consulting services support complex business transformations and span across strategy formulation to implementation.

CLOUD ADVISORY: We are cloud facilitators & we specialize in providing your business with the technology support it needs. We have an experience engineers who has capabilities to handle Microsoft Azure, AWS and other cloud services.

CLOUD IMPLEMENTATION: Our cloud expert team handles every aspect of your cloud solution to meet your unique workload requirements. Right from the initial design and sizing to deployment, from the migration

to post services support and proactive managed cloud services, our cloud technologists make it truly no-hassle experience thus preventing potential problems before they arise ultimately leading to a reliable, worry-free cloud environment.

DOCUMENT DIGITIZATION: Document Digitization Services will streamline an organization's ability to store, access and manage documents, while cutting costs and stress. Our solution allows scanning and digitizing new information, converting pre-existing documents to digital formats and archiving everything in a way that maximizes one's ability to store and access the information needed.

OUR TOUR & TRAVEL SERVICES:

We offer our services to corporate as well as individual customers who are looking to travel/leisure and holiday, in India. We also offer specific and customised offerings for our corporate clients as well. We offer the following services to our customers:

- I. Domestic Tours
 - Individual Tours;
 - Group Tours
- II. MICE (Meetings, Incentives, Conferences and Exhibitions)
- III. Cruises
- IV. Other special planned trips
 - Honeymoon trips
 - School trips
 - Business / Conventional trips
 - Conference / Trade Fairs / Exhibitions
- V. Travel Bookings
 - Air tickets
 - Railway tickets
- VI. Hotel bookings
 - Rent-a-Car facility

Technology - We make extensive use of internet to service our clients in a faster and efficient manner. We use dedicated servers and internet connections to help our customers get their bookings done within a short span.

COLLABORATIONS:

The Company has so far not entered into any technical or financial collaboration agreement.

RAW MATERIAL & OTHER UTILITIES:

Infrastructure

Our registered office, marketing and sales office and manufacturing facility are well equipped with computer system, internet connectivity, other communication equipment, security and other facilities which are required for our business operations to function smoothly. Our work units are well equipped with the requisite plant and machineries and other resources.

Raw Material:

The raw materials utilized in the manufacture of Garments includes grey fabric, other fabrics and finished materials and accessories such as thread, stones, buttons, laces, hanging (latkans), hooks, net etc. We believe that quality of raw material is crucial to our business. We believe one of our competitive strengths lies in building and managing an extensive sourcing network to support the requirements of our product

development teams. We do not enter into long term agreements with our suppliers, weavers and traders but issue purchase orders in line with our sourcing requirements. We source our raw materials, other fabrics and finished materials from various suppliers, weavers and traders.

Our Distribution and Retail Network:

The Company products are supplied majorly in Uttar Pradesh through various third party distributors. Although, currently we have not entered into any long term contracts or agreements with our distributors, but we have been able to create a long lasting business relation with them enabling us to understand the customer's requirements and taste as per moving fashion trends.

Power:

The power is used in our offices, manufacturing facilities to operate machines, lighting, air conditioning and other electrical equipment. It is met through the local power distribution company where the units are located and we also used diesel generators to meet exigencies to ensure that our facilities are operational during power failures.

Water:

The garment manufacturing process/ IT Services and Tour & Travelling Business does not have major water requirements. The requirements are fully met at the existing premises.

Safety Measures

We have the sufficient safety equipments placed at our working places. We also have installed water tank and fire extinguishers at our manufacturing facility.

Quality Management of our Manufactured product

Maintaining high standards of quality is the central aspect of our functioning. For this, we undertake physical examination of each and every Readymade Garment to scrutinize it in every aspect. Ensuring a great degree of flawlessness, we have trained professionals for checking raw materials till the finished garments as a part of the quality control measures.

Human Resources:

The details of manpower employed as on date are as under:

Category	No. of Employees
Management:	
Directors	2
Administration, Accounts & Finance, Marketing, Operation, Sales etc.	
Company Secretary and Legal	3
Accounts & finance	4
Administration, Marketing, Operation etc.	46
Other Workers:	
Skilled Workers	120
Semi-Skilled Workers	480
Unskilled Workers	255
TOTAL	910

MARKETING STRATEGY:

Marketing is an important function of our organization. Our success lies in the strength of our relationship with our distributors and ultimate customers who have been associated with our Company for a long period. In order to maintain good relation with our customers, our promoters and our marketing team regularly collects feedback from our distributors regarding customer preferences and focuses on gaining an insight into the additional needs of our customers. Our promoters, through their vast experience and good connections with clients owing to timely delivery of quality products plays an instrumental role in creating and expanding a work platform for our Company. To retain our customers, we regularly interact with them to seek their response on our products and focus on gaining an insight into the designs and other additional needs of such customers based on the same. With large sales potential, low infrastructure costs, raw material proximity and the availability of professional expertise of our Promoters, we plan to grow geographically.

We intend to focus on following marketing strategies: Focus on existing markets and increasing our customer base. • Appointment of distributors in new market. • Emphasizing on providing value added services. • Continuously holding markets trends.

COMPETITION:

We operate in the business which faces intense competition from established as well as unorganized players. Our competition depends on several factors which includes quality, price and most importantly to upgrade with the latest trend to reap optimum sales. We believe that we operate a comprehensive business model encompassing women ethnic wear and distribution across India. We operate in unrecognized highly competitive market. Even with a diversified product portfolio and quality approach we have to face intense competitive pressures. Our competition varies for our products and regions. We compete with other manufacturers on the basis of product range, product quality, and product price including factors, based on reputation, regional needs, and customer convenience. While these factors are key parameters in client's decisions matrix in purchasing goods; product range, product quality and product price is often the deciding factor in most deals.

Also, Travel and travel-related services business in India is highly fragmented with presence of many regional, local and unorganized sector players. Except for integrated travel companies like Thomas Cook or Cox & Kings, who are by far larger entities than us, there may be many other players of comparable size, who offer travel related services. Further there are many small and fragmented players (both individuals and corporate entities) that compete with us in various market segments.

EXPORT POSSIBILITIES & EXPORT OBLIGATION:

Our business is entirely focused on domestic markets. Currently, we do not have any outstanding export obligations.

SWOT:

Strengths:	Weaknesses:
<ul style="list-style-type: none"> • Cordial relations with Customers; • In depth knowledge of Industry - Commercial & Technical; • Established manufacturing facility; • Experienced management team; • Quality of textile fabric and production; • Availability of low cost & skilled Manpower 	<ul style="list-style-type: none"> • Very high price because of fast changes • Manufacturing of only three sizes; • Short time for optimal of products; • Labour Turnover

<p>Opportunities:</p> <ul style="list-style-type: none"> • Expanding New Geographical Markets; • Enhancing functional Efficiency; • Product Development & Diversification; • Multiple Business • Listing the company under a stock exchange will open up huge avenues of capital for the company to support its expansion plans and allows it to venture into new businesses. 	<p>Threats:</p> <ul style="list-style-type: none"> • Industry is prone to changes in government policies, any material changes in the duty or may adversely impact our financials; • Changing Technology; • There are no entry barriers in our industry which puts us to the threat of competition from new entrants; • Intense competitive pressure; • Import of similar articles of clothing at low prices. • Changing fashion trends and customer preference; • Bulky Discounts by online players
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OUR VARIETY OF GARMENTS:



F-route
CASUAL WEARS

ARTICLE: MRFD-211
SIZE: S-XXL
MRP: (S-XL)-499
(XXL)-519

ARTICLE: MAOP-205
SIZE: S-XXL
MRP: (S-XL)-429
(XXL)-449

Available Colour
6 Pcs. Assorted Pack

Available Colour
6 Pcs. Assorted Pack

F-route
CASUAL WEARS

ARTICLE: MPOLO-212
SIZE: S-XXL
MRP: (S-XL)-549
(XXL)-569

ARTICLE: MPLAIN RN-213
SIZE: S-XXL
MRP: (S-XL)-279
(XXL)-309

Available Colour
6 Pcs. Assorted Pack

Available Colour
6 Pcs. Assorted Pack



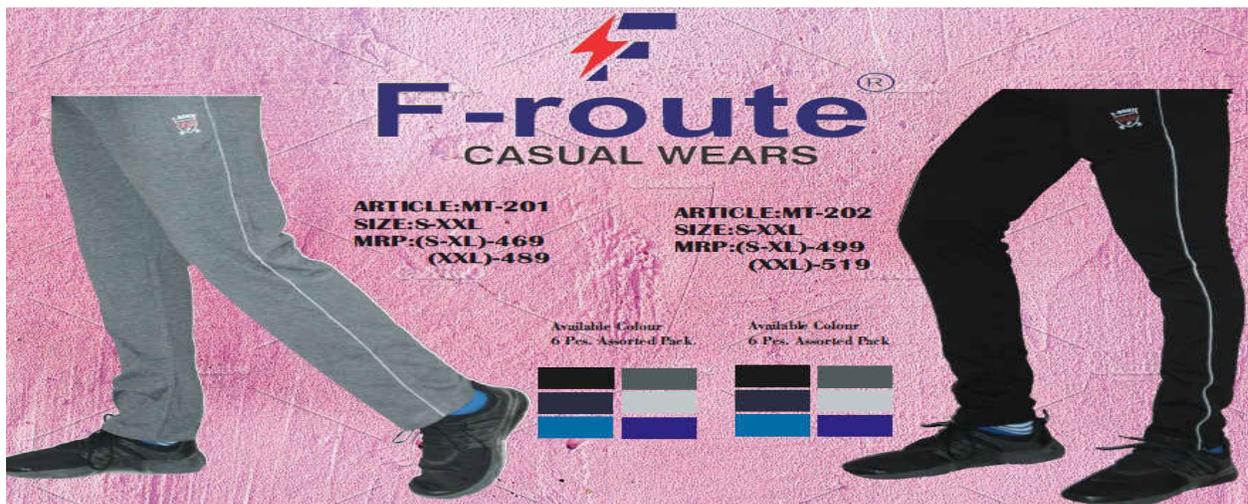
F-route
CASUAL WEARS

ARTICLE:MCUT&SEW-215
SIZE:S-XXL
MRP:(S-XL)-419
(XXL)-439

ARTICLE:MRAGLAN-217
SIZE:S-XXL
MRP:(S-XL)-419
(XXL)-439

Available Colour
6 Pcs. Assorted Pack

Available Colour
6 Pcs. Assorted Pack



F-route
CASUAL WEARS

ARTICLE:MT-201
SIZE:S-XXL
MRP:(S-XL)-469
(XXL)-489

ARTICLE:MT-202
SIZE:S-XXL
MRP:(S-XL)-499
(XXL)-519

Available Colour
6 Pcs. Assorted Pack

Available Colour
6 Pcs. Assorted Pack



F-route
CASUAL WEARS

ARTICLE:MT-203
SIZE:S-XXL
MRP:(S-XL)-449
(XXL)-469

ARTICLE:MT-204
SIZE:S-XXL
MRP:(S-XL)-469
(XXL)-509

Available Colour
6 Pcs. Assorted Pack

Available Colour
6 Pcs. Assorted Pack



Quality Policy:

With the help of a systematic process orientation and unwavering and unflinching focus and commitment enables us to turn out products with a guarantee of absolute quality. We are dedicated towards total customer satisfaction, timely delivery and optimum cost. We are committed to achieve this goal through training, continual improvement of processes & Quality Management Systems.

Our quality assurance program involves the following:

- Implement quality management systems;
- Process capability study;
- Process inspection in all stages;
- Corrective and preventive actions.

OUR PROPERTIES:

Registered office and Factory (Unit I): House No-20, LohiyaTalab, ChottiBasahi, P.O, Vindhyachal, Mirzapur, Uttar Pradesh - 231307.

Corporate office and Factory (Unit II): 49/95 Site-IV Sahibabad industrial Area, Ghaziabad Uttar Pradesh-201010

Note 1: Interest in Property by our Promoters and Promoter Group

Our Promoter and Promoter group do not have any interest in any property, whether leased, owned or occupied Except that Our registered office and factory (Unit I) is situated at House No-20, Lohiya Talab, Chotti Basahi, P.O, Vindhyachal, Mirzapur, Uttar Pradesh - 231307. Mr. Sandeep Kumar, member of promoter group has provided a No Objection Certificate dated 28th December, 2010 to use the said premises as registered office. Any discontinuance of facility to use the office will lead us to locate any other premises. Our inability to identify the new premises may adversely affect the operations, finances and profitability of our Company. Please refer to section titled “Risk Factors” on page 25 of this Draft Prospectus.

Note 2: Purchase of Property

We have not entered into any agreement to buy/sell any property with the promoters or Director or a proposed director who had any interest directly or Indirect during preceding two years.

Details of Property owned / taken on leased / leave & Licence by Our Company:

S.No.	Details of the Property	Licensor/Vendor	Consideration	Use	Used By	Right
1.	House No-20, Lohiya Talab, Chotti Basahi, P.O, Vindhyachal, Mirzapur, Uttar Pradesh - 231307	Mr. Sandeep Kumar, member of promoter group	N.A., Mr. Sandeep Kumar, member of promoter group has provided a No Objection Certificate dated 28 th December, 2010 to use the said premises as registered office.	Registered office and Manufacturing Facility (Unit I)	Company	No Objection by Promoter Group
2.	49/95 Site-IV Sahibabad industrial Area, Ghaziabad Uttar Pradesh-201010	Mr. Sanjeev Gupta, 8, Chitra Vihar, Second Floor, Vikas Marg, Delhi-110092	Rs. 1,00,000 per month lease for a period of 11 (eleven) months commencing from 12 th December, 2018 vide agreement dated 12 th December, 2018	Corporate office and Manufacturing Facility (Unit II)	Company	Leave/ Licence
3.	B-17 Second Floor Patparganj Industrial Area Delhi-110092	Mr. Suneet Rawaal, C-201, Suraj Mal Vihar, Delhi-110092	Rs. 33,000 per month Lease for a period of Two (2)	Official Purpose	Company	Leave/ Licence

S.No.	Details of the Property	Licensor/Vendor	Consideration	Use	Used By	Right
			years commencing from 1 st April, 2018 vide agreement dated 28 th March, 2018			
4.	73, Patparganj Industrial Area, Delhi-110092	Mrs. Usha Singh, 53, Shyam Enclave, Delhi-110092	Rs. 1,35,000 per month Lease for a period of Five (5) years commencing from 9 th April, 2018 vide lease deed dated 9 th April, 2018	Official Purpose	Company	Leave/ Licence
5.	130, Patparganj Industrial Area, Delhi-110092	M/s Virender Kumar & Sons HUF through its Karta Mr. Virender Kumar Arya, B-5, First Floor, AnandVihar, Delhi-110052	Rs. 1,40,000 per month Lease for a period of Five (5) years commencing from 1 st August, 2018 vide lease deed dated 13 th July, 2018	Official Purpose	Company	Leave/ Licence
6.	Shop No. 253, GF, Block -F, Indirapuram Habitat Centre, Plot No. 16, Ahinsa Khand-1, Indirapuram, Ghaziabad	Smt. Mamta Aggarwal, 61, Second Floor, Navyug Market, Tehsil and Village Ghaziabad	Rs. 1,15,500 per month; Lease for a period of 11 (eleven) months commencing from 24 th July, 2018.	Official Purpose	Company	Leave/ Licence
7.	101, 1 st Floor, Subodh Complex Hinoo, Ranchi-834002 (JH)	M/s Adharshila Structures Private Limited, 3 rd Street, Shukla Colony, Hinoo, Ranchi-834002	Rs. 31,900 per month Lease for a period of 11 (eleven) months commencing from 12 th February, 2019 vide addendum agreement dated 12 th	Official Purpose	Company	Leave/ Licence

S.No.	Details of the Property	Licensor/Vendor	Consideration	Use	Used By	Right
			February, 2019			
8.	Plot No. C-97, MadhubanBapuDham, Ghaziabad	Mr. KailashChaurasia, Lohandi Road, Furah, Mahbeer, Mirzapur, U.P. Self & GPA Holder of Mrs. Janki Devi, Lohandi Road, Furah, Mahbeer, Mirzapur, U.P.	Rs. 1,76,76,760 vide Sale deed dated 18 th September, 2018	Official Purpose	Company	Owned

INTELLECTUAL PROPERTY:

For details of the trademarks registered in the name of our Company and the application made for registration and other intellectual properties, please refer “Government and Other Approvals” on page 210 of this Draft Prospectus.

INSURANCE:

Details of all the insurance policies maintained by us are as follows.

Coverage	Burglary Insurance at 49/95 Site-IV Sahibabad industrial Area, Ghaziabad Uttar Pradesh-201010, Stock of Raw Material & Furnished Good
Policy no.	OG-19-1155-4010-00008631, Fire Policy No - OG-19-1155-4001-00011728
Sum insured	Rs. 4,11,00,000
Total premium (Rs.)	Rs. 8,220.00
From	24 th October, 2018
Valid up to	23 rd October, 2019

Coverage	Standard Fire and Special Perils Policy at 73, Patparganj Industrial Area, Delhi-110092
Policy no.	OG-19-1103-4001-00000297
Sum insured	Rs. 8,18,500.00
Total premium (Rs.)	Rs. 996.00
From	1 st February, 2019
Valid up to	31 st January, 2020

In addition to above policies, Company has vehicle policies from ICICI Lombard, IFFCO TOKIO.

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant laws, regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been set out in a manner to provide general information to the investors and is not exhaustive and shall not be treated as a substitute for professional legal advice.

Further, the statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the chapter titled “Government and other Approvals” beginning on page 210.

Set forth below are certain significant legislations and regulations which generally govern the business and operations of our Company:

INDUSTRY SPECIFIC LAWS**Textile (Development and Regulation) Order, 2001 (“Textile Order”)**

The Textile Order was brought into force by the Central Government under section 3 of the Essential Commodities Act, 1995 and repealed the Textile (Development and Regulation) Order, 1993. Under the Textile Order every manufacturer of Textiles, Textile machinery and every person dealing with textiles shall keep books of accounts, data and other records relating to his business in the matter of production, processing, import, export, supply, distribution, sale, consumption, etc. and shall furnish such returns or information in respect of their business as and when directed by the Textile Commissioner. The Textile Order further provides that no person shall make any markings on any textiles resembling the brand name or trade name of any other person who has applied for or obtained a registration to that effect under the Trade and Merchandise Marks Act, 1958, except under and limited to the extent of specific authorization by the holder of or application for such brand or trade name.

Information Technology Act, 2008

The Information Technology Act, 2008 (“IT Act”) creates liability on a body corporate which is negligent in implementing and maintaining reasonable security practices and procedures, and thereby causing wrongful loss or wrongful gain to any person, while possessing, dealing or handling any sensitive personal data or information in a computer resource owned, controlled or operated by it but affords protection to intermediaries with respect to third party information liability. The IT Act also provides for civil and criminal liability including compensation, fines and imprisonment for various computer related offences. These include offences relating to unauthorized disclosure of confidential information and committing of fraudulent acts through computers, tampering with source code, unauthorized access, publication or transmission of obscene material etc.

TAX RELATED LAWS**The Income Tax Act, 1961**

Income-tax Act, 1961 (“IT Act”) is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made there under depending upon its ‘Residential Status’ and ‘Type of Income’ involved. Every assessee, under the IT Act, which includes a company, is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternate tax and like.

The Goods and Services Tax Act, 2017

The Goods and Services Tax, 2017 (“GST Act”) is considered to be the biggest tax reform in India since independence. It will help realise the goal of “One Nation-One Tax-One Market.”

Goods and Services Tax (“GST”) is an indirect tax throughout India and was introduced as The Constitution (One Hundred and Twenty Second Amendment) Act 2017, following the passage of Constitution 122nd Amendment Bill. The GST is governed by GST Council and its Chairman is Union Finance Minister of India - Arun Jaitley. GST has been made applicable with effect from 1st July 2017. With the introduction of GST all central, state level taxes and levies on all goods and services have been subsumed within an integrated tax having two components - central GST and a state GST. Thus there will be a comprehensive and continuous mechanism of tax credits.

India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single State will be levied with Central GST (“CGST”) by the Central Government and State GST (“SGST”) by the government of that State. For inter-state transactions and imported goods or services, an Integrated GST (“IGST”) is levied by the Central Government. The Union Territory Goods and Services Tax (“UTGST”) is the GST applicable on the goods and services supply that takes place in Union Territories of India other than Delhi and Puducherry. GST is a consumption-based tax; therefore, taxes are paid to the State where the goods or services are consumed and not the State in which they were produced.

The Customs Act, 1962

The provisions of the Customs Act, 1962 and Rules made there under are applicable at the time of import of goods into India from a place outside India or at the time of export of goods out of India to a place outside India. Any company requiring to import or export any goods is required to get itself registered under the Customs Act, 1962 Act and obtain an Importer Exporter Code number.

INTELLECTUAL PROPERTY RELATED LAWS

The Trademarks Act, 1999

The Trademarks Act, 1999 (“Trademarks Act”) provides for the process for making an application and obtaining registration of trademarks in India. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks.

The Designs Act, 2000

The Design Act, 2000 protects any visual design of objects that are not purely utilitarian. An industrial design consists of the creation of a shape, configuration or composition of pattern or colour, or combination of pattern and colour in three-dimensional form containing aesthetic value. It provides an exclusive right to apply a design to any article in any class in which the design is registered.

LAWS RELATING TO LABOUR AND EMPLOYMENT

The Factories Act, 1948

The Factories Act, 1948 (“Factories Act”) seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. The term ‘factory’, as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 (twelve)

months, 10 (ten) or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 (twenty) or more workmen are employed at any day during the preceding 12 (twelve) months and in which any manufacturing process is carried on without the aid of power. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires inter alia the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

The Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 ("ESI Act") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

The Minimum Wages Act, 1948

The State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages generally consist of a basic rate of wages, cash value of supplies of essential commodities at concession rates and a special allowance, the aggregate of which reflects the cost of living index as notified in the Official Gazette. Workers are to be paid for overtime at overtime rates stipulated by the appropriate State Government. Any contravention may result in imprisonment of up to six months or a fine of up to Rs. 500. Further, employees who have been paid less than the minimum wages are entitled to the payment of the shortfall amount, together with compensation, which may extend up to ten times the shortfall amount.

The Employees' Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("EPF Act") was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPF Act provides for the institution of provident funds and pension funds for employees in establishments where more than 20 (twenty) persons are employed and factories specified in Schedule I of the EPF Act. Under the EPF Act, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute.

There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

Payment of Wages Act, 1936

The Payment of Wages Act ("POW Act") applies to the persons employed in the factories and to persons employed in industrial or other establishments, either directly or indirectly through a sub-contractor, where the monthly wages payable to such persons is less than Rs. 24,000/-. The POW Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of POW Act and rules made there under.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

The Contract Labour (Regulation and Abolition) Act, 1970

The purpose of Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA”) is to regulate the employment and protect the interests of the workers who are hired on the basis of individual contracts in certain establishments. In the event that any activity is outsourced, and is carried out by labourers hired on contractual basis, then compliance with the CLRA, including registration will be necessary and the principal employer will be held liable in the event of default by the contractor to make requisite payments towards provident fund etc.

The Equal Remuneration Act, 1976

The Constitution of India provides for equal pay for equal work for both men and women. To give effect to this provision, the Equal Remuneration Act, 1976 (“Equal Remuneration Act”) was implemented. The Equal Remuneration Act provides for payment of equal wages for equal work of equal nature to male or female workers and for not making discrimination against female employees in the matters of transfers, training and promotion etc.

Maternity Benefit Act, 1961

Maternity Benefit Act, 1961, (“Maternity Benefit Act”) is aimed at regulating the employment of women in certain establishments for certain periods before and after child birth and for providing for maternity benefit and certain other benefits. It applies to every establishment being a factory, mine or plantation including any such establishment belonging to government and to every establishment wherein persons are employed for the exhibition of equestrian, acrobatic and other performances. It also applies to every shop or establishment wherein ten or more persons are employed or were employed on any day of the preceding twelve months. According to the Maternity Benefit Act, every woman is entitled to, and her employer is liable for, the payment of maternity benefit at the rate of the average daily wage for the period of her actual absence, including the period immediately preceding the day of her delivery, the actual day of her delivery and any period immediately following that day.

Child Labour (Prohibition and Regulation) Act, 1986

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under the Child Labour (Prohibition and Regulation) Act, 1986 the employment of child labour in the building and construction industry is prohibited.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to curb the rise in sexual harassment of women at workplace, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 was enacted for prevention and redressal of complaints and for matters connected therewith or incidental hereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an “Internal Complaints Committee and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the internal committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming in to

contact at workplace, organizing awareness programs and workshops, display of rules relating to sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaints, such other procedural requirements to assess the complaints.

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (“MSME”) the act is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951 as “Micro Enterprise”, where the investment in plant and machinery does not exceed twenty-five lakhs rupees; “Small Enterprise”, where the investment in plant and machinery is more than twenty-five lakhs rupees but does not exceed five crores rupees; or a medium enterprise , where the investment in plant and machinery is more than five crores but does not exceed ten crores rupees and in the case of the enterprise engaged in the services, “Micro Enterprise” , where the investment in equipment does not exceed ten lakhs rupees, “Small Enterprise” where the investment in equipment is more than ten lakhs rupees but does not exceed two crores rupees, or “Medium Enterprise” where the investment in equipment is more than two crores rupees but does not exceed five crores rupees.

The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979

The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 (“Inter-State Migrant Workmen”) regulates the employment of inter-State migrant workmen and provides conditions of service and matters connected to the same. It applies to every establishment in which five or more inter-State Migrant workmen are employed or to ever contractor who employs or who employed five or more inter-State migrant workmen.

ENVIRONMENTAL REGULATIONS

Our Company is also required to obtain clearances under the Environment (Protection) Act, 1986, and other environmental laws such as the Water (Prevention and Control of Pollution) Act, 1974, the Water (Prevention and Control of Pollution) Cess Act, 1977 and the Air (Prevention and Control of Pollution) Act, 1981, before commencing its operations. To obtain an environmental clearance, a no-objection certificate from the concerned state pollution control board must first be obtained, which is granted after a notified public hearing, submission and approval of an Environmental Impact Assessment (“EIA”) report and an Environment Management Plan (“EMP”). Our Company must also comply at all times with the provisions of The Hazardous Waste (Management and Handling) Rules, 1989, as amended, and as superseded by the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

Environment Protection Act, 1986 and Environment (Protection) Rules, 1986

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for coordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

Water

Legislations to control water pollution are listed below:

The Water (Prevention and Control of Pollution) Act, 1974 prohibits the discharge of pollutants into water bodies beyond a given standard, and lays down penalties for non-compliance. The Water Act also provides

that the consent of the State Pollution Control Board must be obtained prior to opening of any new outlets or discharges, which is likely to discharge sewage or effluent.

The Water (Prevention and Control of Pollution) Cess Act, 1977 provides for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the Central Board and the State Boards for the prevention and control of water pollution constituted under the Water (Prevention and Control of Pollution) Act, 1974.

Air

Legislations to control air pollution are listed below:

The Air (Prevention and Control of Pollution) Act, 1981 requires that any individual or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any activity. National Ambient Air Quality Standards (NAAQS) for major pollutants were notified by the Central Pollution Control Board in April 1994.

Hazardous Wastes

There are several legislations that directly or indirectly deal with hazardous wastes. The relevant legislations are:

-The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

-The Public Liability Insurance Act, 1991

Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

These rules require that the occupier and the operator of the facility, that treats hazardous wastes, must properly collect, treat, store or dispose the hazardous wastes without adverse effects on the environment.

STATUTORY AND COMMERCIAL LAWS

Legal Metrology Act, 2009

The Legal Metrology Act, 2009 (“L.M. Act”) governs the standards/units/denominations used for weights and measures as well as for goods which are sold or distributed by weight, measure or number. It also states that any transaction/contract relating to goods/class of goods shall be as per the weight/measurement/numbers prescribed by the L.M. Act. Moreover, the L.M. Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the L.M. Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in the rules made by each State. Legal Metrology (General) Rules, 2011 is applicable to the Company

Bureau of Indian Standards Act, 2016 (the “BIS Act”)

BIS Act was notified on March 22, 2016 and came into effect from October 12, 2017. The BIS Act establishes the Bureau of Indian Standards (BIS) as the National Standards Body of India. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security. The BIS Act also allows multiple type of simplified conformity assessment schemes including self-declaration of conformity against a standard which will give simplified options to

manufacturers to adhere to the standards and get certificate of conformity. The BIS Act enables the Central Government to appoint any authority/agency, in addition to the BIS, to verify the conformity of products and services to a standard and issue certificate of conformity. Further, there is also a provision for repair or recall, including product liability of the products bearing standard mark but not conforming to the relevant Indian Standard.

The Indian Contract Act, 1872

The Indian Contract Act, 1872 (“Contract Act”) codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

The Contract Act also lays down provisions of indemnity, guarantee, bailment and agency. Provisions relating to sale of goods and partnership which were originally in the Act are now subject matter of separate enactments viz., the Sale of Goods Act and the Indian Partnership Act. The objective of the Contract Act is to ensure that the rights and obligations arising out of a contract are honoured and that legal remedies are made available to those who are affected.

Negotiable Instruments Act, 1881

In India, cheques are governed by the Negotiable Instruments Act, 1881 (“NI Act”), which is largely a codification of the English Law on the subject. The NI Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the NI Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

The Specific Relief Act, 1963

The Specific Relief Act, 1963 (“SR Act”) is complimentary to the provisions of the Contract Act and the T.P. Act, as it applies both to movable property and immovable property. The SR Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. ‘Specific performance’ means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party

Competition Act, 2002

The Competition Act, 2002 (“Competition Act”) aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India (“Competition Commission”) which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

The Companies Act, 1956 and the Companies Act, 2013

The Consolidation and amendment in law relating to Companies Act, 1956 made way to enactment of Companies Act, 2013 (the “Companies Act”). The Companies Act, 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The Companies Act deals with incorporation of companies and procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under Companies Act. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the Companies Act. The provision of the Companies Act shall apply to all the companies incorporated either under the Companies Act or under any other previous law. It shall also apply to banking company, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more person in case of private company. A company can even be formed by one person i.e. a One Person Company (OPC). The provisions relating to forming and allied procedures of OPC are mentioned in the act.

Further, Schedule V (read with sections 196 & 197), Part I lay down conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides a list of acts under which if a person is prosecuted he cannot be appointed as a director or a Managing Director or Manager of the firm. The provisions related to remuneration of the director payable by the companies are under Part II of the said schedule.

Consumer Protection Act, 1986

The Consumer Protection Act, 1986 seeks to provide better protection of interests of the consumers and for that purpose to make provision for establishment of consumer councils and other authorities for the settlement of consumer’s disputes and for matters connected therewith. It seeks to promote and protect the rights of consumers.

Transfer of Property Act, 1882

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the Transfer of Property Act, 1882 (“T.P. Act”). The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

The Registration Act, 1908

The Registration Act, 1908 (“Registration Act”) was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

The Indian Stamp Act, 1899

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Under the Indian Stamp Act, 1899, an instrument not ‘duly stamped’ cannot be accepted as evidence by civil court, an arbitrator or any authority authorized to receive evidence. However, the document can be accepted as evidence in criminal court.

The Arbitration and Conciliation Act, 1996

The Arbitration and Conciliation Act, 1996 (“Arbitration Act”) was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Arbitration Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration, to provide that the arbitral tribunal gives reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction, to minimize the supervisory role of courts in the arbitral process, to permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

Electricity Act, 2003

The Electricity Act, 2003 (“Electricity Act”) has been recently introduced with a view to rationalize electricity tariff, and to bring about transparent policies in the sector. The Electricity Act provides for private sector participation in generation, transmission and distribution of electricity, and provides for the corporatization of the state electricity boards. The Electricity Regulatory Commissions Act, 1998 has been enacted with a view to confer on these statutory commissions the responsibility of regulating this sector.

Industrial (Development and Regulation) Act, 1955, as amended (the “I(D&R) Act”)

The I(D&R) Act has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defense equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking which is exempt from licensing is required to file an Industrial Entrepreneurs Memorandum (“IEM”) with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

Negotiable Instruments Act, 1881 (“NI Act”)

The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid.

FOREIGN INVESTMENT REGULATIONS**Foreign Trade (Development and Regulation) Act, 1992 (“FTA”)**

In India, the main legislation concerning foreign trade is the Foreign Trade (Development and Regulation) Act, 1992 (“FTA”). The FTA read along with relevant rules provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government:- (i) may make provisions

for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorized to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorized to appoint a 'Director General of Foreign Trade' for the purpose of the FTA, including formulation and implementation of the Export-Import ("EXIM") Policy. FTA read with the Indian Foreign Trade Policy provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

FOREIGN INVESTMENT REGULATIONS

Foreign investment in India is governed by the provisions of the Foreign Exchange and Management Act ("FEMA") and the rules, regulations, notifications issued under the same, read with the extant Consolidated Foreign Direct Investment Policy, as issued by the Department of Industrial Policy and Promotion ("DIPP"). The Reserve Bank of India ("RBI"), in exercise of its powers under FEMA, has notified various regulations governing the purchase, sale, allotment or subscription of securities of an Indian company to a non-resident individual or entity. Pursuant to the aforementioned legal framework, no permission is required for investment in sectors falling under the 'automatic route' within the specified sectoral caps. RBI has also issued Master Directions dated 4th January 2018 on Foreign Investment in India (amended as on 6th April 2018). In terms of the Master Directions, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter alia, the pricing guidelines prescribed. As mentioned above, the Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR. The Consolidated FDI policy effective from August 28, 2017 issued by the DIPP allows sectoral cap upto 100% in case of manufacturing b is allowed under automatic route.

Other Laws

In addition to the above, our Company is also required to comply with the provisions of other applicable statutes imposed by the Centre or the State for its day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

HISTORY & BACKGROUND

In the year 2011, Our Company was engaged in the Trading of handmade carpets, cushion covers, cotton quilts and bedspreads etc. in the Mirzapur. Our Company established itself in the major portion of Uttar Pradesh and became a manufacturer of quality readymade apparels. In order to diversify the business, we expanded our activities in Information Technology, Manpower Supply Services and Tour and Travels Services.

Our Company was initially incorporated as “SBC Exports Limited” on January 18, 2011 at Uttar Pradesh as a Public Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated January 18, 2011 issued by the Registrar of Companies, Uttar Pradesh and Uttarakhand and Later on, the Certificate of Commencement of Business was issued on 23rd February, 2011 by the Registrar of Companies, Uttar Pradesh and Uttarakhand.

Mrs. Deepika Gupta, Mr. Dheerendra Kumar Gupta along with their relatives laid the foundation of our Company in the name of M/s SBC Exports Limited in the year 2011 and since incorporation, Our Present Promoter i.e. Mrs. Deepika Gupta, Mr. Dheerendra Kumar Gupta are heading the Company.

Our Company operates in 3 (Three) key segments:

- Textiles, Garments including Carpets;
- IT Services & Manpower supply; and
- Online & Offline Hotel / Travel / Vacation Bookings



We have been evolved as a trading company and were engaged in the trading of handmade carpets, cushion covers, cotton quilts and bedspreads etc., Going forward, our Company started its Hosiery Fabrics & Hosiery Garments Trading in Mirzapur. In the year 2017, Our Company set up its own manufacturing plants at

- House No-20, LohiyaTalab, ChottiBasahi, P.O, Vindhyachal, Mirzapur, Uttar Pradesh-231307; and
- 49/95 Site-IV Sahibabad industrial Area, Ghaziabad Uttar Pradesh-201010.

Our Company has in-house stitching and quality control which is supervised at all levels by experienced people to ensure high end quality product gets passed on to customer. Our Company continuously strives to update and improve its quality.

Our Company is also engaged in production of quality Hosiery Fabrics & Hosiery Garments for Ladies, Mens' and Kids'. Our Company has a bouquet of a variety of T-Shirts, Denims, Sweat Shirts, Trousers, and Jackets and Leggings etc. which are sold under brand name of “SBC DESIGN+”, “SBC F-ROUTE”, “IEDEE”. We have also forayed into Home Furnishings which includes handmade carpets, cushion covers, cotton quilts and



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bedspreads etc. We have also started to direct sales our products through our online selling website www.frouteclothing.com and mobile APP which has product customisation offering.

We source our raw materials, other fabrics and finished materials from various suppliers, weavers and traders. To maintain quality of our product we have implemented several quality control mechanisms for sourcing of raw materials.

Our Company believes that our current manufacturing facility is well-equipped with automated and semi-automated equipment and facilities. We have a dedicated team of creative work force including fashion designers, fashion technologists, CAD designers, sketch and paint artists, other skilled and semi-skilled job workers etc. who possess in-depth knowledge of market behaviour and customer preference and helps us to introduce new and niche designs. Our successful association with experienced fashion designers in past have redefined our outlook towards global fashion trends.

Our Company primarily sells our products through our distributors. Our Company provide our product samples along with design catalogue to distributors for reaching out to the wholesale and retail shops in domestic market.

Our Company also diversified its business to Information Technology and Manpower Supply Services wherein we provide various types of services to the Government sector Departments such as Software Development, E-Office Modernization, E-Governance, Manpower etc. Our Company has worked on some of projects with National Informatics Centre Services Inc. (NICS) - India, Delhi Government, Broadcast Engineering Consultants India Limited (BECIL), Delhi Government and Jharkhand Agency for Promotion of Information Technology, Jharkhand Government and is amongst very few Companies shortlisted for Manpower Supply projects.

Following are some of our focused service areas of engagement:

- e-Governance Projects - Training and Implementation (Rollout of Services)
- Manpower support (IT and Non-IT) for Speedy Implementation and Rollout of Projects (MMPs)
- Professional Support Services for Application Development / Web Development
- Manpower Categories include Data Entry Operator / Operation Manager / Operation Assistant / IT Assistants / Office Assistant / Multi-Tasking Staff / Team Leader / Software Developer etc
- Web Based Software / Application Development / Website Development (GIGW Compliance)
- Scanning and Digitization / Document Management System
- Skill Development (Registered with DDUGKY)
- Training and Development (Soft Skill Trainings)
- Security & Surveillance Projects
- System Integration

Also, Our Company also started its business operations in the area of the Tour and Travel Services by launching of its online portal www.maujitrrip.com, a one stop destination for all travel, hotel & vacation bookings.

The portal works as a Tour & Travel Booking engine, which arranges all kinds of facilities to the customers who book their tours & travel. Our Company with its professionally managed travel engine specializes mainly in organizing Adventure, Cultural, Religious, Hill station & wildlife tours in India through a sprawling network. It offers 24 X 7 hours services that include travel planning, itinerary design, hotel bookings, ticket reservations and transport facilities. It also provides holiday packages, customized as per client's need and budget. Its services cover all the destinations in India from the remote lifestyle tucked in the Indian

Himalaya to the underwater coral life of Andaman and from the tribes of North East India to royal heritage of Rajasthan.

CHANGES IN REGISTERED OFFICE

There has been no change in the registered office of the Company since incorporation.

DETAILS OF MAJOR EVENTS AND MILESTONES

YEAR	PARTICULARS
2011	Incorporation of our Company on 18.01.2011
2011	Certificate of Commencement of Business on 23.02.2011
2015	Started its Hosiery Fabrics & Hosiery Garments Trading
2016	Entered into the Business of Information Technology and Manpower Supply Services
2017	Started our own Garments manufacturing units at Mirzapur & Sahibabd
2018	Entered into the business of Tour and Travel Services

MAIN OBJECTS OF OUR COMPANY

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

1. To carry on the business of manufacturers, designers, assemblers, contractors, sub contractors, processors, importers, exporters, buyers, sellers, marketers and dealers in India or elsewhere of all kinds of Carpets.
2. To carry on the business of manufacturers, agent/distributor/sole agent/sale distributor contractors, sub contractors, processors, importers, exporters, buyers, sellers, marketers and dealers in India or elsewhere of all kinds of scrap metals.
3. To act as an agent/dealer/distributor/sole agent/sale distributor on behalf of other manufacturers in India or elsewhere for selling, servicing of various engineering sheet metal parts, components, dies, moulds items such as machine tools (including CNC machines), tooling, accessories, and other allied products, parts and components made from plastic and metal.
4. To cultivate, plant, produce, process, formulate, buy, sell, import, export or otherwise deal in all kinds of agricultural produces, garden produces, herbal produces, forest produces, vegetables, fruits, flowers, flower bulbs, seeds, marine and animal produces and their derivatives and by-products.
5. To carry on the business as share & stock brokers, sub-brokers, dealers, agents, for subscribing to and for the sale and purchase of securities, stock, shares, debentures, debenture stock, bonds, units cash certificates, saving certificates, commercial papers, Government securities or obligations and securities issued or guaranteed by body corporate whether established in India or else where, authority whether Central, State or Local, undertaking whether public or private, to act as portfolio managers, fund managers, asset managers, securities consultants, custodian for securities and assets and share transfer agents.
6. To encourage and provide the business as package tour operators, daily passenger service operators, tour operators, travel agents, ship booking agents, railway ticket booking agents, airlines ticket booking agents, hotel service booking agents, carrier service agents and to work as tourist agents and contractors and to facilitate traveling and to provide for tourists and travelers, the provision of convenience of all kinds in the way of through tickets, sleeper cars, or berths, reserved places, hotel, motel and lodging, accommodation guidance and other allied services.

7. To carry on the business of Software designing, development, customization, implementation, maintenance, testing and benchmarking, designing, developing and dealing in computer software and solutions, and to import, export, sell, purchase, distribute, host (in data centers or over the web) or otherwise deal in own and third party computer software packages, programs and solutions, and to provide internet / web based applications, services and solutions, provide or take up Information technology related assignments on sub-contracting basis and to undertake IT enabled services, solutions and services for Networking and network management, manpower supply, data centre management and in providing consultancy services in all above mentioned areas.
8. To carry on the business of manufacturers, importers, exporters, buyers, sellers, dealers and as agents, stockists, distributors and suppliers of all kinds of readymade garments, cloths, coverings, coated fabrics, textiles, hosiery and silk or merchandise of every kind and description and other production goods, articles and things as are made from or with cotton, nylon, silk, polyester, acrylics, wool, jute and other such kinds of fiber by whatever name called or made under any process, whether natural or artificial and by mechanical or other means and all other such products of allied nature made thereof and to deals in textiles, cotton, silk, art silk, rayon, nylon, synthetic fibers, staple fibers, polyester, worsted, wool, hemp and other fibre materials, yarn, cloth, linen, rayon and other goods or merchandise whether textile felted, netted or looped and to own, create, operate and manage online shopping websites, e-commerce market places, portals, mobile applications and to create a virtual shopping mall with online catalogue and to provide a convenient shopping experience to its customers.

CHANGES IN THE MEMORANDUM OF ASSOCIATION

The following changes have been made in the Memorandum of Association of our Company since inception:

Date of Shareholders' Resolution	Nature of Amendment
August 18, 2018	Authorized share capital of our Company was increased from Rs. 10,00,000 consisting of 1,00,000 Equity Shares of Rs. 10.00 each to Rs. 11,10,00,000 consisting of 1,11,00,000 Equity Shares of Rs. 10.00 each.
August 18, 2018	Adoption of new set of Memorandum and Articles of Association according to Companies Act 2013.
December 10, 2018	Main object of the Company has been altered and new objects in the main clause of the Memorandum of Association have been inserted.
March 11, 2019	Main object of the Company has been altered and new objects in the main clause of the Memorandum of Association have been inserted.

CAPITAL RAISING (DEBT /EQUITY)

For details of the equity capital raising of our Company, please refer to the chapter titled "Capital Structure" on page 60 of this Draft Prospectus. We have not done any debt issuances since incorporation till date.

HOLDING COMPANY OF OUR COMPANY

Our Company has no holding Company as on this date of filing of this Draft Prospectus.

SUBSIDIARY COMPANY OF OUR COMPANY

Our Company has no Subsidiary as on this date of filing of this Draft Prospectus.

JOINT VENTURE OF OUR COMPANY

Our Company has not entered into any joint venture Agreement as on the date of filing of this Draft Prospectus.

REVALUATION OF ASSETS

Our Company has not revalued its assets since its incorporation.

GUARANTEES GIVEN BY PROMOTERS OFFERING ITS SHARES IN THE ISSUE

None of our Promoters are offering any of the Equity Shares held by the Promoters in the Company in the Issue.

DETAILS OF OUR PAST PERFORMANCE

Details in relation to our financial performance since inceptions, including details of non-recurring items of income, refer to section titled "Financial Statements" beginning on page 170 of this Draft Prospectus.

INJUNCTIONS OR RESTRAINING ORDERS:

Our Company is not operating under any injunction or restraining order.

DETAILS REGARDING ACQUISITION OR DISINVESTMENT OF BUSINESS/UNDERTAKINGS, MERGERS, AMALGAMATIONS

Our Company has neither acquired any entity, business or undertakings nor has undertaken any mergers or Amalgamation since incorporation.

STRIKES AND LOCKOUTS:

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock-outs. As on the date of the Draft Prospectus, our employees are not unionized.

TIME AND COST OVERRUNS IN SETTING UP PROJECTS:

As on the date of the Draft Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

SHAREHOLDERS AGREEMENTS

Our Company has not entered into any shareholders agreement as on date of filing of the Draft Prospectus.

OTHER AGREEMENTS

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business as on the date of filing of the Draft Prospectus.

AGREEMENT ENTERED INTO BY A KEY MANGERIAL PERSONNEL OR DIRECTORS OR PROMOTER OR ANY OTHER EMPLOYEE OF THE ISSUER

None of our key managerial personnel or director or promoter or any other employee, either by themselves or on behalf of any other person, has entered into an agreement with any shareholder or any third party



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with regard to compensation or profit sharing in connections with the dealings in the securities of our Company.

COLLABORATION

Our Company has not entered into any collaboration with any third party as per regulation 10 B (1) (c) of part A Schedule VI of SEBI (ICDR) Regulations, 2018.

STRATEGIC PARTNER

Our Company does not have any strategic partner as on the date of filing of the Draft Prospectus.

FINANCIAL PARTNER

Our Company does not have any financial partner as on the date of filing of the Draft Prospectus.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this Draft Prospectus.

NUMBER OF SHAREHOLDERS

Our Company has Nine (9) shareholders as on date of the Draft Prospectus.

OUR MANAGEMENT

In accordance with our Articles of Association, unless otherwise determined in a general meeting of the Company and subject to the provisions of the Companies Act, 2013 and other applicable rules, the number of Directors of the Company shall not be less than 3 and not more than 12, at least two thirds of whom shall be liable to retire by rotation. Our Company currently has 7 (Seven) Directors on our Board out of which 2 (Two) are Executive Directors and 5 (Five) are Non-Executive Independent Directors.

The Following table sets forth details regarding the Board of Directors as of the date of this Draft Prospectus:-

Mr. Dheerendra Kumar Gupta	
Father's Name	Mr. Ganesh Prasad Gupta
DIN	03321016
Date of Birth	October 25, 1952
Age	66 Years
Designation	Managing Director
Status	Executive
Qualification	B.Com
No. of Years of Experience	More than 25 Years
Address	Plot No- 317, 2 nd Floor -1, Gyan Khand -1, Indirapuram, Shipra Sun City, Ghaziabad, Uttar Pradesh -201014
Occupation	Business
Nationality	Indian
Date of Appointment	Originally appointed on 12.08.2013 and re-designated as Managing director w.e.f. 10.12.2018
Term of Appointment	Retire by Rotation
Other Directorships	Nil
Mrs. Deepika Gupta	
Father's Name	Mr. Shyam Murari Gupta
DIN	03319765
Date of Birth	September 29, 1985
Age	33 Years
Designation	Whole Time Director
Status	Executive
Qualification	M.A.
No. of Years of Experience	More than 10 Years
Address	317 SF-1, Gyan Khand-1, Indirapuram, Shipra Sun City, Ghaziabad, U.P. -201014
Occupation	Business
Nationality	Indian
Date of Appointment	Originally appointed Director on 18/01/2011 and redesignated as Whole-Time Director w.e.f 10/12/2018
Term of Appointment	Retire by Rotation
Other Directorships	Nil
Mr. Akshat Gupta	
Father's Name	Mr. Shambhu Gupta
DIN	08295391
Date of Birth	January 28, 1995

Age	24 Years
Designation	Independent Director
Status	Non-Executive
Qualification	B.Com (appearing)
No. of Years of Experience	More Than 2 Years
Address	32/98, Maniram Bagia, Kanpur Nagar, Kanpur, Uttar Pradesh-208001
Occupation	Service
Nationality	Indian
Date of Appointment	10.12.2018
Term of Appointment	5 years
	NIL
Mr. Vinod Kumar	
Father's Name	Mr. Salikram
DIN	08296368
Date of Birth	August 08, 1966
Age	52 Years
Designation	Independent Director
Status	Non-Executive
Qualification	B.A.
No. of Years of Experience	More than 26 Years
Address	Village- Makandruganj, Teh- Sadar, Pratapgarh, Uttar Pradesh-230001
Occupation	Professional
Nationality	Indian
Date of Appointment	10.12.2018
Term of Appointment	5 years
Other Directorships	NIL
Mrs. Manupriya Mishra	
Father's Name	Mr. Radhey Krishna Upadhyay
DIN	08296485
Date of Birth	December 24, 1981
Age	37 Years
Designation	Independent Director
Status	Non-Executive
Qualification	M.A.
No. of Years of Experience	More than 13 Years
Address	SRA-68C, Shipra Rivera, Gyan Khand-3, Indirapuram, Ghaziabad, Uttar Pradesh -201014
Occupation	Service
Nationality	Indian
Date of Appointment	10.12.2018
Term of Appointment	5 years
Other Directorships	NIL
Mr. Amit Jaiswal	
Father's Name	Mr. Purshottam Das Jaiswal
DIN	08297910
Date of Birth	January 25, 1979

Age	39 Years
Designation	Independent Director
Status	Non Executive
Qualification	B.A.
No. of Years of Experience	More than 16 Years
Address	Teacher Colony, Mahuwariya, Mirzapur, Uttar Pradesh-230001
Occupation	Service
Nationality	Indian
Date of Appointment	10.12.2018
Term of Appointment	5 years
Other Directorships	NIL
Mr. Manish Gupta	
Father's Name	Mr. Mukund ji Gupta
DIN	08299385
Date of Birth	February 5, 1974
Age	45 Years
Designation	Independent Director
Status	Non Executive
Qualification	B.Com
No. of Years of Experience	More than 18 Years
Address	73, Stanley Road, Allahabad Kty, Soroan, Allahabad, Uttar Pradesh-211002
Occupation	Service
Nationality	Indian
Date of Appointment	10.12.2018
Term of Appointment	5 years
Other Directorships	NIL

As on the date of the Draft Prospectus;

- A. None of the above mentioned Directors are on the RBI List of willful defaulters.
- B. None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.
- C. None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- D. None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) up to the date of filling of this Draft Prospectus.
- E. None of Promoters or Directors of our Company is fugitive economic offender.
- F. None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.
- G. In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our

directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence.

- H. None of our Directors are/were director of any company which has been/were delisted from the stock exchange, during his/her tenure.

BRIEF PROFILE OF OUR DIRECTORS

Mr. Dheerendra Kumar Gupta, aged 66 years, is Promoter and Managing Director of our Company. He has a rich experience of more than 25 Years in the field of Business Management & Leadership. As a First Generation entrepreneur he has led the company in undertaking various Government projects.

His experience in various sectors, administrative ability, drive, devotion, and skill in organization saw the evolution of all the projects and his attention to detail are the qualities that ensure that each project that SBC Exports undertakes is implemented smoothly and professionally. He looks after of routine operational activities of our Company. With his multifunctional experience, he guides company in growth strategies and lighting the company in increasing its scale in leaps and bounds. He is on Board of Company since incorporation i.e. 12th August, 2013.

Mrs. Deepika Gupta, aged 33 years, is Promoter and Whole-Time Director of our Company. She is M.A. Post graduate from Avadh University, Uttar Pradesh and has rich experience of more than a decade in the field of Operation Management. She is actively involved in day-to-day operations and management of the Company. She is responsible for allocation of job responsibilities among the personnel, liasoning with the commercial team to promote & develop operational opportunities and also look after health & safety of employees. She is also involved in product development and contributes with her creative ideas for new products. She is on Board of Company since incorporation i.e. 18th January, 2011.

Mr. Akshat Gupta, aged 24 years, is a young and dynamic personality with a positive attitude towards Business. He is an Independent Director of our Company. He is currently pursuing B. Com from CSJM University, Uttar Pradesh and has rich experience of Two years in the field of Manufacturing & Production Process. Currently he is actively involved in Manufacturing & Production Process of M/s Laxmi Hoisary Products, Kanpur. As an Independent Director of our Company with corporate acumen & experience, he brings value addition to our Company. He is on Board of Company since 10th December, 2018.

Mr. Vinod Kumar, aged 52 years, has extensive experience of more than 26 years in the Field of Logistics Distribution & Finance Management. He is an Independent Director of our Company. He is B.A. Graduate from the Purvanchal University, Mirzapur, Uttar Pradesh. Currently he is associated with the APTC Transport Company at Pratapgarh, Uttar Pradesh. As an Independent Director of our Company with corporate acumen & experience, he brings value addition to our Company. He is on Board of Company since 10th December, 2018.

Mrs. Manupriya Mishra, aged 37 years, holds master's Degree in Political Science. He is an Independent Director of our Company. She is an eminent Sales & Commercial manager and possesses a diverse and wide ranging experience of more than 13 years. She is actively involved in day-to-day Sales operations and management of M/s JVM Marketing. As an Independent Director of our Company with corporate acumen & experience, she brings value addition to our Company. She is on Board of Company since 10th December, 2018.

Mr. Amit Jaiswal, aged 39 years, is a young and eminent professional with a vast experience of more than 16 years in the field of Brand & Marketing Management. He holds Bachelor's Degree in Business Administration. He is currently associated with M/s Redwings Group & Company. As an Independent Director of our Company with corporate acumen & experience, he brings value addition to our Company. He is on Board of Company since 10th December, 2018.

Mr. Manish Gupta, aged 45 years, is a young and reputed professional with a vast experience of more than 18 years in the field of Store Management. He is B. Com graduate from University of Allahabad. He is currently associated with A.M. Sales Services at Allahabad. As an Independent Director of our Company with corporate acumen & experience, he brings value addition to our Company. He is on Board of Company since 10th December, 2018.

RELATIONSHIP BETWEEN THE DIRECTORS AND RELATIONSHIP BETWEEN ANY OF THE DIRECTOR AND KEY MANAGERIAL PERSONNEL

Except mentioned hereunder, none of our Director is related to any of the directors or any of the directors and key managerial personnel:

Name of Director	Designation	Relation
Mr. Dheerendra Kumar Gupta	Managing Director	Father in Law of Mrs. Deepika Gupta
Mrs. Deepika Gupta	Whole-Time Director	Daughter in Law of Mr. Dheerendra Kumar Gupta

ARRANGEMENT AND UNDERTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS & OTHERS

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors was selected as director or member of senior management.

SERVICE CONTRACTS

Except for executive employment agreements with our executive directors, our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.

BORROWING POWERS OF THE BOARD OF DIRECTORS

The Shareholders of the Company, through a special resolution passed at the Extra-ordinary General Meeting held on December 10, 2018 authorized our Board to borrow monies, together with monies already borrowed by us, up to Rs. 5,000 Crore apart from temporary loans obtained from the Company's banker in the ordinary course of business may exceed the aggregate of the paid-up capital of the Company and its free reserves.

COMPENSATION AND BENEFITS TO THE MANAGING DIRECTOR AND WHOLE TIME DIRECTOR ARE AS FOLLOWS

Particulars	Name of Director	Name of Director
Name	Mr. Dheerendra Kumar Gupta	Mrs. Deepika Gupta
Designation	Managing Director	Whole-Time Director
Date of Appointment/ Change in Designation	10/12/2018	10/12/2018
Period	5 Years	5 Years
Salary	Rs. 55,000/- Per Month	Rs. 83,000/- Per Month
Bonus	NIL	NIL
Perquisite/ Benefits	NIL	NIL
Compensation / remuneration paid during the F.Y. 2017-18	Rs. 7.00 Lakhs	Rs. 10.00 Lakhs

SITTING FEES PAYABLE TO NON-EXECUTIVE DIRECTORS

Till date, our Company has not paid any sitting fees to any of the Non-Executive Directors for attending any of the Board or Committee Meetings. At present, our company has not proposed any payment of sitting fees to our non-executive directors. However, we may decide to pay sitting fees later on in the manner provided under Companies Act, 2013.

SHAREHOLDING OF DIRECTORS

The Shareholding of our Directors as on the date of this Draft Prospectus is as follows:

Sr. No.	Name of Directors	No. of Equity Shares held
1.	Mrs. Deepika Gupta	31,30,000
2.	Mr. Dheerendra Kumar Gupta	25,25,000

INTEREST OF DIRECTORS

All the non-executive directors of the company may be deemed to be interested to the extent of fees, payable to them for attending meetings of the Board or Committee if any as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws.

The directors may be regarded as interested in the shares and dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as directors, members, partners and or trustees. All directors may be deemed to be interested in the contracts, agreements/arrangements to be entered into by the issuer company with any company in which they hold directorships or any partnership or proprietorship firm in which they are partners or proprietors as declared in their respective declarations.

Executive Director is interested to the extent of remuneration paid to them for services rendered to the company.

Our executive directors may also be deemed as interested in our Company to the extent of the Equity Shares held by them or any Equity Shares that may be subscribed by or allotted to them from time to time. For further details, please refer to section titled "Our Management - Shareholding of directors in our Company" and "Capital Structure" beginning on pages 148 and 60 respectively.

Except as stated under "Related Party Transaction" in the section "Financial Statements" on page 170 of this Draft Prospectus, our Company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Draft Prospectus in which our directors are interested directly or indirectly.

CHANGES IN THE BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Name of Director	Date of Event	Nature of Event	Reason for the change in board
Mr. Amit Aggarwal	30.09.2016	Change in Designation	Change in designation from Additional Director to Director
Mr. Parveen	30.09.2016	Change in Designation	Change in designation from Additional Director to Director
Mr. Dheerendra Kumar Gupta	10.12.2018	Change in Designation	Change in Designation from Director to Managing Director
Mrs. Deepika Gupta	10.12.2018	Change in Designation	Change in Designation from Director to Whole-Time Director

Name of Director	Date of Event	Nature of Event	Reason for the change in board
Mr. Akshat Gupta	10.12.2018	Appointment	Appointment as an Additional Independent Director
Mr. Vinod Kumar	10.12.2018	Appointment	Appointment as an Additional Independent Director
Mr. Arihant Jain	10.12.2018	Appointment	Appointment as an Additional Independent Director
Mr. Manish Gupta	10.12.2018	Appointment	Appointment as an Additional Independent Director
Mrs. Manupriya Mishra	10.12.2018	Appointment	Appointment as an Additional Independent Director
Mr. Akshat Gupta	10.12.2018	Change in Designation	Change in designation from Additional Independent Director to Independent Director
Mr. Vinod Kumar	10.12.2018	Change in Designation	Change in designation from Additional Independent Director to Independent Director
Mr. Arihant Jain	10.12.2018	Change in Designation	Change in designation from Additional Independent Director to Independent Director
Mr. Manish Gupta	10.12.2018	Change in Designation	Change in designation from Additional Independent Director to Independent Director
Mrs. Manupriya Mishra	10.12.2018	Change in Designation	Change in designation from Additional Independent Director to Independent Director
Mr. Amit Aggarwal	11.03.2019	Resignation	Resignation due to pre Occupation.
Mr. Parveen	11.03.2019	Resignation	Resignation due to pre Occupation.

CORPORATE GOVERNANCE

The provisions of the SEBI (LODR) Regulations, 2015 with respect to corporate governance will be applicable to our Company immediately upon the listing of Equity Shares on the Stock Exchange. Our Company is in compliance with the requirements of applicable regulations, specifically the SEBI (LODR) Regulations, 2018, the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2018 in respect of corporate governance particularly in relation to constitution of the Board and committees of our Board.

The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, each as required under law. Our Board of Directors is constituted in compliance with the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, to the extent applicable.

The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. Currently, our Company has 7 (Seven) Directors including Mr. Dheerendra Kumar Gupta as a Managing Director. Out of 7 (Seven) Directors, two (2) are Executive Directors, and 5 (Five) are Non-Executive Independent Directors.

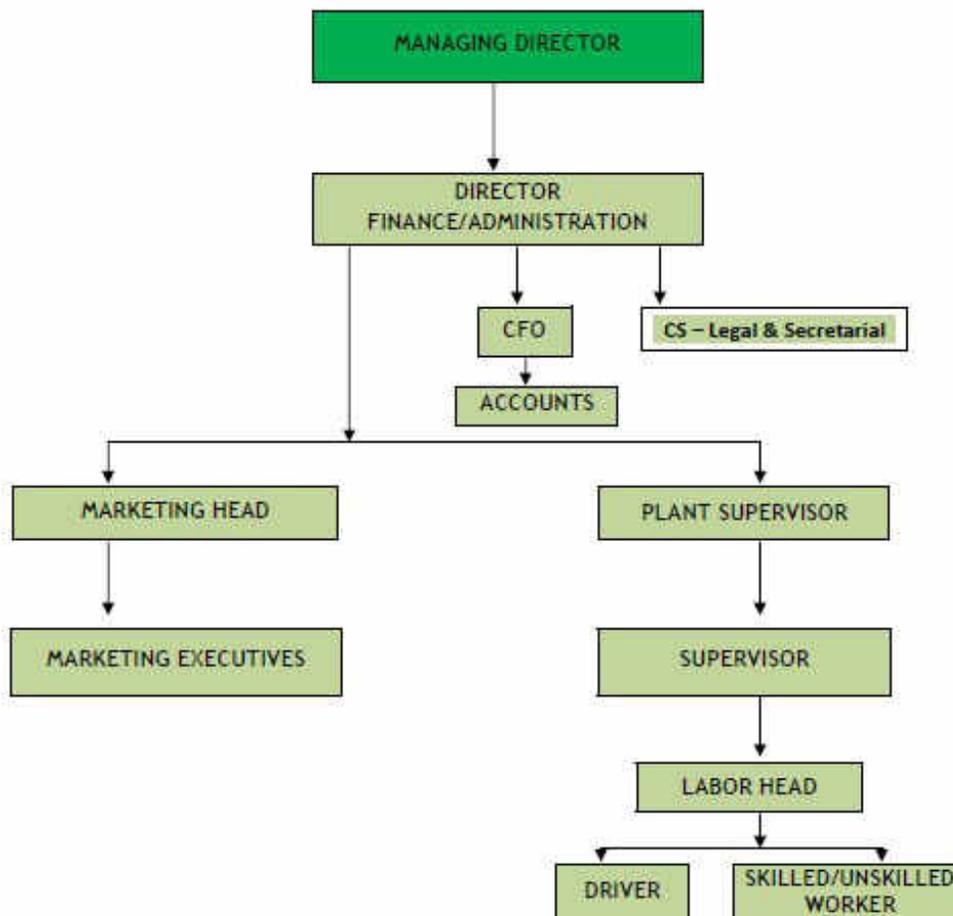
The details of i) Audit Committee; ii) Nomination and Remuneration Committee; and iii) Stakeholders Relationship Committee are set out below. In addition to the committees of the Board detailed below, our Board of Directors may, from time to time constitute committees for various functions.

Composition of Board of Directors is set forth in the below mentioned table:

Sr. No.	Name of Director	Designation	Status	DIN
1.	Mrs. Deepika Gupta	Whole-Time Director	Executive Director	03319765

Sr. No.	Name of Director	Designation	Status	DIN
2.	Mr. Dheerendra Kumar Gupta	Managing Director	Executive Director	03321016
3.	Mr. Akshat Gupta	Independent Director	Non Executive Director	08295391
4.	Mr. Vinod Kumar	Independent Director	Non Executive Director	08296368
5.	Mrs. Manupriya Mishra	Independent Director	Non Executive Director	08296485
6.	Mr. Amit Jaiswal	Independent Director	Non Executive Director	08297910
7.	Mr. Manish Gupta	Independent Director	Non Executive Director	08299385

ORGANISATION STRUCTURE



Constitution of Committees

Our company has constituted the following Committees of the Board;

1. Audit Committee;
2. Stakeholders Relationship Committee; and
3. Nomination and Remuneration Committee.

Details of composition, terms of reference etc. of each of the above committees are provided hereunder;

1. Audit Committee:

The Board of Directors of our Company has, in pursuance to provisions of Section 177 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on December 10, 2018, constituted an Audit Committee.

The constitution of the Audit Committee is as follows:

Name of Director	Designation	Nature of Directorship
Mr. Dheerendra Kumar Gupta	Member	Managing Director- Executive
Mr. Manish Gupta	Chairman	Independent Director- Non- Executive
Mr. Amit Jaiswal	Member	Independent Director- Non- Executive

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

Terms of Reference

The Role of Audit Committee not limited to but includes:-

- i. The recommendation for the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, their remuneration and fixation of terms of appointment of the Auditors of the Company;
- ii. Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- iii. Examination of financial statement and auditors' report thereon including interim financial result before submission to the Board of Directors for approval;
 - a. Changes, if any, in accounting policies and practices and reasons for the same
 - b. Major accounting entries involving estimates based on the exercise of judgment by management
 - c. Significant adjustments made in the financial statements arising out of audit findings
 - d. Compliance with listing and other legal requirements relating to financial statements
 - e. Disclosure of any related party transactions
 - f. Qualifications in the draft audit report.
- iv. Approval or any subsequent modification of transactions of the Company with related party; Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed under the Companies Act, 2013 or any subsequent modification(s) or amendment(s) thereof; Provided further that in case of transaction, other than transactions referred to in section 188 of Companies Act 2013 or any subsequent modification(s) or amendment(s) thereof, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board; Provided also that in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee;

- v. Reviewing, with the management, and monitoring the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vi. Scrutiny of Inter-corporate loans and investments;
- vii. Reviewing and discussing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- viii. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
- ix. Valuation of undertakings or assets of the company, where ever it is necessary;
- x. Evaluation of internal financial controls and risk management systems and reviewing, with the management, performance of internal auditors, and adequacy of the internal control systems; and
- xi. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xii. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and
- xiii. Carrying out any other function as assigned by the Board of Directors from time to time.

Review of Information

- i. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- ii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iii. Internal audit reports relating to internal control weaknesses; and
- iv. The appointment, removal and terms of remuneration of the Internal Auditor.

Powers of Committee

- i. To investigate any activity within its terms of reference;
- ii. To seek information from any employees;
- iii. To obtain outside legal or other professional advice; and
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Quorum and Meetings

The Audit Committee shall meet as and when require discussing and approving the items included in its role. The quorum of the meeting of the Audit Committee shall be one third of total members of the Audit Committee or 2, whichever is higher.

2. Stakeholders Relationship Committee

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on December 10, 2018, constituted Stakeholders Relationship Committee.

The constitution of the Stakeholders Relationship Committee is as follows:

Name of Director	Designation	Nature of Directorship
Mr. Dheerendra Kumar Gupta	Member	Managing Director- Executive
Mr. Manish Gupta	Member	Independent Director- Non- Executive
Mr. Amit Jaiswal	Chairman	Independent Director- Non- Executive

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

Terms of Reference

To supervise and ensure;

- i. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares;
- ii. Redressal of shareholder and investor complaints like transfer of Shares, non-receipt of balance sheet, non-receipt of declared dividends etc.;
- iii. Issue duplicate/split/consolidated share certificates;
- iv. Dematerialization/Rematerialization of Share;
- v. Review of cases for refusal of transfer / transmission of shares and debentures;
- vi. Reference to statutory and regulatory authorities regarding investor grievances and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances; Provided that inability to resolve or consider any grievance by the Stakeholders Relationship Committee in good faith shall not constitute a contravention of Section 178 of Companies Act, 2013 or any subsequent modification(s) or amendment(s) thereof.
- vii. Such other matters as may be required by any statutory, contractual or other regulatory requirements to be attended to by such committee from time to time.

Quorum and Meetings

The Stakeholders Relationship Committee shall meet as and when require to discuss and approve the items included in its role. The quorum shall be one third of total members of the Stakeholders Relationship Committee or 2 members, whichever is higher.

3. Nomination and Remuneration Committee:

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on December 10, 2018, constituted Nomination and Remuneration Committee.

The constitution of the Nomination and Remuneration Committee is as follows:

Name of Director	Designation	Nature of Directorship
Mr. Manish Gupta	Member	Independent Director- Non- Executive
Mrs. Manupriya Mishra	Chairperson	Independent Director- Non- Executive
Mr. Amit Jaiswal	Member	Independent Director- Non- Executive

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

Terms of reference

Role of Nomination and Remuneration Committee not limited to but includes:-

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

- iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance.

Quorum and Meetings

The Committee is required to meet at least once a year. The quorum necessary for a meeting of the Nomination and Remuneration Committee is one third of total members of the Nomination and Remuneration Committee or 2 members, whichever is higher.

Policy on disclosure and internal procedure for prevention of Insider Trading

The provisions of Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME platform of BSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on SME platform of BSE. Further, Board of Directors at their meeting held on 15th December, 2018 have approved and adopted the policy on insider trading in view of the proposed public issue.

Mr. Hari Om Sharma, Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

Policy for determination of materiality and materiality of related party transactions and on dealing with Related Party Transactions

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME platform of BSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended on listing of Equity Shares on the SME platform of BSE. The Board of Directors at their meeting held on 15th December, 2018 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

OUR KEY MANAGEMENT PERSONNEL

The Key Managerial Personnel of our Company are as follows:-

Name	Mr. Dheerendra Kumar Gupta	Mrs. Deepika Gupta	Mr. Mukesh Bhatt	Mr. Hari Om Sharma
Designation	Managing Director	Whole-Time Director	Chief Financial officer	Company Secretary
Original Date of Joining	18.01.2011	18.01.2011	16.11.2018	16.11.2018
Qualification	B.Com	M.A.	M.B.A	C.S.
Term of office with date of expiration of term	Five Years w.e.f. 10.12.2018 as Managing Director	Five Years w.e.f. 10.12.2018 as Whole Time Director	N.A.	N.A.
Details of Service Contract	N.A.	N.A.	N.A.	N.A.
Details of previous employments	NIL	NIL	Senior Accountant in India Infomatics Noida	Company Secretary in M/s Capital Trade Links Limited

Past Experience (No. of Years)	More than 25 Years	More than 10 Years	More than 6 years	More than 2 years
Functional Responsibilities and area of experience	Overall Operational Activities of the Company.	Day to day Operations and management of the Company.	Looking over all Finance related activities of the Company.	Looking over and ensuring compliance of the Company with all applicable laws.
Relationship with other KMP	Father in Law of Mrs. Deepika Gupta	Daughter in law of Mr. Dheerendra Kumar Gupta	N.A.	N.A.
Compensation /remuneration paid to the KMP during the Financial Year 2017-18	Rs. 7.00 Lakhs	Rs. 10.00 Lakhs/-	N.A.	N.A.
Status of each KMP (Permanent employee or otherwise)	Permanent	Permanent	Permanent	Permanent
Shareholding of the KMP	25,25,000 Equity Shares	31,30,000 Equity Shares	NIL	NIL

Profiles of our Key Managerial Personnel

In addition to our Managing Director, Mr. Dheerendra Kumar Gupta and Whole-Time Director, Mrs. Deepika Gupta whose details are provided under "Brief profile of our Directors" under section "Our Management" of this Draft Prospectus beginning on page 148, the details of our other Key Managerial Personnel as on the date of this Draft Prospectus are set forth below. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel.

Mr. Mukesh Bhatt: is Chief Financial Officer of our Company. He is Master in Business Administration. He is having more than 6 years of experience in Accountants and Financial related work and he is associated with our Company since November, 2018.

Mr. Hari Om Shama is Company Secretary & Compliance Officer of our Company. He is an associate member of Institute of Companies Secretaries of India. He is associated with our Company from November, 2018. His scope of work and responsibilities includes vetting of agreements, preparation of minutes, drafting of resolutions, preparation and updating of various statutory registers, and compliance with the provisions of Companies Act, 2013.

Status of Key Management Personnel in our Company

All our key managerial personnel are permanent employees of our Company.

Relationship amongst the Key Managerial Personnel of our Company

There is no family relationship amongst the any Key Managerial Personnel of our Company except that Mr. Dheerendra Kumar Gupta is Father in Law of Mrs. Deepika Gupta

BONUS OR PROFIT SHARING PLAN FOR THE KEY MANAGEMENT PERSONNEL

Currently, Our Company does not have any bonus or profit sharing plan for our Key Managerial personnel. In future, Discretionary bonus may be paid as may be decided by Nomination and Remuneration Committee/Board of Directors, depending upon the performance of the Key Managerial Personnel, working

of the Company and other relevant factors subject to Maximum of annual salary within the limits laid down under Para A of Section II of Part II of Schedule V of the Companies Act, 2013.

INTERESTS OF KEY MANAGEMENT PERSONNEL

Other than as disclosed under this section under "Our Management - Interest of our Directors" and "Our Management - Shareholding of Key Management Personnel" beginning on page 148, our Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

The Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares held by them.

The Key Management Personnel are not entitled to any contingent or deferred compensation.

CHANGES IN THE KEY MANAGEMENT PERSONNEL

The following are the changes in the Key Management Personnel in the last three years preceding the date of filing this Draft Prospectus, otherwise than by way of retirement in due course.

Name of Key Managerial Personnel	Date of Event	Nature of Event	Reason for the changes in the board
Mr. Dheerendra Kumar Gupta	10.12.2018	Change in Designation	Designated as Managing Director
Mrs. Deepika Gupta	10.12.2018	Change in Designation	Designated as Whole-Time Director
Mr. Hari Om Sharma	16.11.2018	Appointment	Appointed as Company Secretary and Compliance officer
Mr. Mukesh Bhatt	16.11.2018	Appointment	Appointed as CFO

EMPLOYEE STOCK OPTION SCHEME

As on the date of filing of Draft Prospectus, our company does not have any ESOP Scheme for its employees.

PAYMENT OF BENEFIT TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)

Except the statutory payments made by our Company, in the last two years, our company has not paid any sum to its employees in connection with superannuation payments and ex-gratia/ rewards and has not paid any non-salary amount or benefit to any of its officers. Additionally, as on the date of this Draft Prospectus we do not intend to pay or give to any officer any payment or benefit and consideration for payment of giving of the benefit.

ARRANGEMENT AND UNDERSTANDING WITH MAJOR SHAREHOLDERS/CUSTOMERS/ SUPPLIERS

None of the Key Managerial Personnel have been selected pursuant to any arrangement/understanding with major shareholders/customers/suppliers.

DETAILS OF SERVICE CONTRACTS OF THE KEY MANAGERIAL PERSONNEL

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.



SBC EXPORTS LIMITED

LOANS AVAILED BY DIRECTORS / KEY MANAGERIAL PERSONNEL OF OUR COMPANY

None of the Key Managerial Personnel have availed loan from our Company which is outstanding as on the date of this Draft Prospectus.

OUR PROMOTERS & PROMOTER GROUP
Our Promoters

Mr. Dheerendra Kumar Gupta and Mrs. Deepika Gupta are the promoters of our Company. As on date of this Draft Prospectus, our Promoter holds 56,55,000 Equity Shares of our Company. Our Promoters and Promoter Group will continue to hold the majority of our post-issue paid-up equity share capital of our Company.

For details of the build-up of our Promoters' Shareholding in our Company, please refer the chapter titled "Capital Structure " beginning on page 60.

The details of our Promoters are as follows:

Mr. Dheerendra Kumar Gupta	
	<p>Mr. Dheerendra Kumar Gupta, aged 66 years, is Promoter and Managing Director of our Company. He has a rich experience of more than 25 Years in the field of Business Management & Leadership. As a First Generation entrepreneur he has led the company in undertaking various Government projects.</p> <p>His experience in various sectors, administrative ability, drive, devotion, and skill in organization saw the evolution of all the projects and his attention to detail are the qualities that ensure that each project that SBC Exports undertakes is implemented smoothly and professionally. He looks after of routine operational activities of our Company. With his multifunctional experience, he guides company in growth strategies and lighting the company in increasing its scale in leaps and bounds. He is on Board of Company since incorporation i.e. 12th August, 2013.</p>
Date of Birth	25.10.1952
Age	66 Years
PAN	ANJPG3113C
Passport Number	K0551696
Aadhar Card No.	8451 9278 8790
Driving License	-
Name of Bank	YES BANK LIMITED
Bank Account No.	010793700001701
Educational Qualification	B.Com
Experience in Business	25 Years
Present Residential Address	Plot No- 317, 2nd Floor -1, Gyan Khand -1, Indirapuram, Shipra Sun City, Ghaziabad, U.P. -201014
Position/posts held in the past	Director
Directorship held	-
Other Ventures	-
Special Achievements	-

	Mrs. Deepika Gupta
	<p>Mrs. Deepika Gupta, aged 33 years, is Promoter and Whole-Time Director of our Company. She is M.A. Post graduate from Avadh University, Uttar Pradesh and has rich experience of more than a decade in the field of Operation Management. She is actively involved in day-to-day operations and management of the Company. She is responsible for allocation of job responsibilities among the personnel, liasoning with the commercial team to promote & develop operational opportunities and also look after health & safety of employees. She is also involved in product development and contributes with her creative ideas for new products. She is on Board of Company since incorporation i.e. 18th January, 2011.</p>
Date of Birth	29.09.1985
Age	33 Years
PAN	ASFPG0156J
Passport Number	H7655208
Aadhar Card No.	6912 1043 1186
Driving License	-
Name of Bank	Standard Chartered Bank
Bank Account No.	52111978722
Educational Qualification	M.A.
Experience in Business	More than 10 Years
Present Residential Address	317 SF-1, Gyan Khand-1, Indirapuram, Shipra Sun City, Ghaziabad, U.P. -201014
Position/posts held in the past	Director
Directorship held	-
Other Ventures	-
Special Achievements	-

DECLARATION

We declare and confirm that the details of the permanent account numbers, bank account numbers and passport numbers of our Promoters are being submitted to the BSE Limited, stock exchange on which the specified securities are proposed to be listed along with filing of this Draft Prospectus with the Stock Exchange. There has been no change in the promoters of our Company in the last five years.

OTHER VENTURES OF OUR PROMOTERS

Except as disclosed herein below and in the chapter “Our Management” beginning on page 148, our Promoters are not involved with any other venture

EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY

For details in relation to experience of our Promoters in the business of our Company, see “Our Management” beginning on page 148.



SBC EXPORTS LIMITED

Interest of Promoters

Our Promoters may be deemed to be interested in the promotion of the Issuer to the extent of the Equity Shares held by themselves as well as their relative and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. Further, our Promoters may also be interested to the extent of Equity Shares held by or that may be subscribed by and allotted to companies and firms in whom either of them is interested as a director, member or partner. In addition, our Promoters, being Directors may be deemed to be interested to the extent of fees, if any, payable for attending meetings of the Board or a committee thereof as well as to the extent of remuneration and reimbursement of expenses, if any, payable under our Articles of Association and to the extent of remuneration, if any, paid for services rendered as an officer or employee of our Company as stated in section titled “Our Management” on page 148 of this Draft Prospectus.

Interest as Member of our Company

As on the date of this Draft Prospectus, our Promoters and Promoter Group collectively hold 70,61,500 Equity Shares of our Company and is therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoter in our Company and benefits and Directors, our Promoter does not hold any other interest in our Company.

Also see Section titled “Our Management-Interest of Directors” on Page 148 of this Draft Prospectus.

Interest of Promoters in the Properties of our Company

Except as disclosed in this Draft Prospectus, our Promoters and Directors have no interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Draft Prospectus or proposed to be acquired by it as on the date of this Draft Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoters and Directors are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify him as a Director or Promoter, or otherwise for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

Except to the extent of their directorship and shareholding in our Group Companies, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

For further details, please refer to the chapter titled “Our Management”, “Our Business” beginning on page 148, 110 and “Our History and Corporate Structure” beginning on page 142.

RELATED PARTY TRANSACTIONS

For details of related party transactions entered by our Promoters, members of our Promoter Group and our Company during the last financial year, the nature of transactions and the cumulative value of transactions, refer to the chapter titled “Financial Statements” beginning on page 170.

PAYMENT OF BENEFITS TO OUR PROMOTERS

Except as disclosed in this section and stated otherwise in “Financial Statements” beginning on page 170 about the related party transactions entered into during the last three Fiscals and in “Our Management”

Beginning on page 148, there has been no payment or benefit to our Promoters or Promoter Group during the two years prior to the filing of this Draft Prospectus nor is there any intention to pay or give any benefit to our Promoters or members of the Promoter Group as on the date of this Draft Prospectus.

DISASSOCIATION BY PROMOTERS IN THE LAST THREE YEARS

Our Promoters have been disassociated with companies during the three years preceding the date of filing of this Draft Prospectus as per details given below:

Name of Promoter	Date of Disassociation	Name of Company	Reason for Disassociation
Mr. Dheerendra Kumar Gupta	13.03.2019	M/s. Dimensions Metals Private Limited	Resignation
	15.03.2019	M/s.SBC Infotech Limited	Resignation
	11.03.2019	M/s.SBC Micro Finance	Resignation
	15.03.2019	M/s.SBC Finmart Limited	Resignation
Mrs. Deepika Gupta	13.03.2019	M/s.Dimensions Metals Private Limited	Resignation
	15.03.2019	M/s.SBC Infotech Limited	Resignation
	15.03.2019	M/s.SBC Finmart Limited	Resignation

MATERIAL GUARANTEES

Except as stated in the chapter titled “Financial Statements” beginning on page 170, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Prospectus.

RELATIONSHIP BETWEEN PROMOTERS OF OUR COMPANY WITH OTHER DIRECTORS

There is no relationship between Promoters of our Company with other Directors except as described below:

Name of Director	Designation	Relation
Mr. Dheerendra Kumar Gupta	Managing Director	Father in Law of Promoter Mrs. Deepika Gupta
Mrs. Deepika Gupta	Whole-Time Director	Daughter in Law of Promoter Mr. Dheerendra Kumar Gupta

CONFIRMATIONS

Our Company and Promoters confirmed that they have not been declared as willful defaulters by the RBI or by any other government authority and there are no violations of securities laws committed by them in the past or are currently pending against them or restraining period are continued.

Further, our Promoters, promoters’ group or directors have not been directly or indirectly, debarred from accessing the capital market or have not been restrained by any regulatory authority, directly or indirectly from acquiring the securities.

Additionally, our Promoters, promoters’ group or directors do not have direct or indirect relation with the companies, its promoters and whole time director, which are compulsorily delisted by any recognized stock exchange or the companies which is debarred from accessing the capital market by the Board.

Also, our promoters or directors are not a fugitive economic offender.

We and Our Promoters, Group Entities, and Companies promoted by the Promoters confirm that:

- No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past one year against us;
- There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs during the past three years.
- The details of outstanding litigation including its nature and status are disclosed in the section titled “Outstanding Litigation And Material Developments” appearing on page 203 of this Draft Prospectus.

OUR PROMOTERS’ GROUP

In addition to our Promoters named above and persons whose shareholding is aggregated under the heading “Shareholding of the Promoters’ Group” under the section titled “Capital Structure” on page 60 of this Draft Prospectus, the following individuals and entities form a part of the Promoters’ Group:

A. NATURAL PERSONS WHO ARE PART OF OUR INDIVIDUAL PROMOTER GROUP:

Relationship	Mrs. Deepika Gupta	Mr. Dheerendra Kumar Gupta
Spouse	Mr. Govindji Gupta	Mrs. Kamlesh Gupta
Father	Mr. Shyam Murari Gupta	Mr. Ganesh Prasad Gupta
Mother	Mrs. Usha Gupta	Mrs. Prabhavati Gupta
Brother	Mr. Rahul Gupta, Mr. Sagar Gupta	Mr. Sudeshwar Gupta, Mr. Gyanendra Gupta, Mr. Ravindra Gupta, Mr. Pushpendra Gupta
Sister	-	Ms. Vedkirti Gupta
Son	Mr. Garvit Gupta	Mr. Govindji Gupta, Late Mr. Sandeep Kumar Gupta
Daughter	-	Ms. Priti Gupta, Ms. Shalini Gupta, Ms. Malini Gupta
Spouse’ Father	Mr. Dheerendera Kumar Gupta	Mr. Salik Ram
Spouse’ Mother	Mr. Kamlesh Gupta	Mrs. Kalavati Devi
Spouse’ Brother	Late Mr. Sandeep Kumar Gupta	Mr. Sunil Gupta
Spouse’ Sister	Ms. Priti Gupta, Ms. Shalini Gupta, Ms. Malini Gupta	Ms. Usha Gupta, Ms. Kusum Gupta, Ms. Vinita Gupta & Ms. Sushma Gupta

Companies related to our Promoter Company:

Nature of Relationship	Name of Entities
Any body corporate in which twenty per cent. or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of their relative is a member	Not applicable
Any body corporate in which a body corporate as provided in above holds twenty per cent. or more, of the equity share capital	Not applicable
Any Hindu Undivided Family or firm in which the aggregate share of the promoter and their relatives is equal to or more than twenty per cent. of the total capital	Not applicable

B. Companies, Proprietary concerns, HUF's related to our promoters

Nature of Relationship	Name of Entities
Any Body Corporate in which ten percent or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relative is a member.	1) M/s. Dimensions Metals Private Limited 2) M/s.SBC Infotech Limited 3) M/s.SBC Finmart Limited 4) M/s.SBC Micro Finance
Any Body corporate in which Body Corporate as provided above holds ten percent or more of the equity share capital.	Not applicable
Any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten percent.	Garvit International



SBC EXPORTS LIMITED

DIVIDEND POLICY

Under the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the Annual General Meeting. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Since Incorporation of our Company, no dividend has been declared till date of this Draft Prospectus.



SBC EXPORTS LIMITED

SECTION VI-FINANCIAL INFORMATION OF THE COMPANY

RESTATED FINANCIAL STATEMENTS

Independent Auditors' Report

To,
The Board of Directors,
SBC Exports Limited
(U18100UP2011PLC043209)
House No.20, Lohiya Talab, Choti Basahi,
P.O Vindhyachal, Mirzapur, U.P 231307

Dear Sir,

We have examined the Financial Information of SBC Exports Limited (the Company') described below and annexed to this report for the purpose of inclusion in the offer document. The Financial Information has been prepared in accordance with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, (the Act'), The Securities and Exchange Board of India (SEBI) - Issue of Capital and Disclosure Requirements Regulations, 2018 (ICDR Regulations'), the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI) and in terms of the engagement agreed upon by us with the Company. The Financial Information has been approved by its Board of Directors.

Audit for the financial years ended 31st March, 2016, 31st March, 2017, 31st March, 2018, and Audit for period ended 31th December, 2018 was conducted by M/s. R.N.K.A & Co., Chartered Accountants and accordingly reliance has been placed on the financial information examined by them for the said years / periods.

In terms of Schedule VI, Clause IX (9) of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts of SBC Exports Limited, We, M/s. Jagdish Chand & Co. ,Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.

A. Financial Information as per Audited Financial Statements:

We have examined:

- a. the attached Statement of Assets and Liabilities, as Restated as at year / period ended March 31, 2016, 2017, 2018 and December 31, 2018 (Annexure 1);
- b. the attached Statement of Profits and Losses, as Restated for the year / period ended March 31, 2016, 2017, 2018 and December 31, 2018 (Annexure 2);
- c. the attached Statement of Cash Flows, as Restated for the year / period ended March 31, 2016, 2017, 2018 and December 31, 2018 (Annexure 3);
- d. the significant accounting policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (Annexure 4);

(Collectively hereinafter referred as "Restated Financial Statements")

The Restated Financial Statements have been extracted from audited Financial Statements of the Company for the year / period ended March 31, 2016, 2017, 2018 and December 31, 2018 which have been approved by the Board of Directors.

Based on our examination and in accordance with the requirements of the Act, ICDR Regulations, we state that:

- Restated Statement of Assets and Liabilities of the Company as at March 31, 2016, 2017, 2018 and December 31, 2018 are as set out in Annexure 1, which are after making such material adjustments and regroupings as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;
- Restated Statement of Profits and Losses of the Company for the year / period ended March 31, 2016, 2017, 2018 and December 31, 2018 are as set out in Annexure 2, which have been arrived at after making such material adjustments and regroupings to the audited financial statements as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;
- Restated Statement of Cash Flows of the Company for the year / period ended March 31, 2016, 2017, 2018 and December 31, 2018 are as set out in Annexure 3 after making such material adjustments and regroupings;
- Adjustments for any material amounts in the respective financial years have been made to which they relate; and
- There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements or Auditor's qualification requiring adjustments.
- Adjustments in Financial Statements has been made in accordance with the correct accounting policies.
- There was no change in accounting policies, which needs to be adjusted in the "Restated Financial Statements".
- There are no revaluation reserves, which need to be disclosed separately in the "Restated Financial Statements".
- There are no audit qualifications requiring adjustments.

B. Other Financial Information:

We have also examined the following Financial Information relating to the Company, which is based on the Restated Financial Statements and approved by the Board of Directors of the Company and annexed to this report, is proposed to be included in the Offer Document:

1. Statement of Details of Reserves & Surplus as at March 31, 2016, 2017, 2018 and December 31, 2018 as set out in **Annexure 5** to this report.
2. Statement of Accounting Ratios for the year / period ended on March 31, 2016, 2017, 2018 and December 31, 2018 as set out in **Annexure 6** to this report.
3. Capitalization Statement as at September, 2018 as set out in **Annexure 7** to this report.
4. Statement of Tax Shelters for the year ended on March 31, 2016, 2017, 2018 as set out in **Annexure 8** to this report.
5. Statement of Long Term Borrowings for the year / period ended on March 31, 2016, 2017, 2018 and December 31, 2018 as set out in **Annexure 9** to this report.

6. Statement of Short Term Borrowings for the year / period ended on March 31, 2016, 2017, 2018 and December 31, 2018 as set out in **Annexure 10** to this report
7. Statement of Details of Current Liabilities & Provisions of the Company for the year / period ended on March 31, 2016, 2017, 2018 and December 31, 2018 as set out in **Annexure 11** to this report.
8. Statement of Details of Tangible Assets of the Company for the year / period ended on March 31, 2016, 2017, 2018 and December 31, 2018 as set out in **Annexure 12** to this report.
9. Statement of Details of Other Current Assets of the Company for the year / period ended on March 31, 2016, 2017, 2018 and December 31, 2018 as set out in **Annexure 13** to this report.
10. Statement of Details of Inventories of the Company for the year / period ended on March 31, 2016, 2017, 2018 and December 31, 2018 as set out in **Annexure 14** to this report.
11. Statement of Details of Trade Receivables of the Company for the year / period ended on March 31, 2016, 2017, 2018 and December 31, 2018 as set out in **Annexure 15** to this report.
12. Statement of Details of Cash and Bank Balances of the Company for the year / period ended on March 31, 2016, 2017, 2018 and December 31, 2018 as set out in **Annexure 16** to this report.
13. Statement of Details of Short Term Loans & Advances of the Company for the year / period ended on March 31, 2016, 2017, 2018 and December 31, 2018 as set out in **Annexure 17** to this report.
14. Statement of Details of Revenue from Operations as at March 31, 2016, 2017, 2018 and December 31, 2018 as set out in **Annexure 18** to this report.
15. Statement of Details of Non Operative Income from Operations of the Company for the year / period ended on March 31, 2016, 2017, 2018 and December 31, 2018 as set out in **Annexure 19** to this report.
16. Statement of Details of Cost of Goods Sold of the Company for the year / period ended on March 31, 2016, 2017, 2018 and December 31, 2018 set out in **Annexure 20** to this report.
17. Statement of Details of Employee Benefit Expenses of the Company for the year / period ended on March 31, 2016, 2017, 2018 and December 31, 2018 set out in **Annexure 21** to this report.
18. Statement of Details of Administrative, Selling and Other Expenses of the Company for the year / period ended on March 31, 2016, 2017, 2018 and December 31, 2018 set out in **Annexure 22** to this report.
19. Statement of Details of Financial Expenses of the Company for the year / period ended on March 31, 2016, 2017, 2018 and December 31, 2018 set out in **Annexure 23** to this report.
20. Statement of Details of Related Party Transactions of the Company for the year / period ended on March 31, 2016, 2017, 2018 and December 31, 2018 set out in **Annexure 24** to this report.
21. Statement of Details of Segment Reporting of the Company for the year / period ended on March 31, 2016, 2017, 2018 and December 31, 2018 set out in **Annexure 25** to this report.
22. Statement of Details of Deferred Tax Assets/Liability of the Company for the year / period ended on March 31, 2016, 2017, 2018 and December 31, 2018 set out in **Annexure 26** to this report.

In our opinion, the "**Restated Financial Statements**" and "Other Financial Information" mentioned above contained in Annexure 1 to 26 of this report have been prepared in accordance with Part II of Schedule II to the Act, the SEBI Guidelines and the Guidance Note on the reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

This report should not in any way be construed as a reissuance or re-dating of the previous audit report, nor should this be construed as a new opinion on any of the financial statements referred to herein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.



SBC EXPORTS LIMITED

This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Jagdish Chand & Co.
Chartered Accountants
Firm Registration No.-000129N
Sd/-
Abhinav Anand
Partner
Membership No. 529197
Place: Delhi
Date: 08/04/2019

ANNEXURE-01
STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED
(Rs. In Lakhs)

Particulars	31.12.2018	31.03.2018	31.03.17	31.03.16
Equity & Liabilities				
Shareholders' Funds				
Share Capital	760.00	10.00	10.00	10.00
Reserve & Surplus	449.66	131.29	48.32	15.48
Total (A)	1209.66	141.29	58.32	25.48
Non Current Liabilities				
Share Application Money	-	-	-	-
Long Term Borrowings	197.60	120.61	41.91	12.31
Deferred Tax Liabilities (Net)	0.52	-	-	0.62
Other Long Term Liabilities	-	-	-	-
Long Term Provisions	-	-	-	-
Total (B)	198.12	120.61	41.91	12.93
Current Liabilities				
Short Term Borrowings	103.55	0.10	(1.12)	
Trade Payables	1302.12	1391.35	731.85	364.67
Other Current Liabilities	94.91	187.08	76.39	72.20
Short Term Provisions	30.30	52.27	18.52	4.27
Total (C)	1530.88	1630.8	825.64	441.14
Total (D=A+B+C)	2938.66	1892.70	925.87	479.55
Assets				
Non Current Assets				
Fixed Assets:				
(i) Tangible Assets	353.21	113.80	45.42	42.32
(ii) Intangible Assets	-	-	-	-
(iii) Capital Work in Progress	-	-	-	-
(iv) Intangible Assets under development	-	-	-	-
Long Term Loans & Advances	-	-	-	-
Non Current Investments	-	-	-	-
Deferred Tax Assets (Net)	-	0.82	0.05	-
Other Non Current Assets				
Total (E)	353.21	114.62	45.47	42.32
Current Assets				
Current Investments	-	-	-	-
Inventories	703.56	748.62	333.18	144.03
Trade Receivables	1490.21	744.01	403.93	252.20



SBC EXPORTS LIMITED

Particulars	31.12.2018	31.03.2018	31.03.17	31.03.16
Cash & Bank Balances	79.62	127.72	47.90	20.06
Short Term Loans & Advances	45.33	88.33	51.17	6.54
Other Current Assets	266.73	69.40	44.22	14.40
Total (F)	2585.45	1778.08	880.40	437.23
Total (G=E+F)	2938.66	1892.70	925.87	479.55

ANNEXURE-02
STATEMENT OF PROFIT AND LOSS, AS RESTATED
(Rs. In Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Income				
Revenue from Operations	5848.51	6399.45	2865.70	2115.76
Other Income	3.27	21.50	2.88	0.14
Total	5851.78	6420.95	2868.59	2115.91
Expenditure				
Cost of Goods Sold	5184.17	5979.77	2662.68	2007.65
Employee Benefit Expenses	236.83	169.06	100.64	55.10
Administrative, Selling and Other Expenses	248.64	90.77	35.74	30.15
Total	5669.64	6239.6	2799.06	2092.9
Profit before Depreciation, Interest and Tax	182.14	181.35	69.53	23.01
Depreciation & Amortisations	25.98	17.04	11.88	12.72
Preliminary Expenses Written Off	0.00	0.00	0.00	0.00
Profit before Interest & Tax	156.16	164.31	57.65	10.29
Financial Expenses	55.14	37.87	6.95	0.10
Exceptional Items	-	-	-	-
Net Profit before Tax	101.02	126.44	50.7	10.19
Less: Provision for Taxes:				
Current Tax	30.31	44.25	18.52	4.27
Deferred Tax	(1.34)	0.78	0.66	0.66
Net Profit After Tax & Before Extraordinary Items	69.37	82.97	32.84	6.58
Extra Ordinary Items	-	-	-	-
Net Profit	69.37	82.97	32.84	6.58

ANNEXURE-03
STATEMENT OF CASH FLOW, AS RESTATED
(Rs. In Lakhs)

Particulars	31.12.2018	31.03.18	31.03.17	31.03.16
CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before taxes	101.02	126.44	50.70	10.19
Adjustment for:				
Add: Commission/Interest				-
Add: Depreciation & Amortizations	25.98	17.04	11.88	12.72
Add: Financial Expenses	55.14	37.87	6.95	0.10
Add / (Less): Loss / (Profit) on Sale of Fixed Assets	-	-	-	-
Operating Profit before Working capital changes	182.14	181.35	69.53	23.01
Adjustments for:				
Decrease (Increase) in Inventories	45.06	(415.44)	(189.15)	(94.67)
Decrease (Increase) in Trade & Other Receivables	(746.21)	(340.07)	(151.73)	261.33
Decrease (Increase) in Short Term Loans & Advances(Excl. Taxes)	43.00	(37.16)	(44.64)	(0.57)
Decrease (Increase) in Other Current Assets	(197.33)	(25.18)	(29.81)	2.25
Increase (Decrease) in Trade Payables	(89.23)	659.50	367.18	(208.22)
Increase (Decrease) in Short Term Provisions (Excl. Taxes)	(21.97)	33.75	14.25	2.12
Increase (Decrease) in Other Current Liabilities	(92.17)	110.68	4.19	70.10
Net Changes in Working Capital	(1058.85)	(13.91)	(29.71)	32.34
Cash Generated from Operations	(876.71)	167.44	39.82	55.35
Less: Taxes	30.30	(44.25)	(18.52)	(4.27)
Net Cash Flow from Operating Activities (A)	(907.01)	123.19	21.30	51.08
CASH FLOW FROM INVESTING ACTIVITIES				
Sale / (Purchase) of Fixed Assets and CWIP	(265.39)	(85.41)	(14.99)	(47.72)
Decrease (Increase) in Non Current Assets		-	-	-
Decrease (Increase) in Investments		-	-	-
Net Cash Flow from Investing Activities (B)	(265.39)	(85.41)	(14.99)	(47.72)
CASH FLOW FROM FINANCING ACTIVITIES				
Issue of share capital and Proceeds / (Refund) from Share Application Money	750.00	-	-	-
Directly infuse additional capital in general reserve	249.00	-	-	-
Interest & Finance Charges	(55.14)	(37.87)	(6.95)	(0.10)
Preliminary Expenses Incurred		-	-	-
Increase/ (Repayment) of Long Term Borrowings	76.98	78.70	29.60	12.31
Increase / (Repayment) of Short Term Borrowings	103.46	1.21	(1.12)	-
Decrease (Increase) in Long Term Loans &		-	-	-

Particulars	31.12.2018	31.03.18	31.03.17	31.03.16
Advances				
Net Cash Flow from Financing Activities (C)	1124.30	42.04	21.53	12.21
Net Increase / (Decrease) in Cash & Cash Equivalents	(48.10)	79.82	27.84	15.57
Cash and cash equivalents at the beginning of the year / Period	127.72	47.90	20.06	4.49
Cash and cash equivalents at the end of the year/ Period	79.62	127.72	47.90	20.06

Annexure-04

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT FOR PREPARATION OF RESTATED FINANCIAL STATEMENT

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation of Financial Statements

- a. The Restated Financial Information for the year / period ended on March 31, 2016, 2017, 2018 and December 31, 2018 has been extracted by the management of the Company from the audited financial statements of the company for the year / period ended on March 31, 2016, 2017, 2018 and December 31, 2018.
- b. The Restated Financial Information are after making adjustments/ restatements and regrouping as necessary in accordance with paragraph B(1) of Part II of Schedule II of The Companies Act and SEBI Regulations.
- c. The Financial Statements have been prepared under Historical Cost conventions and in accordance with the Generally Accepted Accounting Principles ('GAAP') applicable in India, Companies (Accounting Standard) Rules, 2006 notified by Ministry of Company Affairs and Accounting Standards issued by the Institute of Chartered Accountants of India as applicable and relevant provisions of the Companies Act, 1956 & 2013.
- d. The company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

2. Use of Estimates

The preparation of Financial Statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets and intangible assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans, etc. Actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Management believes that the estimates used in preparation of financial statements are prudent and reasonable.

3. Fixed Assets and Depreciation

- i. Fixed Assets are shown at historical cost net of recoverable taxes inclusive of incidental expenses less accumulated depreciation.

- ii. Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated depreciation.
- ii. Depreciation on fixed assets is provided on Straight line Method value method using the rates arrived at based on the rates prescribed in the Schedule II to the Companies Act, 2013.
- iii. Depreciation on fixed assets sold during the year, is provided on pro-rata basis with reference to the date of addition/deletion.

4. Revenue Recognition

Revenue is recognized only when it is probable that economic benefits will flow to the company and revenue can be reliably measured.

Revenue from sale of services is recognized pro rata over the period of the contract as and when services are rendered. It is difficult to identify the completion of work due to complexity of the services rendered. Hence the management's confirmation is accepted in identifying the above.

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

5. Investments

Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

6. Impairment of Assets

As on Balance Sheet date, the Company reviews the carrying amount of Fixed Assets to determine whether there are any indications that those assets have suffered "Impairment Loss". Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life.

7. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

8. Taxation

Tax expenses for the year comprise of current tax and deferred tax. Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act, 1961 and in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", issued by ICAI.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates. At each Balance Sheet date the company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

9. Leases

Finance Lease

Leases, which effectively transfer to the company all the risks and benefits incidental to ownership of the leased item, are classified as Finance Lease. Lease rentals are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income life of the assets at the following rates.

Operating Lease

Lease where the lesser effectively retains substantially all risks and benefits of the asset are classified as Operating lease. Operating lease payments are recognized as an expense in the Profit & Loss account on a Straight Line Basis over the Lease term.

10. Preliminary Expenses

Preliminary expenses are amortized as per AS-26 issued by ICAI.

11. Earnings per Share

In determining the Earnings Per share, the company considers the net profit after tax includes any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

12. Contingent Liabilities & Provisions

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for:

- a. Possible obligation which will be confirmed only by future events not wholly within the control of the company, or
- b. Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

13. Foreign Exchange Transactions

- i. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- ii. Monetary items denominated in foreign currencies at the year-end are restated at year-end

rates. In case of items, which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

- iii. Non-monetary foreign currency items are carried at cost.
- iv. In respect of branches, which are integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Branch monetary assets and liabilities are restated at the year-end rates.
- v. Any income or expense on account to foreign exchange difference either on settlement or on translation is recognized in the Profit and loss account except in case of long-term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

B. CHANGES IN ACCOUNTING POLICIES IN THE YEARS COVERED IN THE RESTATED FINANCIALS.

There is no change in significant accounting policies during the reporting period. Further Accounting Policies has been changed as and when Accounting Standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2006 were made applicable on the relevant dates.

C. NOTES ON RESTATED FINANCIAL STATEMENTS

NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

(Rs. in Lakhs)

Financial Year ended	March, 31 st	March, 31 st	March, 31 st
	2018	2017	2016
Profit after tax as per Audited Statement of Account(A)	84.52	35.03	9.13
Adjustments*:	-	-	-
Decrease in DTA/DTL due change in Depreciation as per IT Act (Addition of Assets in 2015-16)	(0.90)	(2.19)	(2.51)
Change in depreciation value due to recalculation of Depreciation.	(0.65)	(0.001)	(0.04)
Changes in Provision for Taxation	-	-	-
Profit after tax as per Restated Profit & Loss(A)	82.97	32.84	6.58

* There are no major items requiring adjustments.

(III) OTHER NOTES

General

1. The Company was originally incorporated at Mirzapur as “SBC Exports Limited” on 18th January, 2011 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Uttar Pradesh & Uttrakhand.

2. General Reserve

Pursuant to the Regulation 15(1) (b) (i) of SEBI (Issue of Capital & Disclosure requirements) Regulations 2018, the Cheques of the difference amount Rs 249,00,000 has been received by the Company from the Promoters.

3. Contingent liabilities

There are no contingent liabilities

4. Dues to Micro enterprises and Small enterprises:

Under the Micro, Small and Medium Enterprise Development Act, 2006 certain disclosure is required to be made related to micro, small and medium enterprise. The company has disclosed the same.

5. Segment Reporting

The Company has identified business segments. Business segments are primarily Manufacturing & trading of Garments and Supply of services including Information Technology, Manpower supply, Tour & Travel Services etc.. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as Un-allocable expenses. Fixed assets that are used interchangeably amongst segments are not allocated to segments. There is no Reportable Segment under A.S 17 in 2015-16 as company trade in only one business.

The details of Segment Reporting as per AS-17 are provided in Annexure 25.

6. In the opinion of the Board, subject to the debts considered doubtful, Current Assets and Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

7. Earnings per Share

The details of Earnings per Share as per AS-20 are provided in Annexure 06.

8. Related Party Transactions:

The details of Related Party Transactions as per AS-18 are provided in Annexure 24.

9. The figures in the Restated Financials are stated in Lakhs and rounded off to two decimals and minor rounding off difference is ignored.

Annexure- 05

STATEMENT OF DETAILS OF RESERVES & SURPLUS, AS RESTATED

(Rs. In Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Securities Premium Brought Forward	-	-	-	-
Add: Premium on Shares Issued during the year	-	-	-	-
(Less): Utilised for Bonus Issue	-	-	-	-
Securities Premium Carried Forward (A)	-	-	-	-
Profit / (Loss) Brought Forward	131.29	48.32	15.48	8.90
Add: Profit / (Loss) for the Year	69.37	82.97	32.84	6.58
(Less): Adjusted Taxes / Depreciation	-	-	-	-
(Less): Utilised for Bonus Issue	-	-	-	-
General Reserve	249.00	-	-	-
Profit / (Loss) Carried Forward (B)	449.66	131.29	48.32	15.48
Reserves & Surplus (A+B)	449.66	131.29	48.32	15.48

Annexure- 06
STATEMENT OF ACCOUNTING RATIOS

(Rs. In Lakhs, except per share data)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Net Worth (A)	1209.14	141.28	58.32	25.47
Net Profit after Tax (B)	69.37	82.97	32.84	6.58
No. of Shares outstanding at the end [F.V Rs.10] (C)	76.00	1.0	1.0	1.0
Weighted average number of shares [F.V Rs.10](D)	26.64	1.0	1.0	1.0
Earnings per Share (EPS) (B / D) (Rs.)	2.60	82.97	32.84	6.58
Return on Net Worth (B / A)	0.057	0.59	0.56	0.26
Net Assets Value per Share (A / D)	45.38	141.28	58.34	25.47

Definitions of key ratios:

I. **Earnings per share (Rs.):** Net Profit attributable to equity shareholders / weighted average number of equity shares. Earnings per share calculations are done in accordance with Accounting Standard 20 “Earnings Per Share” as issued by The Institute of Chartered Accountants of India. As per AS-20, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported. In case of a bonus issue, the bonus shares has been added to corresponding year to the extent of reserves available in the corresponding year. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.

II. **Return on Net Worth (%):** Net Profit after tax / Net worth as at the end of the year.

III. **Net Asset Value (Rs.):** Net Worth at the end of the year / Weighted Average Number of equity shares.

IV. Net Profit, as appearing in the Statement of restated profits and losses, and Net Worth as appearing in the restated statement of Assets & Liabilities has been considered for the purpose of computing the above ratios.

Annexure -07
CAPITALIZATION STATEMENT

(Rs. In Lakhs)

Particulars	Pre-issue as at 31.12.2018	Post Issue *
Borrowing		
Short - Term Debt	103.55	-
Long - Term Debt (including current maturity)	254.27	-
Total Debt	357.82	-
Shareholders' Funds		
Share Capital		
- Equity	760.00	-
- Preference	0.00	-
Reserves & Surplus	449.66	-
Less: Preliminary Expenses / Pre Operative Expenses	-	-

Particulars	Pre-issue as at 31.12.2018	Post Issue *
Less: Deferred Tax Liabilities	0.52	-
Total Shareholders' Funds	1209.14	-
Long - Term Debt / Shareholders Fund	0.21	-
Short - Term Debt / Shareholders Fund	0.08	-

* The Post Issue Capitalization will be determined only after the completion of the allotment of equity shares.

Annexure- 08
STATEMENT OF TAX SHELTERS
(Rs. In Lakhs)

Particulars	31.03.2018	31.03.17	31.03.16
Profit before tax as per Restated P/L	126.44	50.70	10.19
Applicable Corporate Tax Rate	30.9%	30.9%	30.9%
Tax at Notional Rate	39.06	15.66	3.148
Adjustments			
Difference between Tax Depreciation and Book Depreciation	2.35	2.15	2.15
Exempted Income	-	-	-
Disallowance	-	-	-
Set off of Carried forward losses and unabsorbed depreciation	-	-	-
Items Chargeable at special rates	-	-	-
Other Items	-	-	-
Net Adjustments	2.35	2.15	2.15
Profit after Adjustments	128.79	52.85	12.34
Tax Payable [A]	39.79	16.33	3.81
Add: Surcharge @ 7% [B]	2.78	-	-
Total Tax Payable [C=A+B]	42.57	16.33	3.81
Tax Rebates / Credits [D]	-	-	-
Tax Payable [E=C-D]	42.57	16.33	3.81
Tax Payable u/s 115 JB of Income Tax Act [F]	25.91	9.66	1.95
Final Tax Payable (Higher of [E] & [F])	42.57	16.33	3.81

Annexure - 09
STATEMENT OF DETAILS OF LONG TERM BORROWINGS
(Rs. In Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Secured:-	-	-	-	-
Unsecured:-				
Financial Institutions	145.02	79.21	41.91	12.31
Vehicle Loan	52.58	41.40	-	-
Total	197.60	120.61	41.91	12.31

Annexure - 10
STATEMENT OF DETAILS OF SHORT TERM BORROWINGS
(Rs. In Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Secured:-				
Bank Overdraft	103.55	0.10	(1.12)	-
Total	103.55	0.10	(1.12)	

Annexure - 11
STATEMENT OF DETAILS OF CURRENT LIABILITIES AND PROVISIONS
(Rs. In Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Current Liabilities				
Trade Payables				
Due to Micro, Small and Medium Enterprises	-	-	-	-
Others	1302.12	1391.35	731.85	364.67
Sub Total (A)	1302.12	1391.35	731.85	364.67
Other Current Liabilities				
I) Current Maturities of LTB:	56.67	161.30	60.27	4.59
II) Advances Received:				
Advances from parties	-	-	15.05	67.31
II) Other Liabilities:				
Audit Fees Payable	1.25	2.50	0.50	0.30
Expenses Payable	0.06	2.64	0.57	-
Salary Payable	36.93	20.64	-	-
Sub Total (B)	94.91	187.08	76.39	72.20
Provisions				
Provision for Taxes (Net off Advance Tax and TDS)	30.30	44.25	18.52	4.27
Other Provision	-	8.02	-	-
Sub Total (C)	30.30	52.27	18.52	4.27
Total (A+B+C)	1427.33	1630.7	826.76	441.14

Annexure - 12
STATEMENT OF DETAILS OF TANGIBLE ASSETS
(Rs. In Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Air Condition	5.76	8.29	11.90	-
Computer & Printers	14.59	1.92	3.02	4.78
Cars and Two Wheelers	76.02	64.88	-	-
CCTV	1.16	1.08	-	-
Finishing Equipment	16.90	19.22	23.47	28.65
Furniture & Fixtures	8.28	9.53	4.23	5.74
Generator	1.33	1.54	1.88	1.47
Garment Machine	49.21	6.22	-	-
Heating Machine	0.24	0.27	-	-
Inverter & Batteries	0.54	0.38	0.68	1.24

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Mobile Handset	0.34	0.40	0.24	0.44
Land	176.77	-	-	-
R.O	0.20	-	-	-
Exhaust Fan	0.20	-	-	-
Transformer	1.39	-	-	-
Water Dispenser	0.28	0.07	-	-
Total	353.21	113.80	45.42	42.32

Annexure - 13
STATEMENT OF DETAILS OF OTHER CURRENT ASSETS

(Rs. In Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Security Deposits	14.62	17.55	15.05	5.80
Advances to Party	233.71	51.85	29.17	8.60
GST Receivable	18.40			
Others	-			
Total	266.73	69.40	44.22	14.40

Annexure - 14
STATEMENT OF DETAILS OF INVENTORIES

(Rs. In Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Stock of Carpets	18.62	18.62	101.34	51.38
Stock of Fabrics	289.14	344.28	124.70	0.003
Stock of Garments	307.67	385.72	105.45	92.65
Stock of Metals	-	-	1.69	-
Stock of Computer Hardware	88.13	-	-	-
Total	703.56	748.62	333.18	144.03

Annexure - 15
STATEMENT OF DETAILS OF TRADE RECEIVABLES

(Rs. In Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
(A) Unsecured, Considered good outstanding for a period less than six months				
Amount due from Parties	231.55	744.01	403.93	252.20
Others				
(B) Unsecured, Considered good outstanding for a period more than six months				
Amount due from Parties	1258.66	-	-	-
Others	-	-	-	-
Total	1490.21	744.01	403.93	252.20

Annexure - 16
STATEMENT OF DETAILS OF CASH AND BANK BALANCES
(Rs. In Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Cash balances	21.67	2.19	0.61	1.02
Balances in current accounts with banks	57.95	105.66	47.29	19.04
Travel Card	-	19.87	-	-
Total	79.62	127.72	47.90	20.06

Annexure - 17
STATEMENT OF DETAILS OF SHORT TERM LOANS AND ADVANCES
(Rs. In Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Sales Tax Receivable / GST Receivable	-	-	1.17	6.54
Income Tax Receivable	-	-	50.00	-
TDS Receivable	45.33	88.33	-	-
Total	45.33	88.33	51.17	6.54

Annexure - 18
STATEMENT OF DETAILS OF REVENUE OF OPERATIONS
(Rs. In Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Sales of Traded goods (Garments)	3408.64	3875.39	2344.58	2115.76
Sales of Services	2439.87	2524.06	521.12	-
Total	5848.51	6399.45	2865.70	2115.76

Annexure - 19
STATEMENT OF DETAILS OF OTHER NON OPERATIVE INCOME
(Rs. In Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Interest Income	2.41	20.64	-	-
Commission Income	-	0.12	2.16	0.11
Discount Received	0.86	0.74	0.72	0.03
Total	3.27	21.5	2.88	0.14

Annexure - 20
STATEMENT OF DETAILS OF COST OF GOODS SOLD
(Rs. In Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Opening Stock	748.62	333.18	144.03	49.35
Add: Purchases	5139.11	6395.21	2851.83	2102.33
Add: Direct Expenses	-	-	-	-
(Less): Closing Stock	703.56	748.62	333.18	144.03
Total	5184.17	5979.77	2662.68	2007.65

Annexure - 21
STATEMENT OF DETAILS OF EMPLOYEE BENEFIT EXPENSES
(Rs. In Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Salary and Wages	201.50	130.34	74.72	47.39
Director's remuneration	24.00	29.88	23.58	6.00
Staff Welfare	4.28	6.06	0.56	0.46
Conveyance	7.05	2.78	1.78	1.25
Total	236.83	169.06	100.64	55.10

Annexure - 22
STATEMENT OF DETAILS OF ADMINISTRATIVE, SELLING AND OTHER EXPENSES
(Rs. In Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Audit Fees	2.50	2.50	0.50	0.30
Advertisement Expenses	2.19	5.00	0.60	0.06
Business Promotion	2.29	9.73	2.46	-
Commission Paid	10.50	0.12	0.48	0.60
E- commerce Expenses	2.38	-	-	-
Festival Expenses	1.72	1.17	0.14	-
Freight Expenses	0.20	0.06	1.31	1.75
Finishing Expenses	50.09	11.84	2.14	3.70
Job Work charges	4.98	3.52	-	-
Insurance Expenses	2.66			
Loan Processing Expenses	0.76	6.25	2.25	-
Legal Charges	51.07	1.35	0.37	1.03
Misc. Expenses	0.06	1.24	0.96	0.81
Office Expenses	10.48	10.06	1.57	1.90
Manufacturing Expenses	10.00			
Other Rental	0.82			
Penalties	0.38			
Power & Fuel	9.59	5.68	1.95	1.91
Postage & Courier	0.73	0.78	0.17	0.04
Printing & Stationary	9.26	1.81	0.31	0.02
ROC Charges	10.07	-	-	-
RTO Registration charges	1.67			
Recruitment Expenses	-	-	1.50	-
Rent	42.14	17.99	7.92	5.81
Repairs & Maintenance	0.79	1.47	1.12	0.45
Rebate & Discount	0.70	0.99	0.02	3.32
Software Maintenance	1.14	0.55	1.41	1.03
Stretching Material	0.23			
Security Expenses	1.44	1.80	-	-
SBC Paid	-	0.64	2.44	-
Telephone & Internet Expenses	4.29	4.30	4.95	2.50
Travelling Expenses	2.90	1.67	0.72	4.92
Transport Expenses	6.16			



SBC EXPORTS LIMITED

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Vehicle Running & Maintenance Expenses	4.45	0.25	0.45	-
Total	248.64	90.77	35.74	30.15

Annexure - 23

STATEMENT OF DETAILS OF FINANCIAL EXPENSES

(Rs. In Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Interest	52.00	35.60	5.61	-
Bank Charges	3.14	2.27	1.34	0.10
Total	55.14	37.87	6.95	0.10

Annexure-24
STATEMENT OF DETAILS OF RELATED PARTY TRANSACTIONS

(Rs. In Lakhs)

Particulars	Relationship	Name	31.12.18	31.03.18	31.03.17	31.03.16
Director Remuneration	Director	Deepika Gupta	7.38	10.00	9.00	3.00
	Director	Dheerendra Kumar Gupta	4.92	7.00	5.00	3.00
	Director	Amit Kumar Agrawal	6.86	6.50	6.00	-
	Director	Parveen	4.84	6.38	3.58	-
Equity Contribution	Director	Deepika Gupta	372.00	-	-	-
	Director	Dheerendra Kumar Gupta	377.00	-	-	-
	Director	Amit Kumar Agrawal	50.00	-	-	-
	Relative of Director	Govindji Gupta	100.00	-	-	-
	Group company	SBC Finmart Ltd	100.00	-	-	-

Annexure-25
STATEMENT OF DETAILS OF SEGMENT REPORTING

(Rs. In Lakhs)

Particulars	31.12.18			31.03.18			31.03.17		
	Revenue from Trading of Garments	Revenue from supply of Services	Total	Revenue from Trading of Garments	Revenue from supply of Services	Total	Revenue from Trading of Garments	Revenue from supply of Services	Total
Income									
Revenue from Segments	3408.64	2439.87	5848.51	3875.39	2524.06	6399.45	2344.58	521.12	2865.70
Other Income			3.27			21.50			2.88
Total	3408.64	2439.87	5851.78	3875.39	2524.06	6420.95	2344.58	521.12	2868.59
Expenditure									
Cost of Goods Sold	3058.65	2125.52	5184.17	3518.22	2461.55	5979.77	2173.77	488.91	2662.68



SBC EXPORTS LIMITED

Employee Benefit Expenses	139.74	97.09	236.83	102.38	66.68	169.06	18.30	82.34	100.64
Administrative, Selling and Other Expenses	146.69	101.95	248.64	54.97	35.80	90.77	29.24	6.50	35.74
Unallocable Expenses									
Financial Expenses			55.14	-	-	37.87	-	-	6.95
Depreciation & Amortisations			25.98	-	-	17.04	-	-	11.88
Total	2265.19	1504.02	5750.76	3675.57	2564.03	6294.51	2221.31	577.75	2817.89
Profit before Tax			101.02			126.44			50.7
Less: Provision for Taxes:									
Current Tax			30.31			44.25			18.52
Deferred Tax			(1.34)			0.78			0.66
Net Profit After Tax & Before Extraordinary Items			69.37			82.97			32.84
Extra Ordinary Items									
Net Profit			69.37			82.97		32.84	

Annexure 26

STATEMENT OF DETAILS OF DTA AND DTL

(Rs. In Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Depreciation as per Co. Act	25.98	17.04	11.88	12.72
Depreciation as per IT Act	30.32	14.69	9.73	10.57
Differences	(4.48)	2.35	2.15	2.15
Tax Rate	30.00%	33.063%	30.90%	30.90%
DTA/(DTL)	(1.34)	0.77	0.67	0.66
Opening Balance of DTA/(DTL)	0.82	0.05	(0.62)	(1.28)
Closing Balance of DTA/(DTL)	(0.52)	0.82	0.05	(0.62)

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(Rs. In Lakhs, except per share data)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Net Worth (A)	1209.14	141.28	58.32	25.47
Net Profit after Tax (B)	69.37	82.97	32.84	6.58
No. of Shares outstanding at the end [F.V Rs.10] (C)	76.00	1.0	1.0	1.0
Weighted average number of shares [F.V Rs.10](D)	26.64	1.0	1.0	1.0
Earnings per Share (EPS) (B/D) (Rs.)	2.60	82.97	32.84	6.58
Return on Net Worth (B/A)	0.057	0.59	0.56	0.26
Net Assets Value per Share (A/D)	45.38	141.28	58.34	25.47
Earnings before interest, tax, depreciation and amortization (EBITDA)	182.14	181.35	69.53	23.01

* The ratios for the Nine Months ended on December 31, 2018 are not annualised.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements as of and for the period ended December 31, 2018 and the three Financial Years ended March 31, 2018, 2017 and 2016, including the notes thereto and the report thereon, which appear elsewhere in this Draft Prospectus. You should also read the section titled "Risk Factors" on page 25 and the chapter titled "Forward Looking Statements" on page 17, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated Financial Statements.

Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the ICDR Regulations and restated as described in the report of our auditor dated April 08, 2019 which is included in this Draft Prospectus under "Financial Statements". The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the trading or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. Increase in Authorised Share Capital upto Rs. 11.10 Crores divided into 1,11,00,000 Equity Shares of Rs. 10 each was approved in the EGM held on 18th August, 2018;
2. The shareholders approved the adoption of New sets of Memorandum & Articles of Associations as provided under the Companies Act, 2013, in the EGM held on 18th August, 2018;
3. Allotment of Right Shares of 75,00,000 Equity Shares of Rs. 10 was approved in the ratio of 75 (Seventy Five) equity shares for every 1 (one) equity share held by the existing shareholders in the BM held on 29th September, 2018;
4. Mr. Hari Om Sharma was appointed as Company Secretary and Compliance Officer and Mr. Mukesh Bhatt as Chief Financial Officer of the Company w.e.f. 16th Nov, 2018;
5. Mr. Dheerendra Kumar Gupta was appointed as Managing Director of the Company w.e.f. 10th December, 2018;
6. Mrs. Deepika Gupta was appointed as Whole Time Director of the Company w.e.f. 10th December, 2018;
7. Mr. Akshat Gupta, Mr. Vinod Kumar, Mrs. Manupriya Mishra, Mr. Amit Jaiswal and Mr. Manish Gupta were appointed as Independent Directors w.e.f. 10th December, 2018;
8. Alteration of the Object Clause of the Memorandum of Association of the company by shareholders in their EGM held on 10th December, 2018;

9. The shareholders approved and passed a special resolution on 10th December, 2018 to authorize the Board of Directors to exercise the Power to sell, lease or otherwise dispose of, to mortgage/ create charges on the properties of the Company;
10. The shareholders approved and passed a special resolution on 10th December, 2018 to authorize the Board of Directors to Borrow the funds;
11. The shareholders approved and passed a special resolution on 10th December, 2018 to authorize the Board of Directors to exercise the power to make Investments of the funds of the Company as and when required;
12. The Board of Directors approved in its meeting held on 15th December, 2018 to authorize the Board of Directors to raise funds by making an initial public offering.
13. The Shareholders approved and passed a special resolution on 2nd January, 2019 to authorize the Board of Directors to raise funds by making an initial public offering.
14. Mr. Amit Aggarwal and Mr. Praveen, Directors of the Company resigned from the Board w.e.f. 11th March, 2019.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "Risk Factors" beginning on page 25 of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Our success depends on the value, perception and marketing of our products;
- General economic and business conditions;
- Company's inability to successfully implement its growth and expansion plans;
- Increasing competition in the Industry;
- Economic, Income and Demographic condition in India;
- Changes in laws and regulations that apply to Industry in which we operate;
- Adverse movements in the exchange rates;
- Dependency on our customers for adaptability of our products;
- Changes in customer taste and preferences;
- Interest Rates

DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the Audited Financial Results of our Company for the stub periods ending December 31, 2018 and for years ending March 31, 2018, 2017 and 2016.

SUMMARY OF MAJOR ITEMS OF INCOME AND EXPENDITURE

Revenues:

Income from operations:

Our principal component of revenue from operations is from:

- Textiles & Garments
- Service

Our services segment primarily consists of IT Services & Manpower supply and Online & Offline Hotel / Travel / Vacation Bookings

Other Income:

Our other income mainly includes interest.

(Rs. In Lakhs)

Particulars	31.12.2018	31.03.2018	31.03.2017	31.03.2016
Income				
Revenue from operations	5,848.51	6,399.45	2,865.70	2,115.76
<i>As a % of Total Revenue</i>	<i>99.94%</i>	<i>99.67%</i>	<i>99.90%</i>	<i>99.99%</i>
Other Income	3.27	21.50	2.88	0.14
<i>As a % of Total Revenue</i>	<i>0.06%</i>	<i>0.33%</i>	<i>0.10%</i>	<i>0.01%</i>
Total Revenue	5,851.78	6,420.96	2,868.59	2,115.91

Expenditure:

Our total expenditure primarily consists of cost of material consumed, employee benefit expenses, finance cost, depreciation, and establishment and other expenses.

Cost of material consumed

Cost of material consumed is primarily from the cost of goods produced and services rendered.

Employee benefits expense

Our employee benefits expense primarily comprises of salaries, bonus expenses, staff welfare expenses, conveyance expenses and director's remuneration.

Finance Cost

Our finance cost consists of bank charges and interest cost.

Depreciation

Depreciation includes depreciation on tangible assets.

Establishment and other Expenses

Our direct expenditure includes delivery, handling, transportation, electricity, travelling, rent, business promotion and other expenses which include the following:

- i. General expenses like filing fees, legal and professional fees etc.
- ii. Administrative and other expenses such as rent, commissions, postage and courier, printing & stationery, telephone expenses, etc.

SALES ON ACCOUNT OF MAJOR PRODUCTS

(Rs. In Lakhs)

FINANCEAL YEAR	31.12.2018	31.3.2018	31.3.2017	31.03.2016
Garments Sale	3,408.64	3,875.39	2,344.58	2,115.76

FINANCEAL YEAR	31.12.2018	31.3.2018	31.3.2017	31.03.2016
Services Sale	2,439.87	2,524.07	521.12	0.00
Total Sale	5,848.51	6,399.45	2,865.70	2,115.76

IN CASE IF OTHER INCOME CONSTITUTES MORE THAN 10% OF TOTAL INCOME, THE BREAK-UP OF THE SAME ALONG WITH NATURE OF THE INCOME IS NEEDED

Our other income is less than 10% of total income; hence this provision is not applicable.

SUMMARY OF PAST FINANCIAL RESULTS CONTAINING SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE

Statement of profits and loss:

The following discussion on results of operations should be read in conjunction with the Audited Financial Results of our Company for the period ended on December 31, 2018 and years ended March 31; 2018, 2017, and 2017.

(Rs. In Lakhs)

Particulars	31.12.2018	31.03.2018	31.03.2017	31.03.2016
Income				
Revenue from Operations	5848.51	6,399.45	2,865.70	2,115.76
As a % of Total Revenue	99.94%	99.67%	99.90%	99.99%
Other Income	3.27	21.50	2.88	0.14
As a % of Total Revenue	0.06%	0.33%	0.10%	0.01%
Total Revenue	5851.78	6,420.96	2,868.59	2,115.91
Growth %	-	123.84%	35.57%	-
Expenditure				
Cost of Good Sold	5184.17	5,979.77	2,662.68	2,007.65
As a % of Total Revenue	88.59%	93.13%	92.82%	94.88%
Employees Costs	236.83	169.06	100.64	55.10
As a % of Total Revenue	4.05%	2.63%	3.51%	2.60%
Operating, Administrative, Selling and Other Expenses	248.64	90.78	35.74	30.15
As a % of Total Revenue	4.25%	1.41%	1.25%	1.43%
Total Expenditure	5669.64	6,239.61	2,799.06	2,092.90
As a % of Total Revenue	96.89%	97.18%	97.58%	98.91%
Profit before Depreciation, Interest and Tax	182.14	181.35	69.53	23.01
As a % of Total Revenue	3.11%	2.82%	2.42%	1.09%
Depreciation & Amortization	25.98	17.04	11.88	12.72
As a % of Total Revenue	0.44%	0.27%	0.41%	0.60%
Profit before Interest & Tax	156.16	164.31	57.65	10.29
As a % of Total Revenue	2.67%	2.56%	2.01%	0.49%
Interest & Finance Charges	55.14	37.87	6.95	0.10
As a % of Total Revenue	0.94%	0.59%	0.24%	0.00%
Net Profit before Tax	101.02	126.45	50.70	10.18
PBT Margin	1.73%	1.97%	1.77%	0.48%
Less: Provision for Taxes:				
Current Tax	30.31	44.25	18.52	4.27

Particulars	31.12.2018	31.03.2018	31.03.2017	31.03.2016
Deferred tax (Asset)/Liability	(1.34)	(0.78)	(0.66)	(0.66)
Total Tax Expense	31.65	43.48	17.86	3.61
Net Profit After Tax & Before Extraordinary Items	69.37	82.97	32.84	6.58
Extra Ordinary Items	-	-	-	-
Net Profit	69.37	82.97	32.84	6.58
PAT Margin %	1.19%	1.29%	1.14%	0.31%

WHETHER; MATERIAL PART OF OUR INCOME IS DEPENDENT UPON SINGLE CUSTOMER/SUPPLIER OR FEW MAJOR CUSTOMERES/ SUPPLIERS.

We are not dependent on any single supplier or group of suppliers. However we are dependent on few major customers for our sales. The % of sales contributed by our major customers for the period ended December, 31, 2018 is as follows:

Particulars	Customers
Top 5 (%)	54.96
Top 10 (%)	58.63

WHETHER; THE ISSUER HAS DEVIATED FROM STATUTORILY PRESCRIBED MANNER FOR RECORDING SALES AND REVENUE

Our Company has not deviated from statutorily prescribed manner for recording sales and revenues.

THE NATURE OF MISCELLANEOUS INCOME AND MISCELLANEOUS EXPENDITURE FOR THE INTERIM PERIOD AND THE PREDEEDING YEARS

This provision is not applicable on our Company.

REVIEW OF NINE MONTHS ENDED DECEMBER 31, 2018
INCOME
Income from Operations

Our income from operations was Rs. 5848.51 lakhs which is 99.94% of our total revenue for the period of Nine months ended on December 31, 2018 which is on account of Sale of textile products and services provided.

Other Income

Our other income was Rs. 3.27 lakhs which is 0.06% of our total revenue for the period of Nine months ended on December 31, 2018.

EXPENDITURE
Employee Benefits Expenses

Our employee benefits expenses were Rs. 236.83 lakhs which was 4.05% of our total revenue for the period of nine months ended on December 31, 2018 and comprised of salaries & wages and staff welfare expenses etc.

Operating, Administrative, Selling and Other Expenses

Our Operating, Administrative, Selling and Other expenses were Rs. 248.64 lakhs which is 4.25% of our total revenue the period of nine months ended on December 31, 2018. These expenses include operating expenses, general expenses, administrative and selling expenses.

Depreciation and amortisation

Depreciation and amortisation expenses were Rs. 25.98 lakhs which is 0.44% of our total revenue for the period of Nine months ended on December 31, 2018.

Finance Cost

Our finance cost which consists of interest on loan, processing fee and charges of Rs. 55.14 lakhs which is 0.94% of our total revenue for the period of Nine months ended on December 31, 2018.

Profit Before Tax

Our Profit Before Tax was Rs. 101.02 lakhs which is 1.73% of our total revenue the period of Nine months ended on December 31, 2018.

Net Profit

Our Net Profit After Tax was Rs. 69.37 lakhs which is 1.19% of our total revenue the period of Nine months ended on December 31, 2018.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2018 WITH FINANCIAL YEAR ENDED MARCH 31, 2017:
INCOME
Income from Operations
(Rs. In Lakhs)

Particulars	2017-18	2016-17	Variance In %
Revenue from Operations	6,399.45	2,865.70	123.31

The operating income of the Company for the year ending March 31, 2018 is Rs. 6,399.45 Lakhs as compared to Rs. 2,865.70 Lakhs for the year ending March 31, 2017, showing an increase of 123.31%, due to increase in volume of our operations, favorable market sentiment, better inventory management.

Other Income

Our other income increased by 645.66% from Rs. 2.88 Lakhs to Rs. 21.50 Lakhs. Other income is primarily due to interest income which has seen a substantial increase followed by increase in sales and liquidity of the company.

Direct Expenditure
(Rs. In Lakhs)

Particulars	2017-18	2016-17	Variance In %
Cost of goods sold	5,979.77	2,662.68	124.58

The Cost of goods sold of the Company for the year ending March 31, 2018 is Rs. 5,979.77 Lakhs as compared to Rs. 2,662.68 Lakhs for the year ending March 31, 2017, and has remained almost same as percentage of our revenue. The increase in cost is primarily due to increase in volume of operations.

Operating, Administrative and Employee Costs
(Rs. In Lakhs)

Particulars	2017-18	2016-17	Variance In %
Employee Costs	169.06	100.64	67.98
Operating, Administrative, Selling and Other Expenses	90.78	35.74	153.99

There is around 67.98% increase in employee costs from Rs. 100.64 Lakhs in financial year 2016-17 to Rs. 169.06 Lakhs in financial year 2017-18 which is due to increase in salary expenses. Our other expenses increased by 153.99% from Rs. 35.74 Lakhs in financial year 2016-17 to Rs. 90.78 Lakhs in financial year 2017-18. The increase has been primarily due to increase in sales and increase in fixed costs like rent.

Depreciation & Amortization Expenses

Depreciation & Amortization expenses for the Financial Year 2017-2018 have increased to Rs. 17.04 Lakhs as compared to Rs. 11.88 Lakhs for the Financial Year 2016-2017 due to Increase in net block of assets.

Finance Cost
(Rs. In Lakhs)

Particulars	2017-18	2016-17	Variance In %
Finance Cost	37.87	6.95	445.11

Interest and finance charges increased by 445.11% from Rs. 6.95 Lakhs in financial year 2016-17 to Rs. 37.87 Lakhs in financial year 2017-18, as business picked up in the year and hence we had to increase borrowings to meet the investing needs.

Profit before Tax
(Rs. In Lakhs)

Particulars	2017-18	2016-17	Variance In %
Profit Before Tax	126.45	50.70	149.40

Profit before tax increased by 149.40% from Rs. 50.70 Lakhs in financial year 2016-17 to Rs. 126.45 Lakhs in financial year 2017-18. The percentage increase in profit before tax is much higher than overall percentage increase in volume due to operating leverage and financial leverage.

Provision for Tax and Net Profit
(Rs. In Lakhs)

Particulars	2017-18	2016-17	Variance In %
Taxation Expense	43.48	17.86	143.46
Profit After Tax	82.97	32.84	152.63

Our profit after tax increased by 143.46% from Rs. 32.84 Lakhs in financial year 2016-17 to Rs. 82.97 Lakhs in financial year 2017-18. This increase was a bit lower than increase in Profit before tax since the % increase in tax was higher due lower amount of deferred tax asset buildup.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2017 WITH FINANCIAL YEAR ENDED MARCH 31, 2016:
INCOME
Income from Operations
(Rs. In Lakhs)

Particulars	2016-17	2015-16	Variance In %
Revenue from Operations	2,865.70	2,115.76	35.45

The operating income of the Company for the year ending March 31, 2017 is Rs. 2,865.70 Lakhs as compared to Rs. 2,115.76 Lakhs for the year ending March 31, 2016, showing an increase of 35.45%, due to increase in volume of our operations, favorable market sentiment, better inventory management.

Other Income

Our other income increased by 1,918.06% from Rs. 0.14 Lakhs to Rs. 2.88 Lakhs due to increase in interest income which was backed by improved sales and liquidity of the company.

Direct Expenditure
(Rs. In Lakhs)

Particulars	2016-17	2015-16	Variance In %
Cost of goods sold	2,662.68	2,007.65	32.63

The Cost of goods sold of the Company for the year ending March 31, 2017 was Rs. 2,662.68 Lakhs as compared to Rs. 2,007.65 Lakhs for the year ending March 31, 2016, showing a increase of 32.63%, and such increase was due to increase in volume of our operations.

Operating, Administrative and Employee Costs
(Rs. In Lakhs)

Particulars	2016-17	2015-16	Variance In %
Employee Costs	100.64	55.10	82.65
Operating, Administrative, Selling and Other Expenses	35.74	30.15	18.53

There is around 82.65% increase in employee costs from Rs. 55.10 Lakhs in financial year 2015-16 to Rs. 100.64 Lakhs in financial year 2016-17 which is due to increase in salary expenses. Our other expenses increased by 18.53% from Rs. 30.15 Lakhs in financial year 2015-16 to Rs. 35.74 Lakhs in financial year 2016-17.

Depreciation & Amortization Expenses

Depreciation & Amortization expenses for the Financial Year 2016-2017 have decreased to Rs. 11.88 Lakhs as compared to Rs. 12.72 Lakhs for the Financial Year 2015-2016. Majority of the depreciation was on

account of opening net block ie the opening written down value since the new fixed assets were bought at the end of the year. Hence the total amount of depreciation was low in FY2016-17.

Finance Cost
(Rs. In Lakhs)

Particulars	2016-17	2015-16	Variance In %
Finance Cost	6.95	0.10	6,608.07

Interest and finance charges increased by 6,608.07% from Rs. 0.10 Lakhs in financial year 2015-16 to Rs. 6.95 Lakhs in financial year 2016-17. The increase was primarily due to uptick in the business in response to which our company had to raise borrowings substantially.

Profit before Tax
(Rs. In Lakhs)

Particulars	2016-17	2015-16	Variance In %
Profit Before Tax	50.70	10.18	397.80

Profit before tax increased by 397.80% from Rs. 10.18 Lakhs in financial year 2015-16 to Rs. 50.70 Lakhs in financial year 2016-17 primarily due to benefits of financial leverage.

Provision for Tax and Net Profit
(Rs. In Lakhs)

Particulars	2016-17	2015-16	Variance In %
Taxation Expense	17.86	3.61	395.21
Profit After Tax	32.84	6.58	399.22

Our profit after tax increased by 399.22% from Rs. 6.58 Lakhs in financial year 2015-16 to Rs. 35.84 Lakhs in financial year 2016-17.

OTHER MATTERS
Unusual or infrequent events or transactions

There are no transactions or events, which in our best judgment, would be considered unusual or infrequent that have significantly affected operations of the Company.

Significant economic changes that materially affected or are likely to affect income from continuing operations

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in the uncertainties described in the section entitled 'Risk Factors' beginning on page 25 of this draft prospectus. To our knowledge, except as we have described in this draft prospectus, there are no known factors which we expect to bring about significant economic changes.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as disclosed in the section titled "Risk Factors" beginning on page 25 of this Draft Prospectus to our knowledge, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future changes in relationship between costs and revenues in case of events such as future increase in labor or material cost or prices that will cause material change.

According to our knowledge, there are no future relationship between cost and income that would be expected to have a material adverse impact on our operations and revenues. However, increase in the cost of the products and services in which the Company deals, will affect the profitability of the Company. Further, the Company may not be able to pass on the increase in prices of the products and services to the customers in full and this can be offset through cost reduction.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices.

The increase in revenue is by and large linked to increase in volume of all the activities carried out by the Company.

Status of any publicly announced new products/projects or business segments.

Our Company has not announced any new projects or business segments, other than disclosed in the Draft Prospectus.

The extent to which the business is seasonal.

Our Company's business is not seasonal in nature.

Competitive Conditions

Competitive conditions are as described under the Chapters titled "Industry Overview" and "Our Business" beginning on pages 94 and 110 respectively of the Prospectus.

CAPITALIZATION STATEMENT

(Amount in Lakhs)

Particulars	Pre-issue at	As adjusted for the proposed issue
Total Borrowings		
Short term borrowings*	103.55	[.]
Long term borrowings(including current maturity)*	254.27	[.]
Total Equity		
Share Capital*	760.00	[.]
Reserves and Surplus*	449.66	[.]
Money Received against share warrants*	-	[.]
Less: Deferred Tax Liabilities	0.52	
Total Capital	1209.14	
Ratio: Long Term Borrowings/Total Equity	0.21	[.]

**These terms shall carry the meaning as per schedule III of the Companies Act, 2013 (as amended)*

1. These figures disclosed above are based on restated statement of Asset and Liabilities of the Company as at December 31, 2018

SECTION-VII LEGAL AND OTHER INFORMATION**OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoter or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoter or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoter or Group Companies for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this Draft Prospectus; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this Draft Prospectus and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this Draft Prospectus; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Draft Prospectus; (x) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.

For the purpose of material litigation in (x) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company in this Draft Prospectus:

- a) All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoters, Directors, or Group Companies, as the case may be shall be deemed to be material;
- b) All pending litigation involving our Company, Promoter, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of Rs. 10,00,000/- (Rupees Ten lakhs only) or 5% of the net profits after tax of the Company for the most recent audited fiscal period whichever is lower; or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoter, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company;
- c) Notices received by our Company, Promoter, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoter / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.

Except as stated in this chapter, Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

LITIGATION INVOLVING OUR COMPANY

Against our Company

Criminal Litigation

Nil

Civil Proceedings

Nil

Proceedings against Our Company for economic offence/securities laws/ or any other law

Nil

Penalties in Last Five Years

Nil

Pending Notice against our Company

Nil

Past Notice to our Company

Nil

Disciplinary Action taken by SEBI or stock exchanges against Our Company

Nil

Defaults including non-payment or statutory dues to banks or financial institutions

Nil

Details of material fraud against the Company in last five years and action taken by the Companies.

Nil

LITIGATION FILED BY OUR COMPANY

Civil Proceedings

Nil

Criminal Litigation

Nil

Taxation Matters

Nil

Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law

Nil

LITIGATION INVOLVING DIRECTORS OF OUR COMPANY

Litigation against our Directors

Nil

Criminal Litigation

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Past Penalties imposed on our Directors

Nil

Proceedings initiated against our directors for Economic Offences/securities laws/ or any other law

Nil

Directors on list of willful defaulters of RBI

Nil

Litigation by Directors of Our Company

Criminal Litigation

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

LITIGATION INVOLVING PROMOTER OF OUR COMPANY***Criminal Litigation***

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Past Penalties imposed on our Promoters

Nil

Proceedings initiated against our Promoters for Economic Offences/securities laws/ or any other law

Nil

Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Promoter in last five years

Nil

Penalties in Last Five Years

Nil

Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in Past

Nil

Adverse finding against Promoter for violation of Securities laws or any other laws

Nil

Litigation by Our Promoters***Criminal Litigation***

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

LITIGATION INVOLVING OUR GROUP COMPANIES*Outstanding Litigation against our Group Companies*

Nil

Criminal Litigation

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Past Penalties imposed on our Group Companies

Nil

Proceedings initiated against our Group Companies for Economic Offences/securities laws/ or any other law

Nil

Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Group Companies

Nil

Adverse finding against Group Companies for violation of Securities laws or any other laws

Nil

LITIGATION BY OUR GROUP COMPANIES*Criminal Litigation*

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Details of any inquiry, inspection or investigation initiated under present or previous companies laws in last five years against the Company or its subsidiaries: NIL

OTHERS:

SEBI has passed Adjudication Order against two of our members of Promoter Group i.e. Mr. Govindji Gupta & Mr. Sudheshwar Kumar Gupta dated 19th May, 2015 No. EAD-2/DSR/RG/406-465/2015 and thereby imposed a penalty of Rs. 6,00,000 on Mr. Govindji Gupta and Rs. 5,00,000 on Mr. Sudheshwar Kumar Gupta. Both of them have filed appeals to SAT on 27th December, 2018. However, the same is yet to be admitted with SAT.

Please refer to chapter titled “Risk Factors” beginning on page 25 of the Draft Prospectus.

MATERIAL FRAUDS AGAINST OUR COMPANY

There have been no material frauds committed against our Company in the five years proceeding the year of this Draft Prospectus.

PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES

There are no proceedings initiated against our Company for any economic offences.

NON PAYMENT OF STATUTORY DUES

As on the date of the Draft Prospectus there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

PAST CASES WHERE PENALTIES WERE IMPOSED

Other than as mentioned above, there are no past cases where penalties were imposed on our Company by concerned authorities/courts.

OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

As on the date of the Draft Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS

Except as stated in this chapter, there have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last five years immediately preceding the year of the Draft Prospectus in the case of our Company, Promoter, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the Draft Prospectus.

Further, except as stated in this chapter, there is no legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter during the last five years immediately preceding the year of the issue of the Draft Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

Material Developments since the Last Balance Sheet

Except as disclosed in Management Discussion and Analysis of Financial Condition and results of operations, there have been no material developments.

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on December 31, 2018:

Name	Amount Due (Rs. In Lakhs)
Total Outstanding dues to Micro and Small & Medium Enterprises	Nil
Total Outstanding dues to Creditors other than Micro and Small & Medium Enterprises	1,302.12

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, licenses, registrations and permits issued by relevant Central and State regulatory authorities under various rules and regulations. For details see “Key Industry Regulations and Policies” on page 132. Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/ regulatory authorities/ certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current/ proposed business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of the Company and the objects incidental, enable our Company to carry out its activities.

APPROVALS FOR THE ISSUE

1. The Board of Directors has, pursuant to resolution passed at its meeting held on 15th December, 2018 authorized the Issue.
2. The Shareholders of our Company have, pursuant to a resolution passed at Extra Ordinary General Meeting held on 02nd January, 2019 authorized the Issue.
3. We have received in-principle approvals from SME Platform of BSE Limited for the listing of our Equity Shares pursuant to letters dated [●].

INCORPORATION DETAILS

1. Certificate of Incorporation dated 18th January, 2011 issued by Registrar of Companies, Uttar Pradesh and Uttarakhand in the name of SBC Exports Limited.
2. Certificate of Commencement of Business dated 23rd February, 2011 issued by Registrar of Companies, Uttar Pradesh and Uttarakhand in the name of SBC Exports Limited.
3. Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause(s) dated 02nd January, 2019 issued by Registrar of Companies, Kanpur.
4. Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause(s) dated 14th March, 2019 issued by Registrar of Companies, Kanpur.
5. The Company Identification Number (CIN) is U18100UP2011PLC043209.

APPROVALS/LICENSES/PERMISSIONS PROCURED TO CONDUCT OUR OPERATION:

Sr. No.	Nature of Registration/License	Registration /License No.	Issuing Authority	Date of Expiry
Issuer Company : SBC Exports Limited				
1.	Permanent Account Number	AAPCS3358F	Income Tax Department	N.A.

Sr. No.	Nature of Registration/License	Registration /License No.	Issuing Authority	Date of Expiry
2.	Tax Deduction Account Number (TAN)	KNPS04332G	Income Tax Department	N.A.
3.	Goods and Service Tax (GST) Address: 73, Industrial Area, Patparganj Delhi, East Delhi, Delhi, 110092 Ground Floor,, House No - 20, Lohiya Talab,Choti Basahi,, Choti Basahi,, Lohiya TALAB,, Mirzapur, Uttar Pradesh	07AAPCS3358F1Z2 09AAPCS3358F1ZY	Government of India	N.A.
4.	Service Tax Number	AAPCS3358FSD002	Central Board of Excise and Customs, Ministry of Finance-Department of Revenue	N.A.
5.	TIN B 17 Functional Industrial Estate Patparganj, Priya Enclave 110092 Ground Floor,, House No - 20, Lohiya Talab,Choti Basahi,, Choti Basahi,, Lohiya TALAB,, Mirzapur, Uttar Pradesh	07940424815 09914805493	Government of NCT of Delhi Department of Commercial Taxes, Government of Uttar Pradesh	N.A. N.A.

TRADEMARK REGISTRATIONS

S.No.	Particulars	Logo	Application No./Trademark No.	Issuing Authority	Date of Issue	Validity
1.	Trademark under class 25 for Garments, Clothing, Footwear and Headgear, Serial Number: 1692327 Date of Application: 12 th May, 2015	F-ROUTE	2961525	Trade Marks Registry, Government of India	31 st October, 2017	Valid for Ten (10) years
2.	Trademark under class 25 for Garment & Apparels, Manufacturing & Trading Date of Application:	IEDEE	03099709	Trade Marks Registry, Government of India	Under process of registration	Under process of registration

S.No.	Particulars	Logo	Application No./Trademark No.	Issuing Authority	Date of Issue	Validity
	18 th November, 2015					
3.	Trademark under class 39 for Arranging Tours, Travels, Trips, Transport; Packaging and storage of goods; Travel arrangement, Serial Number: 1850 Date of Application: 10 th April, 2018		3801827	Trade Marks Registry, Government of India	5 th October, 2018	Valid for Ten (10) years
4.	Trademark under class 25 for Garment & Apparels, Manufacturing & Trading Date of Application: 4 th March, 2017	SBC DESIGN PLUS	3505282	Trade Marks Registry, Government of India	Under process of registration	Under process of registration
5.	Trademark under class 25 for Garment & Apparels, Manufacturing & Trading Date of Application: 04.02.2019		04076026	Trade Marks Registry, Government of India	Under process of registration	Under process of registration

OTHER BUSINESS APPROVALS/ REGISTRATIONS

S.No.	Particulars	Validity
1.	Certificate of Importer-Exporter Code by office of Jt. Director General of Foreign Trade. IEC Number 1511000201	-
2.	Certificate of Registration from International Certifications Limited dated 25 th November, 2016 Certification No.: IC-CMMI-1600-91112501	Valid till 24 th November, 2019
3.	ISO 9001:2015 for Quality Management System Certificate No.: EQ-01180519	Valid till 18 th May, 2019
4.	Empanelment of Agencies for providing professional support services/Manpower staffing and IT consulting for our on going and upcoming e Governance & IT related projects under BECIL's open tender No. BECIL/MANPOWER-Agency/2014 dated 9 th June, 2014 Ref No: BECIL/eGOV Division/Manpower/Empanelment dated 28 th June, 2016	Initially for three years which can be extended through Mutual Consent for a further period of two years. It is valid from 2 nd December, 2014 and may continue till 1 st December, 2019.



SBC EXPORTS LIMITED

S.No.	Particulars	Validity
5.	Employees's Provident fund Registration PF Code No: UP (VNS) 59269	-
6.	ESIC : Address: Flat No: 101, Subodh Apartment Main Road, Hinoo, Ranchi Employee Code: 60280502580010999 Lohiya Talab, Choti Basahi, P.O. Vindhiyachal, Mirzapur, 231307 Employee Code: 28000502580000999 A-62, Sector -70, Noida, Uttar Pradesh Employee Code: 6728050258001999	-
7.	Certificate of Accreditation No: HE 14-3 72326 By International Air Transport Association	-
8.	Certificate of Registration ISO/IEC 27001:2013 (Information Security Management) Certificate Number: IC-27001-1600-91112501	Valid Till 24.11.2017, Recertification Audit Due- 24.11.2019



SBC EXPORTS LIMITED

OUR GROUP COMPANY

As per the SEBI (ICDR) Regulations, for the purpose of identification of Group Companies, our Company has considered companies covered under the applicable accounting standard, i.e., AS-18 as per the Restated Financial Statements and other companies considered material by our Board with which our Company has had related party transactions during the period ended December 31, 2018 and the financial years ended March 31, 2018, March 31, 2017 and March 31, 2016. Pursuant to a resolution of our Board dated March 13, 2019 our Board has adopted a policy for determining material group companies for the purpose of disclosure in the offer documents in connection with the Issue, and as per the said policy, a company shall be considered material and disclosed as a Group Company, if such company is a part of the Promoter Group as defined under the SEBI (ICDR) Regulations and our Company has entered into one or more transactions such that, individually or cumulatively such transaction exceeds 10% of the total revenue of our Company of the previous financial years in respect of which, such financial statements are included in this Draft Prospectus.

Based on the above, as on the date of filing this Draft Prospectus, there are no companies which are considered as material group companies for the purpose of disclosure in this Draft Prospectus.

OTHER REGULATORY AND STATUTORY DISCLOSURES**AUTHORITY FOR THE ISSUE**

The issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on December 15, 2018 subject to the approval of the shareholders of the Company and such other authorities, as may be necessary.

The shareholders of the Company have, pursuant to a special resolution passed in Extra-Ordinary General Meeting held on January 02, 2019, authorised the Issue under Section 62 (1)(c) of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.

We have received in principle approval from BSE Limited vide their letter dated [●] to use the name of BSE Limited in the Prospectus for listing of our Equity Shares on SME Platform of BSE Limited. BSE Limited is the Designated Stock Exchange for the purpose of this issue.

PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

We confirm that our Company, our Directors, our Promoters, our Promoter Groups, Person in control of our Promoter or Company, are not prohibited from accessing or operating in the capital markets or debarred from buying, selling, or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/ court as on the date of this Draft Prospectus.

CONFIRMATIONS

1. We confirm that our company, our Promoters, our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.
2. None of our Directors in any manner are associated with any entities which are engaged in securities market.
3. There has been no action taken by SEBI against any of our Directors or any entity with which our Directors are associated as Promoters or directors.

ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the issue in accordance with regulation 229 (2) and other applicable provisions of Chapter IX of the SEBI (ICDR) Regulation, 2018, because as an issuer our post issue paid-up capital is more than Rs. 10 Crore and upto Rs. 25 Crore.

Our Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited for listing of our Equity Shares. The point wise Criteria for SME Listing at BSE Limited and compliance thereof are given hereunder;

1. **The Issuer should be a company incorporated under the Companies Act 1956.**

Our Company got incorporated on 18.01.2011 under the Companies Act, 1956.

2. **The post issue paid up capital of the company (face value) shall not be more than Rs. 25,00.00 Lakh.**

The present paid-up capital of our Company is Rs. 760 Lakh and we are proposing issue of 29,82,000 Equity Shares of Rs. 10/- each at issue price of Rs. 22/- per Equity Share including share premium of Rs. 12/- per Equity Share, aggregating to Rs. 656.04 Lakh. Hence, our Post Issue Paid up Capital will be Rs. 1,058.20 Lakh which is less than Rs. 2,500.00 Lakh.

3. Positive Net worth

Net worth of the Company as on 31.12.2018 is Rs. 1209.36 Lakh.

4. Track Record.

- A. The Company should have a (combined) track record of at least 3 years.

Our Company got incorporated on 18.01.2011 and therefore has a track record as specified by BSE Limited.

- B. The Company has combined positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net worth is positive

Particulars	For the period ended as on December 31, 2018	For the year ended as on March 31 st , 2018	For the year ended as on March 31 st , 2017	For the year ended as on March 31 st , 2016
Net Worth as per Restated Financial Statements *	1209.36	141.28	58.32	25.47
Cash Accruals as per Restated Financial Statement**	127.00	143.48	62.58	22.91

***“Net Worth” has been defined as the aggregate of the paid up share capital, share application money (excluding the portion included in other current liabilities) and reserves and surplus excluding miscellaneous expenditure, if any.*

*** “Cash accruals” has been defined as the Earnings before depreciation and tax from operations*

5. Other Requirements

- A. It is mandatory for a company to have a website.

The Company has a website: www.sbcexportslimited.com

- B. It is mandatory for the company to facilitate trading in demat securities and enter into an agreement with both the depositories.

To facilitate trading in demat securities; the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Tripartite agreement dated 9th January, 2019 with NSDL, our Company and Registrar to the Issue;
- tripartite agreement dated 5th January, 2019 with CDSL, our Company and Registrar to the Issue;

The Company’s shares bear an ISIN: INE04AK01010

- C. There should not be any change in the promoters of the company in preceding one year from date of filing the application to BSE for listing under SME segment.

There has been no change in the promoter(s) of the company in the one year preceding the date of filing application to BSE for listing on SME Platform.

D. None of our promoters or Directors has been declared as fugitive economic offender under Economic Offenders Act, 2018.

Further, except as mentioned in this chapter titled “*Outstanding Litigation and Material Developments*” there has been no violation of any Securities Law committed by any of them in the past and no such proceedings are currently pending against any of them.

6. Disclosures

In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, we confirm that:

1. In accordance with regulation 260(1) and 260(2) of SEBI (ICDR) Regulations, this issue will be 100% underwritten and shall not restrict to the minimum subscription level. The LM shall underwrite atleast 15% of the Total Issue size. For further details pertaining to underwriting please refer to section titled “*General Information*” beginning on page 51 of this Draft Prospectus.

2. In accordance with regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.

3. We have filed Draft Prospectus with stock exchange. The Draft Prospectus has not been filed with the SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation 246 of SEBI (ICDR) Regulations, 2018. However, pursuant to sub regulation (5) of regulation 246, the copy of Draft Prospectus shall also be furnished to the SEBI in soft copy.

4. In accordance with Regulation 261 of SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory market making for the minimum period of three years from the date of listing of equity shares offered in this Issue. For further details of the market making arrangement see section titled “*General Information*” beginning on page 51 of this Draft Prospectus.

4. The track record of the Company as per the Standalone Restated Financial statements for the period ended on December 31, 2018 and financial year ended March 31, 2018, 2017 and 2016 is as set forth below:

Particulars	For the period ended on	For the financial year ended 31 st March		
	December 31, 2018	2018	2017	2016
Profit/(Loss)	69.37	82.97	32.84	6.58

6. The Company has not been referred to Board for Industrial and Financial Reconstruction.

7. No petition for winding up is admitted by the court or a liquidator has not been appointed of competent jurisdiction against the Company.

7. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the company.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTICTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY THE SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS. THE LEAD MANAGER NAVIGANT CORPORATE ADVISORS LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MANAGER, NAVIGANT CORPORATE ADVISORS LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, NAVIGANT CORPORATE ADVISORS LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF SECURITIES AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018

THE FILING OF THE DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Kanpur, in terms of Section 26 and 32 of the Companies Act, 2013.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Prospectus does not, however, constitute an invitation to purchase shares issued hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Uttar Pradesh only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with BSE Limited for its observations and BSE Limited shall give its observations in due course. Accordingly, the Equity Shares



SBC EXPORTS LIMITED

represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Draft Prospectus in each jurisdiction, including India.

DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE

BSE Limited (“BSE”) has given vide its letter dated [●] permission to this Company to use its name in this Issue document as one of the stock exchanges on which this company’s securities are proposed to be listed on the SME Platform. BSE has scrutinized this issue document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE Ltd does not in any manner:-

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; or
- ii. warrant that this Company’s securities will be listed or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Draft Prospectus has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

LISTING

Application will be made to the “BSE Limited” for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The BSE Limited has given its in-principle approval for using its name in the Offer Document vide its letter no. [●] dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE Limited, our Company will forthwith repay, without interest, all moneys received from the bidders in pursuance of the Draft Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE Limited mentioned above are taken within six Working Days from the Issue Closing Date.

DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in the Draft Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, www.sbcexportslimited.com would be doing so at his or her own risk.

CONSENTS

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor, Banker to the Company and (b) Lead Manager, Syndicate Member, Underwriter, Market Maker, Registrar to the Issue, Banker to the issue*, Sponsor Bank*, Legal Advisor to the Issue, to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Prospectus and Prospectus for filing with the RoC.

**The aforesaid will be appointed prior to filing of Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

EXPERT TO THE ISSUE

Except as stated below, our Company has not obtained any expert opinions:

- Report of the Auditor on Statement of Tax Benefits
- Report of the Auditor on Restated Financial Statements for the Period ended on December 31, 2018 and financial year ended March 31, 2018, 2017 and 2016 of our Company.

DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1993

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in 205 Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

PREVIOUS RIGHTS AND PUBLIC ISSUES

Except as stated in the section titled “*Capital Structure*” beginning on page 60 of this Draft Prospectus, we have not made any previous rights and/or public issues during last 5 years, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “*Initial Public Offering*” in terms of the SEBI (ICDR) Regulations.

COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares in the last 5 years.

CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY ISSUER COMPANY AND LISTED GROUP COMPANIES / SUBSIDIARIES / ASSOCIATES

Neither our Company nor any of our Group Companies/ Associates have undertaken any capital issue or any public or rights issue in the last three years preceding the date of this Draft Prospectus. Further, as on date of this Draft Prospectus our Company has no any subsidiary company.

PROMISE VERSUS PERFORMANCE FOR OUR COMPANY AND/OR LISTED SUBSIDIARY COMPANY AND/OR LISTED PROMOTER COMPANY

Our Company is an “*Unlisted Issuer*” in terms of the SEBI (ICDR) Regulations and this Issue is an “*Initial Public Offering*” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us. Further, as on date of this Draft Prospectus our Company has no any corporate promoter and subsidiary company.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

For details regarding the price information and track record of the past issues handled by Navigant Corporate Advisors Limited, please refer “Annexure -A” to this Draft Prospectus and the website of Lead Manager at www.navigantcorp.com.

STOCK MARKET DATA FOR OUR EQUITY SHARES OF OUR COMPANY

Our Company is an “*Unlisted Issuer*” in terms of the SEBI (ICDR) Regulations, and this Issue is an “*Initial Public Offering*” in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Agreement between the Registrar and our Company provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and unblocking of funds to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the bidder, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted. All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant / Bidder, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants / bidders.



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Further, as on date of this Draft Prospectus our Company has no any subsidiary company and none of our Group Companies is listed on any stock exchanges, so disclosure regarding mechanism for redressal of investor grievances for our subsidiary companies and group companies are not applicable.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company is registered on the SEBI Complaints Redress System (SCORES) for redressal of investor grievances. We haven't received any investor complaint during the preceding three years. As on the date of this Draft Prospectus, there is no investor complaints are pending.

We have constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on 10th Day of December, 2018. For further details, please refer to the section titled "About Us-Our Management" beginning on page 148 of this Draft Prospectus.

Our Company has appointed Mr. Hari Om Sharma as Company Secretary and Compliance Officer and he may be contacted at the following address:

Mr. Hari Om Sharma
49/95, Sahibabad Industrial Area Site 4,
Sahibabad, Ghaziabad,
Uttar Pradesh- 201010
CIN: U18100UP2011PLC043209
E-mail: info@sbccl.com
Website: www.sbcexportslimited.com
Tel. No. +91-0120-2895246

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-issue or post-issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or unblocking of funds, etc.

PURCHASE OF PROPERTY

Except as disclosed in this Draft Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present issue or the purchase or acquisition of which has not been completed on the date of this Draft Prospectus.

Except as stated elsewhere in this Draft Prospectus, Our Company has not purchased any property in which the Promoters and / or Directors have any direct or indirect interest in any payment made there under.

SERVICING BEHAVIOR

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

SECTION VIII-ISSUE RELATED INFORMATION**TERMS OF THE ISSUE**

The Equity Shares being issued are subject to the provisions of the Companies Act, 2013, SEBI (ICDR) Regulations, 2018, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015; all the applicants have to compulsorily apply through the ASBA Process.

Further vide the said circular, Registrar to the Issue and Depository Participants have also been authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

RANKING OF EQUITY SHARES

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled “Description Of Equity Shares And Terms Of The Articles Of Association” beginning on page 260 of this Draft Prospectus.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and recommended by the Board of Directors and approved by the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any, declared) will be approved by the Board of Directors.

FACE VALUE AND ISSUE PRICE

The face value of the Equity Shares is Rs. 10/- each and the Issue Price is Rs. 22/- per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “Particulars of the Issue-Basis For Issue Price” beginning on page 89 of this Draft Prospectus.

At any given point of time there shall be only one denomination for the Equity Shares.

COMPLIANCE WITH SEBI (ICDR) REGULATIONS

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity share holders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled “Description Of Equity Shares and terms of the Articles Of Association” beginning on page 260 of this Draft Prospectus.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be allotted only in dematerialized form. As per the existing SEBI (ICDR) Regulations, 2018, the trading of the Equity Shares shall only be in dematerialized form for all investors.

The trading of the Equity Shares will happen in the minimum contract size of 6,000 Equity Shares and the same may be modified by SME Platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 6,000 Equity Shares subject to a minimum allotment of 6,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

MINIMUM NUMBERS OF ALLOTTEES

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by the SCSBs shall be unblocked within 6 Working days of closure of issue.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Uttar Pradesh.

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.



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The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

JOINT HOLDERS

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

NOMINATION FACILITY OF INVESTOR

In accordance with Section 72(1) & 72(2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicants, may nominate up to three persons, vide Multiple Nominations facility made available by CDSL and NSDL, to whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest in respect of Percentage assigned to each nominee at the time of nomination. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72(4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination interest shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board of Directors may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board of Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

PERIOD OF OPERATIONS OF SUBSCRIPTION LIST OF PUBLIC ISSUE

ISSUE OPENS ON	[•]	ISSUE CLOSES ON	[•]
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An indicative time table in respect of the Offer is set out below:

EVENT	INDICATIVE DATE
Offer Closing Date	[•]
Finalization of Basis of Allotment with BSE	[•]

EVENT	INDICATIVE DATE
Initiation of refunds /unblocking of funds from ASBA Account	[•]
Credit of Equity Shares to demat accounts of Allottees	[•]
Commencement of trading of the Equity Shares on BSE	[•]

The above timetable is indicative and does not constitute any obligation on our Company. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on BSE is taken within six Working Days from the Offer Closing Date, the time table may change due to various factors, such as extension of the Issue Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period. On the Issue Closing Date, the Applications and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of Applications received upto the closure of timings and reported by the Lead Manager to the Stock Exchange. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, not later than 5.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public issue, some Applications may not get uploaded due to lack of sufficient time. Such Applications that are not uploaded will not be considered for allocation under the Issue. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data.

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

The issuer does not receive the minimum subscription of hundred percent of the offer through offer document on the date of closure of the issue or devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue or withdrawal of applications, or after technical rejections, or if the listing or trading permission is not obtained from the stock exchanges for the securities so offered under the offer document, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond fifteen days after the issuer becomes liable to pay the amount, the issuer and every director of the issuer who are officers in default, shall pay interest at the rate of fifteen percent per annum.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 6 working days of closure of issue.



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The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

NO RESERVATION FOR EIGIBLE NRIS, FIIS REGISTERED WITH SEBI, VCFS REGISTERED WITH SEBI AND QFIS

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCSBS CANNOT PARTICIPATE IN THIS ISSUE

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the equity shares will happen in the minimum contract size of 6,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by SME Platform of BSE from time to time by giving prior notice to investors at large.

However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE.

RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES

Except for lock-in of the pre-Issue Equity Shares and Minimum Promoters' Contribution in the Issue as detailed in the section "Capital Structure" beginning on page 60 of this Draft Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled "Description Of Equity Shares and terms of the Articles Of Association" beginning on page 260 of this Draft Prospectus.

NEW FINANCIAL INSTRUMENTS

The Issuer Company is not issuing any new financial instruments through this Issue.



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OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form in compliance of the Companies Act, 2013.

Furnishing the details depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.

The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants will not have the option of getting Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

MIGRATION TO MAIN BOARD

Our Company may migrate to the main board of BSE on a later date, subject to the following:

If the Paid up Capital of the company is more than Rs. 10 crores and up to Rs. 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

MARKET MAKING

The shares offered through this issue are proposed to be listed on the SME Platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Platform of BSE for a minimum period of three years from the date of listing of shares offered through this Draft Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker; please see "General Information - Details of the Market Making Arrangement for this Issue" on page 51 of this Draft Prospectus.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is less than or equal to ten crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "Terms of the Issue" and "Issue Procedure" on page 223 and 232.

Public issue of 29,82,000 equity shares of face value of Rs. 10/- each for cash at a price of Rs. 22/- per equity share including a share premium of Rs. 12/- per equity share (the "issue price") aggregating to Rs. 656.04 Lakhs ("the issue") by our company.

Particulars	Net Issue to Public	Market Maker reservation portion
Number of Equity Shares*	28,32,000 Equity Shares	1,50,000 Equity Shares
Percentage of Issue Size available for allocation	94.97 % of the Issue Size 26.76 % of the Post Issue Paid up Capital	5.03 % of the Issue Size 1.42 % of the Post Issue Paid up Capital
Basis of Allotment/ Allocation if respective category is over subscribed	Proportionate subject to minimum allotment of 6,000 Equity Shares and Further allotment in multiples of 6,000 Equity Shares each. For further details please refer to the section titled "Issue Related Information-Issue Procedure", "Basis Of Allotment" on page 254 of this Draft Prospectus.	Firm Allotment
Mode of Application	All the Applicants shall make the Application (Online or Physical) through ASBA Process Only.	Through ASBA mode Only.
Minimum Application Size	For QIB and NII: Such number of Equity Shares in multiples of 6,000 Equity Shares such that the Application Value exceeds Rs. 2,00,000 For Retail Individuals: 6,000 Equity Shares	6,000 Equity Shares
Maximum Bid	For QIB and NII: Such number of Equity Shares in multiples of 6,000 Equity Shares such that the Application Size does not exceed 28,32,000 Equity Shares subject to limit the investor has to adhere under the relevant laws and regulations applicable. For Retail Individuals: 6,000 Equity Shares so that the Application	6,000 Equity Shares

Particulars	Net Issue to Public	Market Maker reservation portion
	Value does not exceed Rs. 2,00,000	
Mode of Allotment	Compulsorily in dematerialized mode	Compulsorily in dematerialized mode
Trading Lot	6,000 Equity Shares	6,000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Terms of payment	Entire Application Amount shall be payable at the time of submission of Application Form.	

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer to “*Issue Structure*” on page 229.

*Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

- a) Minimum of 50.00% of the net offer of shares to the public (i.e. 14,16,000 Equity Shares) shall be made available for retail individual investors; and
- b) The balance net issue of shares to the Public shall be made available for allotment to individual applicants other than retail individual investors and other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

If the retail individual investor category is entitled to more than the allocated portion on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

Withdrawal of the Issue

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs or the Sponsor Bank, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the ROC.

ISSUE PROGRAMME

ISSUE OPENS ON	[•]
ISSUE CLOSES ON	[•]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by BSE after taking into account the total number of applications received up to the closure of timings and reported by LM to BSE within half an hour of such closure.

It is clarified that Applications not uploaded would be rejected. In case of discrepancy in the data entered in the electronic form vis-à-vis the data contained in the physical Application form, for a particular applicant, the details as per physical application form of that Applicant may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the website of the Stock Exchange and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, there have been certain changes in the offer procedure for initial public offerings including making ASBA Process mandatory for all investors, allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept application forms. Further, SEBI, by its circular No. (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an offer to six working days. These changes are applicable for all Public Offer which open on or after January 1, 2016.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

Phased implementation of Unified Payments Interface

SEBI has issued a circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 in relation to streamlining the process of public issue of equity shares and convertibles (“UPI Circular”). Pursuant to the circular, Unified Payments Interface (“UPI”) is proposed to be introduced in a phased manner (phase I will be effective from January 1, 2019) as an additional mode of payment with ASBA Form for applications by Retail Individual Investors through intermediaries (i.e., Syndicate members, Registered Stock Brokers, Registrar and Transfer Agents and Depository Participants) (“UPI Channel”). The UPI Channel for making Applications by Retail Individual Investors will be made available in accordance with the UPI Circular. The UPI Circular is available on the website of the LM.

Retail Individual Investors should note that the Application using UPI Channel is optional and they can make Applications by submitting Application Forms, in physical form or in electronic mode, to the members of the Syndicate, the sub-Syndicate, SCSBs, the Registered Brokers, Registrars to an Issue and Share Transfer Agents and Depository Participants.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

FIXED PRICE ISSUE PROCEDURE

The Issue is being made under Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through a Fixed Price Process.

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds.

Investors should note that Equity Shares will be allotted to successful Applicants in dematerialize form only. The Equity Shares on Allotment shall be traded only in the dematerialize segment of the Stock Exchange, as mandated by SEBI.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of BSE i.e. www.bseindia.com. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank account specified in the Application Form used by ASBA applicants. Upon completing and submitting the Application Form for Applicants to the SCSB, the Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation Basis	Blue

*Application forms will also be available on the website of the BSE (www.bseindia.com). Same Application Form applies to all ASBA Applicants/ Retail Individual Applicants applying through UPI mechanism, irrespective of whether they are submitted to the SCSBs, to the Registered Brokers, to Registrars to an Issue and Share Transfer Agents, Depository Participants or to the Syndicate (in Specified Cities).

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

SUBMISSION AND ACCEPTANCE OF APPLICATION FORMS

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:

- i. An SCSB, with whom the bank account to be blocked, is maintained
- ii. A syndicate member (or sub-syndicate member)
- iii. A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”)
- iv. A depository participant (“DP”) (Whose name is mentioned on the website of the stock exchange as eligible for this activity.
- v. A registrar to an issuer and share transfer agent (“RTA”) (Whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For Applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants have deemed to have authorized our Company to make the necessary changes in the Draft Prospectus, without prior or subsequent notice of such changes to the Applicants.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, and Registrar to the Issue as mentioned in the application Form. The application forms may also be downloaded from the website of BSE i.e. www.bseindia.com.

WHO CAN APPLY?

- a) Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: “Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Applications by HUFs would be considered at par with those from individuals;

- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FIs and sub-accounts of FIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund setup by Resolution no. F.No.2/3/2005-DD II dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Insurance funds setup and managed by army, navy or air force of the Union of India;
- s) Multilateral and bilateral development financial institution;
- t) Eligible QFIs;
- u) Insurance funds setup and managed by army, navy or air force of the Union of India;
- v) Insurance funds set up and managed by the Department of Posts, India;
- w) Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

1. Minors (except under guardianship)
2. Partnership firms or their nominees
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No. 20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case to case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI or prior approval from Government, as the case may be. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON-REPATRIATION

Application must be made only in the names of individuals, limited companies or statutory corporations/institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depository), foreign nationals, non-residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

APPLICATION BY MUTUAL FUNDS

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

APPLICATIONS BY ELIGIBLE NRIS/FIIS ON REPATRIATION BASIS

Application Forms have been made available for Eligible NRIs at the Company's Registered Office and at the office of Lead Manager to the Issue.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and should not use the form meant for the reserved category.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated there in. Companies are required to file declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FIIs, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

1. Foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized stock exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as 'Infrastructure Finance Companies'(IFCs) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.

2. Where a foreign institutional investor or a sub account, prior to commencement of these regulations, holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct invest or placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
 - (a). A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
 - (b). Nothing contained in clause (a) shall apply to:
 - i. Any transactions in derivatives on a recognized stock exchange;
 - ii. Short selling transactions in accordance with the framework specified by the Board;
 - iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - iv. Any other transaction specified by the Board.
 - (c). No transaction on the stock exchange shall be carried forward;
 - (d). The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to:
 - i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
 - ii. sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - iii. sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
 - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 2018;
 - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
 - vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
 - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - viii. Any other transaction specified by the Board.
 - (e). A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:

Provided that any shares held in non-dematerialized form, before the commencement of these regulations, can be held in non-dematerialized form, if such shares cannot be dematerialized.

Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.

4. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
5. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
6. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

- (a). Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;
- (b). Such offshore derivative instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly:

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

7. A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.
8. Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.
9. Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.
10. A FII or its sub account which holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
11. A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

12. The issue of Equity Shares to a single FII should not exceed 10% of our post Issue Paid up Capital of the Company. In respect of an FII investing in Equity Shares of our Company on behalf of its sub accounts, the investment on behalf of each sub account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub account is a foreign corporate or an individual.
13. In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its board of Directors followed by the special resolution to that effect by its shareholders in their General Meeting. As on the date of filing the Draft Prospectus, no such resolution has been recommended to the shareholders of the Company for adoption.
14. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of “Know Your Client” requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to herein above is made to any person other than a regulated entity.
15. In case of FIIs in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIFs.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations.

APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability

Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company reserves the right to reject any application, without assigning any reason thereof.

APPLICATIONS BY INSURANCE COMPANIES

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (The “IRDA Investment Regulations”), are broadly set forth below:

- a.) Equity shares of a Company: the least of 10% of the investee Company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b.) The entire group of the investee Company: the least of 10% of the respective fund in case of a life insurer or general insurer or reinsurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- c.) The industry sector in which the investee Company operates: the least of 10% of the insurer’s total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in infrastructure and housing sectors i.e. December 26, 2008, providing, among other things, that the exposure of an insurer to an infrastructure Company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

APPLICATION BY PROVIDENT FUNDS/ PENSION FUNDS

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 25 Crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

APPLICATION UNDER POWER OF ATTORNEY

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI’s, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs.25 Crores a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

- a.) In addition to the above, certain additional documents are required to be submitted by the following entities: With respect to applications by VCFs, FVCIs, FPIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the

Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

- b.) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, the Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- c.) With respect to applications made by provident funds with minimum corpus of Rs. 25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs. 25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the lead manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on their fund order and mailing of the Allotment Advice/ CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

Lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on www.sebi.gov.in. For details on designated branches of SCSB collecting the Application Form, please refer the below mentioned SEBI link.

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>
<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>

ASBA PROCESS

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank

account utilized by the ASBA Applicant (“ASBA Account”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application. The Retail Individual Applicants wishing to apply through UPI Channel, may provide the UPI ID and validate the blocking of the funds and the Application Forms that do not contain such details are liable to be rejected. For further details on the UPI Channel, please refer to the UPI Circular available on the website of the LM.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

HOW TO APPLY?

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process.

MODE OF PAYMENT

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment

in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

UNBLOCKING OF ASBA ACCOUNT

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40 (3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

MAXIMUM AND MINIMUM APPLICATION SIZE

The applications in this Issue, being a fixed price issue, will be categorized into two;

a) For Retail Individual Applicants

The Application must be for a minimum of 6,000 Equity Shares so as to ensure that the Application amount payable by the Applicant does not exceed Rs. 2,00,000.

b) For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 2,00,000 and in multiples of 6,000 Equity Shares thereafter.

A person shall not make an application in the net offer category for a number of specified securities that exceeds the total number of securities offered to the public. Further, the maximum application by non-institutional investors shall not exceed total number of specified securities offered in the issue less total number of specified securities offered in the issue to qualified institutional buyers.

Further, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion.

Applicants are advised to ensure that any single Application form does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Prospectus.

OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form in compliance of the Companies Act, 2013.

Furnishing the details depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.

The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants will not have the option of getting Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

INFORMATION FOR THE APPLICANTS

- a.) The Company will file the Prospectus with the RoC at least 3 (three) working days before the Issue Opening Date.
- b.) The Lead Manager will circulate copies of the Prospectus along with the Application Form to Potential investors.
- c.) Any investor, being eligible to invest in the Equity Shares offered, who would like to obtain the Prospectus and/ or the Application Form can obtain the same from the Company's Registered Office or from the Registered Office of the Lead Manager.
- d.) Applicants who are interested in subscribing to the Equity Shares should approach the Lead Manager or their authorized agent(s) to register their Applications.
- e.) Applications made in the name of Minors and/or their nominees shall not be accepted.

PRE-ISSUE ADVERTISEMENT

As provided in Section 30 of the Companies Act, 2013 and 264(2) of the SEBI (ICDR) Regulations, 2018, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English national daily newspaper; one widely circulated Hindi national daily newspaper and one widely circulated regional newspaper.

SIGNING OF UNDERWRITING AGREEMENT

The issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement with the Lead Manager on [●].

FILING OF THE PROSPECTUS WITH THE ROC

The Company will file a copy of the Prospectus with the RoC in terms of Section 32 of Companies Act, 2013.

- a.) **Designated Date and Allotment of Equity Shares Designated Date:** On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.
- b.) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.
- c.) Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.

- d.) Issuer will make the allotment of the equity shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

Designated Date: On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

INTEREST AND REFUNDS

COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit to Equity Shares the beneficiary account with DPs, and dispatch the allotment Advise within 6 Working Days of the Issue Closing Date.

GROUND FOR REFUND

NON-RECEIPT OF LISTING PERMISSION

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Draft Prospectus. The designated Stock Exchange may be as disclosed in the Draft Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Draft Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Draft Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary bidders.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate as disclosed in the Draft Prospectus.

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the “Stated Minimum Amount” has not been subscribed and the sum payable on application is not received within a period of thirty days from the date of issue of the Draft Prospectus, or such other period as may be specified by the Securities and Exchange Board, the amount received under sub-section (1) shall be returned within such time and manner as maybe prescribed under

that section. If the Issuer does not received the subscription of 100% of the Issue through this offer document including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall Forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 39 of the Companies act, 2013.

MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of proposed Allottees to whom Equity Shares may be allotted shall not be less than 50 (Fifty), failing which the entire application monies may be refunded forthwith.

MODE OF REFUND

IN CASE OF ASBA APPLICATION

Within 6 working days of the Issue Closing Date, the Registrar to the Issue may give instruction to SCSBs forum blocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

MODE OF MAKING REFUND FOR ASBA APPLICANTS

In case of ASBA Application, the registrar of the issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND:

The issuer shall allot securities offered to the public shall be made within the period prescribed by the Board. The issuer shall also pay interest at the rate of fifteen per cent. per annum if the allotment letters or refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner with in eight days from the date of the closure of the issue. However applications received after the closure of issue in fulfillment of underwriting closure of the issue. However applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

1. **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/Allotted Equity Shares in this Issue.
2. Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
3. Approval of the Basis of Allotment by the Designated Stock Exchange. As described above shall be deemed a valid, binding and irrevocable contract for the Applicant.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- Read all the instructions carefully and complete the applicable Application Form;

- Ensure that the details about DPID and Client ID are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application.
- Ensure that the Applications are submitted at the Collection centres only on forms bearing the stamp of the Syndicate or Registered Broker or RTAs or DPs or SCSB (except in case of electronic forms). Ensure that your Application is submitted either to a member of the Syndicate (in the Specified Locations), a Designated Branch of the SCSB where the Applicant has a bank account or a UPI ID linked Bank Account, or to a Registered Broker at the Broker Centres or to RTAs or DPs at collection centres and not to our Company.
- Ensure that you have funds equal to the Application Amount in the ASBA Account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs or the Non- Syndicate Registered Broker (at the Broker Centres) or RTAs/DPs at the collection centers.
- Instruct your respective banks to not release the funds blocked in the ASBA Account/UPI ID linked Bank Account under the ASBA process;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the 262 respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that Applications submitted by any person resident outside India is in compliance with applicable foreign and Indian laws
- All Applicants should submit their application through ASBA process only.
- Ensure that you have mentioned the correct ASBA Account number in the Application Form and in case of Retail Individual Applicants applying through UPI Channel, ensure that you have mentioned the correct UPI ID;
- Ensure that you have correctly signed the authorization/ undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account/ UPI ID linked Bank Account, as the case may be, equivalent to the Application Amount mentioned in the Application Form; and

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not use third party bank account or third party UPI ID linked Bank Account for making the Application;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form

- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue.
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected. SEBI, vide Circular No. CIR/CFD/14/2012 dated October 4, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker (“broker”) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker’s Centre is available on the websites of BSE i.e. www.bseindia.com.

APPLICANTS’S DEPOSITORY ACCOUNT AND BANK DETAILS

Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Please note that, furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant’s name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as ‘Demographic Details’). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants’ sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

PAYMENT BY STOCK INVEST

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

OTHER INSTRUCTIONS**JOINT APPLICATIONS IN THE CASE OF INDIVIDUALS**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

MULTIPLE APPLICATIONS

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- I. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- II. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- III. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 (Twenty) valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected.

More than one ASBA.

Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

PERMANENT ACCOUNT NUMBER OR PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the Income Tax Act, 1961. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the General Index Registration (“GIR”) number instead of the PAN, as the Application is liable to be rejected on this ground.

Our Company/ Registrar to the Issue/ Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB’s in the ASBA system, without any fault on the part of Applicant.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

GROUND FOR REJECTIONS

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;

- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 6,000;
- Category not ticked;
- Multiple Applications as defined in the Draft Prospectus;
- Applications made using a third party bank account or using third party UPI ID linked bank account
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Draft Prospectus and as per the instructions in the Draft Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications by Applicants, other Retail Individual Applicants, not submitted through ASBA process and Applications by Retail Individual Applicants not submitted through ASBA process or the UPI process
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Issue Closing Date;
- Applications not containing the details of Bank Account and/or Depositories Account.
- In case of Retail Individual Applicants applying through the UPI mechanism, details of UPI ID, not provided in the Application form

For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID and UPI Circular.

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- i. a tripartite agreement dated 9th January, 2019 with NSDL, our Company and Registrar to the Issue;
- ii. a tripartite agreement dated 5th January, 2019 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN: INE04AK01010

- a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- b) The applicant must necessarily fill in the details (including the Beneficiary Account Number and

- Depository Participant's Identification number) appearing in the Application Form or Revision Form.
- c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
 - d) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
 - e) If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
 - f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis- à-vis those with their Depository Participant.
 - g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange platform where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
 - h) The trading of the Equity Shares of our Company would be only in dematerialized form.

COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc. at below mentioned addresses;

<p>Mr. Hari Om Sharma 49/95, Sahibabad Industrial Area Site 4, Sahibabad, Ghaziabad, Uttar Pradesh- 201010 CIN: U18100UP2011PLC043209 E-mail: info@sbccl.com Website: www.sbcexportslimited.com Tel. No. +91-0120-2895246</p>	<p>Bigshare Services Private Limited E2 Asna Industrial Estate, Saki Vihar Road, Sakinaka Andheri East, Mumbai -400072 Tel.No. +91-22-40430200 Fax No. +91-22-28475207 Email: ipo@bigshareonline.com Investor Grievance Email: ipo@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Srinivas Dornala SEBI Regn. No.: INR000001385</p>
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DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one working day of the date of Allotment of Equity Shares.

The Company shall use best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 (six) working days of closure of the issue.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of section 38(1) of the Companies Act, 2013 which is reproduced below:

- a) 'Any person who: makes or abets making of an application in a fictitious name to a company for

acquiring, or subscribing for, its securities; or

- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of Companies Act, 2013 and shall be treated as Fraud.

Section 447 of the Companies Act, 2013, is reproduced as below:

Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud:

Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to twenty lakh rupees or with both.

BASIS OF ALLOTMENT

Allotment will be made in consultation with BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 6,000 equity shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted 6,000 equity shares; and
 - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 6,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 6,000 equity shares subject to a minimum allotment of 6,000 equity shares.

5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.
6. Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
 - a) Minimum of 50% of the net offer of shares to the Public (i.e. 14,16,000 Equity Shares) shall be made available for allotment to retail individual investors; and
 - b) The balance net offer of shares to the public (i.e. 14,16,000 Equity Shares) shall be made available for allotment to Non-Institutional Investors, including Qualified Institution Buyers, Corporate Bodies/ Institutions.
 - c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

Explanation: If the retails individual investor category is entitled to more than allocated portion on proportionate basis, the retails individual investors shall be allocated that higher percentage.

Our Company shall ensure that out of total allocated shares to the Category “Non-Institutional Investors, including Qualified Institution Buyers, Corporate Bodies/ Institutions”, at least 15% of net offer of shares to the public shall be allocated to Non-Institutional Investors and not more than 50% shall be allocated to Qualified Institution Buyers including allocation of 5% to Mutual Funds.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled “BASIS OF ALLOTMENT” on page 254 of this Draft Prospectus.

“Retail Individual Investor” means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the SME Platform of BSE.

BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified in page 55 shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the SME Platform of BSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FPIs and foreign venture capital funds and all Non Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

UNDERTAKING BY OUR COMPANY

Our Company undertakes the following:

1. that the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
3. that funds required for making refunds/unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non - resident Indians shall be completed within specified time; and
5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Draft Prospectus are listed or till the application monies are refunded on account of non-listing, under subscription etc.
6. that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
7. adequate arrangements shall be made to collect all Application Forms under the ASBA process/ UPI process, as the case may be, while finalising the Basis of Allotment.

UTILIZATION OF ISSUE PROCEEDS

The Board of Directors certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested;
- 4) Our Company shall comply with the applicable requirements of section SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively;
- 5) Our Company shall not have recourse to utilize the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2017 ("FDI Policy 2017"), with effect from August 28, 2017, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include:

(i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that:

(a) the requisite approval of the Government has been obtained; and
(b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.;

ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time;

(iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that:

(a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionality's (such as minimum capitalization, etc.), reporting requirements, documentation etc. ;
(b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank; and

(iv) where the investee company is in the financial sector provided that:

- (a) Any fit and proper/due diligence requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and
- (b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

Investment by FPIs under Portfolio Investment Scheme (PIS)

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

Investment by NRI or OCI on repatriation basis:

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017.



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The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations - Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis - will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION IX - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at extra-ordinary general meeting of the Company held on 18th August, 2018 in substitution for, and to the entire exclusion of the earlier regulations comprised in the extant Articles of Association of the Company.

1. The regulations contained in Table 'F', in the Schedule to the Companies Act, 2013 or in the Schedule, to any previous Companies Act, shall apply to the Company, only in so far as the same are not provided for or are not inconsistent with these Articles.

The regulations for the management of the Company and for the observance of the members thereof and their representatives and to any exercise of the Statutory Powers of the Company in reference to the repeal or alteration of addition or deletion to its regulations in the manner prescribed under Companies Act, 2013, shall be such as are contained in these articles from time to time.

INTERPRETATION

- 2 (1) In these Articles -
 - i. "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.
 - ii. "Company" shall mean **SBC EXPORTS LIMITED**.
 - iii. "Auditors" shall mean and includes those persons appointed as such for the time being by the Company.
 - iv. "Board" or "Board of Directors" shall mean the Board of Directors of the Company.
 - v. "Branch Office", in relation to a company, means any establishment described as such by the company;
 - vi. "Employees' stock option" means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price;
 - vii. "Seal" or "the seal" means the common seal of the company.
- (2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

SHARE CAPITAL AND VARIATION OF RIGHTS

2. The Share Capital of the Company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association and with the power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being in several classes privileges or any conditions as may be determined in such a manner as they for the time being be provided by the regulations of the Company and sub divide the shares and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being subject to the provisions of the Act, be provided by the regulations of the Company.
3. Subject to the provisions of the Act and these Articles, the shares shall be in the capital of the company shall be under the control of the Board, who may allot or otherwise dispose of the same or any of them to such persons, in such proportion, and on such terms and conditions, and at such time as the Directors think fit and with power to issue any shares as fully paid up in consideration of services rendered to the Company in its formation or otherwise, provided that where the Board decides to increase the issue capital of the Company by the issue of further shares, the provisions of the Act will be complied with. Provided further that the option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting.
4. The Share Capital of the Company shall be of two kinds, namely:
 - a. equity share capital—
 - i. with voting rights; or
 - ii. with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
 - b. Preference share capital
5. Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the capital of the Company as payment or part payment for any property or assets of any kind whatsoever, sold or to be sold or transferred or to be transferred or goods or machinery supplied or to be supplied or for service rendered or to be rendered or for technical assistance or know-how made or to be made available to the Company for the conduct of its business and shares which may be so allotted, may be issued as fully or partly paid-up, otherwise than in cash and if so issued, shall be deemed to be fully or partly paid as the case may be.
6.
 - a. No such shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;
 - b. No such shares shall be redeemed unless they are fully paid;
 - c. The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the shares are redeemed;
 - d. Where any such shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the "Capital Redemption Reserve Account" and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;

- e. The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;
 - f. The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to the Shareholders as fully paid bonus shares; and
 - g. Whenever the Company shall redeem any redeemable preference shares or cumulative convertible redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar of Companies as required by Section 64 of the Act.
7. The Company shall have power to issue Securities at a premium and shall duly comply with the provision of Sections 52 of the said Act.
 8. The Share capital may be divided into different class of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of that class, as prescribed by the Act.
 9. The provisions of these articles relating to issue of certificates shall mutatis mutandis apply to debentures of the company.
 10. The Company shall comply with the provisions of Section 62 and other applicable rules of the Act with regard to increasing the subscribed capital of the Company.
 11. The Company may, at any time, pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any share, debenture or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, such commission in respect of shares shall be paid or payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed such percentage of the price of shares / debentures as may be statutorily permitted. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.

Share Certificate

12. A certificate, issued under the common seal of the Company, specifying the shares held by any person, shall be prima facie evidence of the title of the person to such shares and a share held in depository form, the record of the depository is the prima facie evidence of the interest of the beneficial owner.
13. Every person whose name is entered as a member in the register of member shall be entitled to receive without payment within statutorily prescribed period from the date of application, application for registration of transfer or transmission of share or debentures-
 - a. One certificate for all his shares without payment of any charge;
 - b. several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

14. Every Certificate shall be under the seal and specify the shares to which it relates and the amount paid thereon.
15. The Company shall be entitled to dematerialise its shares of any class, debentures and other securities pursuant to the Depositories Act, 1996, and to offer its shares, debentures and other securities for issue in dematerialised form.
16. All the shares in the capital of the company, other than those hold in dematerialised form, shall be numbered consecutively.
17. In respect of any share(s) held jointly by several persons, the company shall not be bound to issue more than one certificate and the delivery of a certificate for the share(s) to one of several joint-holders shall be sufficient delivery to all such holders.
18. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof. If any certificate is lost or destroyed, the Company may, upon such evidence and proof of such loss or destruction and on execution of such indemnity as the company may deem adequate, a new certificate in lieu thereof shall be issued on payment of twenty rupees for each certificate.
19. The company, at the request, may issue two or more fresh share certificates in lieu of an existing share certificate bearing the same distinctive numbers, and consolidate the share comprised in two or more share certificates or in such separate lots as he may desire into one certificate, upon production and surrender of the existing share certificates by any person whether the registered holder of the share or not being in possession of any share certificate in the name of the person or persons in whose name the original certificate stood and the new certificates so issued shall be delivered to the person who surrendered the original certificates or to his order.
20. All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

Lien

21.
 - a. the company shall have a first and paramount lien upon all Shares/debenture (not being a fully paid share/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a time fixed in respect of such shares/debentures and no equitable interest in any shares shall be created except on the footing and condition that this Article will have full effect. And such dividend shall extend to all dividends and bonuses from time to time declared in all respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien, if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provision of this clause.
 - b. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

- i. unless a sum in respect of which the lien exists is presently payable; or
 - ii. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- c. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
 - d. The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Forfeiture of Shares

22.

- a. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest, which may have accrued;
- b. the notice aforesaid shall name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited;
- c. if the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

23.

- a. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit;
- b. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit;
- c. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares;
- d. The liability of such person shall however cease if and when the company has received payment in full of all such monies in respect of the share.

24.

- a. A duly verified declaration in writing that the declarant is a director, the manager or the

secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

- b. The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
 - c. The transferee shall thereupon be registered as the holder of the share;
 - d. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share;
25. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue.

Calls on Shares

- 26.
- a. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times;
 - b. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed, and may be required to be paid by installments;
 - c. Each member shall, subject to receiving at least fourteen days notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares;
 - d. A call may be revoked or postponed at the discretion of the Board.
 - e. Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.
- 27.
- a. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sums is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate, as the Board may determine;
 - b. The Board shall be at liberty to waive payment of any such interest wholly or in part;
28. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 29.
- a. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable;

- b. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
30. The Board—
- a. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- b. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve percent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Transfer of Shares

31. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee. The Transferor shall be deemed to remain a holder of the share until name of the transferee is entered in the register of members in respect thereof.
32. Every endorsement upon the certificate of any share in favour of any transferee shall be signed by a Director or Secretary of the Company or by some other person for the time being duly authorised by the Board of Directors in that behalf. In case any transferee of share applies for a new certificate in lieu of the old or existing certificate, he shall be entitled to receive a new certificate upon his delivering up to be cancelled every old or existing certificate which is to be replaced by a new one.
33. Subject to the provisions of the Act or any other law for the time being in force, the Board may, at their absolute discretion, decline to register transfer of any share whether fully paid or not to a person of whom they do not approve or on which the company has a lien.
34. The Board may decline to recognise an instrument of transfer unless: -
- a. the instrument of transfer is duly executed and is in the form prescribed in the rules made under the Act.
- b. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer
- c. the instrument of transfer is in respect of only one class of shares.
35. On giving not less than seven days' previous notice in accordance with the Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine, provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
36. The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the company.

Transmission of Shares

- 37.
- a. on the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only

-
- persons recognised by the company as having any title to his interest in the shares.
- b. Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- 38.
- a. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either -
- i. to be registered himself as holder of the share; or
- ii. to make such transfer of the share as the deceased or insolvent member could have made.
- b. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
39. The Company, Directors and its officers shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
- 40.
- a. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- b. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- c. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
41. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company, Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
42. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of share in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognize any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not he shall have express or implied notice thereof.
43. The provisions of these Articles relating to transmission of shares by operation of law shall mutatis mutandis apply to any other securities including debentures of the company.

Shares held in Depository

- 44.
- a. Except as specifically provided in these articles, the provisions relating to jointholder of shares, calls, lien on shares, forfeiture of shares, transfer and transmission of shares and voting at meeting shall be applicable to shares held in a depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act, 1996 or any other law for the time being in force.
 - b. In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 or any other law for the time being in force shall apply.
 - c. A Register and an index of beneficial owners in the manner prescribed in the Act maintained by a depository under the provisions of the Depositories Act, 1996 or any other law for the time being in force shall be deemed to be a register of members, index of members and register and index of debentureholders, as the case may be, for the purpose of the Act.

Alteration of Capital

- 45.
- a. The company may, from time to time, by ordinary resolution - increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
 - b. Subject to the Provisions of Section 61 of the Act, the company may, by ordinary resolution,-
 - i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
 - iv. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
46. Where shares are converted into stock,—
- a. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;
 - b. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;
 - c. Such of the regulations of the company as are applicable to paid-up shares shall apply to

stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

47. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law -
- a. its share capital;
 - b. any capital redemption reserve account; or
 - c. any share premium account.

Capitalisation of Profits

- 48.
- a. The company in general meeting may, upon the recommendation of the Board, resolve –
 - i. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - ii. that such sum be accordingly set free for distribution in the manner specified in clause (b) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
 - b. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article (45) either in or towards -
 - i. paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - ii. paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - iii. partly in the manner specified in sub clause (i) and partly in the manner specified in sub clause (ii).
- 49.
- a. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
 - b. The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
- 50.
- a. Whenever such a resolution as aforesaid shall have been passed, the Board shall –
 - i. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
 - ii. generally do all acts and things required to give effect thereto.
 - b. The Board shall have power –
 - i. to make such provisions, by the issue of fractional certificates or by payment in cash or

otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

- ii. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- c. Any agreement made under such authority shall be effective and binding on such members.

Buyback of Shares

- 51.
 - a. Notwithstanding anything contained in these articles but subject to the provisions of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities. The Company shall also have the power to re-issue the shares so bought back.
 - b. Except as provided by the Act, the Company shall not, except by reduction of capital under the provision of Sections 66 or Section 242 of the said Act, buy its own shares nor give, whether directly or indirectly, and whether by means of a loan, guarantee, provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company.

General Meetings

- 52.
 - a. All general meetings other than annual general meeting shall be called extraordinary general meeting.
 - b. The Board may, whenever it thinks fit, call an extraordinary general meeting.
- 53. No Business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. The quorum for any general meeting shall be as provided in the Act.
- 54. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
- 55. When the Chair is vacant, no business shall be transacted or discussed at any general meeting except the election of chairperson.
- 56. If there is no such Chairperson or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
- 57. If at any meeting no director is willing to act as Chairperson or if no director is present within thirty minutes or such other extended time the Act for the time being in force may provide, after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
- 58. The Chairperson shall have a second or casting vote (in addition to the vote or votes which he may be entitled as a member) on any business at any general meeting, in case of equality of votes, whether on show of hands or electronically or on a poll.

Minutes of General Meetings

59. The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such a manner as may be prescribed in the Act and Rules made thereunder and kept by making within 30 days of the Conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.
60. The Chairperson of the meeting shall exclude at his absolute discretion such of the matters as are or could reasonably be regarded as defamatory of any person or irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.
61. The Chairperson Shall exercise on absolute discretion in regard to inclusion or non-inclusion of any matter in the minutes on the grounds specified in aforesaid clause.

Adjournment of Meeting

- 62.
- a. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place;
 - b. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Proceedings at General Meeting

- 63.
- a. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting;
 - b. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Conduct & Responsibilities of Shareholders attending General Meetings

64. While attempting to exercise the rights as a shareholder, a shareholder shall keep the order and maintain the decorum of the meeting throughout the entire venue of the meeting. The Shareholders shall be duly informed by the Company about the nature of conduct expected from them during their presence at the venue of any general meeting as specified in the permission / approval received from the law enforcement authorities for convening the meeting, by conspicuously displaying at the venue of the general meeting, such terms and conditions subject to which such permission / approval is granted by the law enforcement authorities.

Voting Rights

65. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- a. on a show of hands, every member present in person shall have one vote; and
 - b. on a poll or on electronic voting, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
66. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once. A member who has already voted by electronic means shall not be entitled to vote on the same business again in any other manner whether on a poll or otherwise.

- 67.
- a. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders;
 - b. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
- 68.
- a. If any member is a minor, the vote in respect of his shares shall be exercised by his guardian or any one of his guardians;
 - b. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
69. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
70. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
- 71.
- a. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes;
 - b. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

72. Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person (whether a member or not) as a proxy on his behalf, for that meeting.
73. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
74. An instrument appointing a proxy shall be in the form as prescribed in the Act/Rules.
75. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

SECTION X-OTHER INFORMATION**MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus delivered to the Registrar of Companies for registration, and also the documents for inspection referred to hereunder, may be inspected at our Registered Office of our Company from 10.00 am to 5.00 pm on Working Days from the date of this Draft Prospectus until the Issue Closing Date.

MATERIAL CONTRACTS

- 1) Memorandum of Understanding dated 8th April, 2019 between our Company and the Lead Manager to the Issue.
- 2) Memorandum of Understanding dated 8th April, 2019 entered into with Bigshare Services Private Limited to appointing them as the Registrar to the Issue.
- 3) Copy of tripartite agreement dated 9th January, 2019 between NSDL, our Company and Bigshare Services Private Limited.
- 4) Copy of tripartite agreement dated 5th January, 2019 between CDSL, our Company and Bigshare Services Private Limited.
- 5) Public Issue Account Agreement dated [•] between our Company, the Lead Manager, Banker to the Issue/Sponsor Bank and the Registrar to the Issue..
- 6) Market Making Agreement dated [•] between our Company, Lead Manager and Market Maker.
- 7) Underwriting Agreement dated [•] between our Company and Underwriters.

DOCUMENTS FOR INSPECTION

- 1) Memorandum and Articles of Association of our Company as amended from time to time.
- 2) Copy of the resolution passed at the meeting of the Board of Directors held on 15th December, 2018 approving the issue.
- 3) Copy of the resolution passed by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on 02nd January, 2019.
- 4) Copy of Board resolution dated 10th December, 2018 appointing Mr. Dheerendra Kumar Gupta as the Managing Director of our Company for a period of Five (5) years w.e.f 10th December, 2018 and approving their terms.
- 5) Copy of Audited Financial Statements of our Company for the Stub Period ended December 31, 2018 and for the financial years i.e. 2015-16, 2016-17 and 2017-18;
- 6) Consents of the Directors, Company Secretary/Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer Review Auditors, Lead Manager to the Issue, Underwriters, Market Makers, Bankers to the Issue, Legal Advisors to the Issue, and Registrars to the Issue, to include their names in the Prospectus to act their respective capacities.



SBC EXPORTS LIMITED

- 7) Audit report and restated financial information issued by our Peer Review Auditors i.e. M/s. Jagdish Chand & Co., Chartered Accountants, dated 8th April, 2019 included in the Draft Prospectus.
- 8) Letter dated 8th April, 2019 from the statutory Auditors of our Company, M/s. R.N.K.A & Co., Chartered Accountants, detailing the tax benefits.
- 9) Copy of certificate from the statutory Auditors of our Company, M/s. R.N.K.A & Co., Chartered Accountants, dated 8th April, 2019, regarding the sources and deployment of funds as on 31st March, 2019.
- 10) Board Resolution dated 23rd April, 2019, for approval of Draft Prospectus.
- 11) Due Diligence Certificate dated [•] from Lead Manager viz. Navigant Corporate Advisors Limited along with the filing of the Prospectus.
- 12) Copy of approval from BSE vide letter dated [•] to use the name of BSE in this offer document for listing of Equity Shares BSE-SME.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act, 2013, applicable provisions of Companies Act, 1956 and the guidelines issued by the Government of India or the Regulations/Guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013, applicable provisions of Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS

Name of Director	DESIGNATION	DIN	ADDRESS	SIGNATURE
Mrs. Deepika Gupta	Whole-Time Director	03319765	317 SF-1, Gyan Khand-1, Indirapuram, Shipra Sun City, Ghaziabad, Uttar Pradesh.-201014	Sd/-
Mr. Dheerendra Kumar Gupta	Managing Director	03321016	Plot No- 317, 2 nd Floor -1, Gyan Khand -1, Indirapuram, Shipra Sun City, Ghaziabad, Uttar Pradesh - 201014	Sd/-
Mr. Akshat Gupta	Non- Executive Independent Director	08295391	32/98, Maniram Bagia, Kanpur Nagar, Kanpur, Uttar Pradesh.- 208001	Sd/-
Mr. Vinod Kumar	Non- Executive Independent Director	08296368	Vill- Makandruganj, Teh- Sadar, Pratapgarh, Uttar Pradesh -230001	Sd/-
Mrs. Manupriya Mishra	Non- Executive Independent Director	08296485	SRA-68C, Shipra Rivera, Gyan Khand-3, Indirapuram, Ghaziabad, Uttar Pradesh -201014	Sd/-
Mr. Amit Jaiswal	Non- Executive Independent Director	08297910	Teacher Colony, Mahuwariya, Mirzapur, Uttar Pradesh-230001	Sd/-
Mr. Manish Gupta	Non- Executive Independent Director	08299385	73, Stanley Road, Allahabad Kty, Soroan, Allahabad, Uttar Pradesh- 211002	Sd/-

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Hari Om Sharma

SIGNED BY THE CHIEF FINANCIAL OFFICER

Mr. Mukesh Bhatt

Date: 23rd April, 2019

Place: Uttar Pradesh

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY NAVIGANT CORPORATE ADVISORS LIMITED

TABLE:1

Sr. No.	Issue Name	Issue Size (Rs. Cr.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Prabhat Telecoms (India) Limited	11.22	51.00	03-08-2016	61.20	+43.14% (+3.01%)	+47.06% (+0.65%)	+54.90% (+0.55%)
2	KMS Medisurgi Limited	2.70	30.00	24-04-2017	30.00	+0% (+2.18%)	+2.17% (+8.00%)	+0.33% (+9.22%)
3	Pure Giftcarat Limited	7.45	13.00	08-05-2017	10.80	+0.77% (+4.49%)	+0% (+8.02%)	+8.85% (+12.56%)
4	Jalan Transolutions (India) Limited	17.71	46.00	31-05-2017	41.50	-21.74% (-0.72%)	-27.07% (+0.78%)	-12.28% (+8.28%)
5	G G Engineering Limited	2.23	20.00	17-07-2017	21.00	+9.50% (-0.87%)	+119.75% (+1.12%)	+155.00% (+7.85%)
6	Keerti Knowledge & Skills Limited	4.05	52.00	07-08-2017	51.05	-9.02% (-1.90%)	-27.12% (+4.37%)	+1.92% (+8.65%)
7	Ashok Masala Mart Limited	2.01	10.00	22-08-2017	12.00	-19.40% (+3.45%)	-6.50% (+7.65%)	-7.50% (+8.69%)
8	Manav Infra Projects Limited	5.51	30.00	18-09-2017	32.00	-32.50% (+0.50%)	-40.83% (+3.21%)	-48.33% (+3.89%)
9	Ajooni Biotech Limited	6.59	30.00	02-01-2018	36.00	+51.33% (+6.19%)	+3.33% (-1.65%)	-20.00% (+4.77%)
10	Continental Seeds and Chemicals Limited	4.21	26.00	04-04-2018	27.30	-16.19% (+5.74%)	-26.92% (+7.15%)	-47.50% (+9.72%)
11	Power and Instrumentation (Gujarat) Limited	6.15	33.00	23-04-2018	35.00	-6.36% (+0.58%)	-48.48% (+5.94%)	-63.64% (-0.39%)
12	Dr Lalchandani Labs Limited	4.20	30.00	09-05-2018	29.95	-2.50% (+0.35%)	+3.17% (+6.64%)	-20% (-2.84%)
13	Sirca Paints India Limited	77.91	160.00	30-05-2018	162.00	-5.25% (+1.48%)	+49.78% (+10.85%)	+36.50% (+0.21%)
14	Rajnish Wellness Limited	11.98	95.00	09-07-2018	100.00	+18.05% (+5.43%)	+20.84% (-4.33%)	+37.00% (+0.67%)
15	Akg Exim Limited	5.52	31.00	25-09-2018	32.25	+5.16% (-7.14%)	+3.23% (-2.48%)	+15.81% (+4.13%)

Note: The 30th, 90th, and 180th calendar days has been taken as listing date plus 29, 89, 179 calendar days respectively. Where the 30th day / 90th day / 180th day falls on BSE / NSE Trading holiday or falls on day when there is no trade in equity share of the respective company, preceding trading day has been considered. BSE SENSEX has been considered as the benchmark index. We have taken the Issue Price to calculate the % of change in closing price as on 30th, 90th, and 180th calendar day.

TABLE 2: SUMMARY STATEMENT OF DISCLOSURE OF PAST ISSUED HANDELED BY NAVIGANT CORPORATE ADVISORS LIMITED

Financial Year	Total No. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019-2020	0	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
2018-2019	6	109.97	0	0	4	0	0	2	1	1	0	2	1	
2017-2018	8	48.25	0	1	3	1	0	3	0	1	3	1	3	
2016-2017	1	11.22	0	0	0	0	1	0	0	0	0	1	0	