

Annexure II:

Prospectus for public issue of commercial paper worth Nu. 100 million.

The following constitutes full and true disclosure of all material facts relating to commercial papers offered by this prospectus as required by the Companies Act of Bhutan 2016:

1. General Information:

Name of Company: State Trading Corporation of Bhutan Ltd.

Registered office: Babesa, Thimphu

Auditors: GHOSH & ASSOCIATES

Bankers: Bank of Bhutan Ltd.

Registration/License: L19960305BHU028

2. Objective of the issue: To Meet the working capital, inventory purchase as per customer order.

3. Particular of offer:

Issue Price per CP	Number of CPs Offered	Subscription Date	Allotment Date	Nature of scrip
100,000	2000	Commercial Paper is secured by inventory worth Nu. 266,924,242.72 as on 14/08/24 and trade receivables worth Nu. 128,598,194.50.

4. Term of the Commercial Paper & Rate of Interest

Term	Interest	Payment of Coupon Amount
180 Days	5.5%	5,424,657.53



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5. **Maturity Period:** The maturity period of the CP will be 180 days from the date of allotment as specified above. In the event of premature redemption of the CP, the issuer will redeem only the principal amount and the interest accrued till date of premature redemption subject to 3 % penalty.

6. **Method of distribution:** In lumpsum amount through RSEBL facility.

7. **Use of fund:** The fund shall be used to fund the working capital and procure inventories for customer orders.

8. **Payment of Interest/coupon:**

- a. The CP shall be listed with the stock exchange for the secondary transaction.
- b. The interest amount shall be paid to the investor A/C payee cheque.
- c. The Central Depository of RSEBL shall be the custodian for the debt instrument and facilities the interest payment.

9. **Risk factors:**

The investor should make their own assumption/analysis on the general market risk before deciding to invest in the scripts. However, following risks are directly related in the investment business:

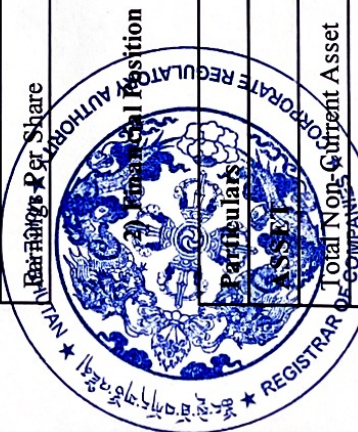
- a. **Operational Risk:** STCBL's revenue is dependent directly to the domestic market situation. Change in market situation due to fall in price of competitive product or better product in market may impact net revenue.
- b. **Market/Economy Risk:** STCBL's product depends on change of government policies and regulations. For instance, new regulation has impacted the business in procuring vehicle though there is demand in the market.
- c. **Discount Rate Risk:** The present value of the defined benefit is dependent on the discount rate. The risk of reduction/increase of lending rate due to market force will result in cost of investment.



10. Financial Highlights of the issuer for the last 3 years (Audit Figure) and projected 3 years

1) Comprehensive Income

Particulars	2021	2022	2023	2024	2025	2026
Total Revenue	3,161.59	3,231.26	3,443.46	3,730.66	4,120.56	4,494.49
Total Expenses	3,049.28	3,151.91	3,423.45	3,694.99	3,988.08	4,304.41
Profit Before Tax	112.31	79.36	20.01	35.67	132.49	190.08
Tax Expenses	32.71	22.01	7.31	1.78	6.62	9.50
Net Profit for the year	79.60	57.35	12.71	33.89	125.86	180.58
Other Comprehensive Income for the Year	(1.76)	64.65	15.51	-	-	-
Total comprehensive income	77.84	122.00	28.21	33.89	125.86	180.58
Per Share	4.42	3.19	0.71	1.88	6.99	10.03



Particulars	2021	2022	2023	2024	2025	2026
Total Non-Current Asset	346.56	524.57	672.53	639.98	755.39	870.80
Total current Asset	813.35	923.34	799.46	780.27	637.20	494.13
Total Asset	1,159.91	1,447.90	1,471.99	1,420.24	1,392.59	1,364.93
Equity and Liabilities						
Total Equity	573.73	647.92	631.13	630.69	613.45	596.22
Non-Current Liabilities	162.86	195.34	181.29	180.20	165.05	149.90
Current Liabilities	423.31	604.64	659.57	655.00	705.35	755.71
Total Equity and Liabilities	1,159.91	1,447.90	1,471.99	1,465.88	1,483.86	1,501.84

3. Inventory Highlights of the Issuer till date 14/08/2024

3.1 Inventory Details as on 14/08/2024

The total inventory as on 14th August, 2024 is worth Nu. 266,924,242.72.

No.	Name	Amount (Nu.)
109950	TATA VEHICLE	63,618,054.05
109960	TATA SPARE PARTS	36,543,904.10
109980	EICHER VEHICLE	9,911,636.53
109990	EICHER SPARE PARTS	9,260,584.79
110010	TOYOTO VEHICLE	11,755,998.77
110020	TOYOTO SPARE PARTS	57,643,791.28
110024	DHAKA BHUTAN OUTLET	5,779,310.92
110030	TOYOTA TYRES & TUBES	3,529,827.15
110036	MULTI-BRAND SPARE PARTS	3,889,098.81
110039	SML SPARE PARTS	8,818,446.96
110040	SML VEHICLE	6,923,500.00
110042	TRACTORS	5,162,944.04
110044	TRACTORS SPARES	2,211,702.57
110045	HOUSE HOLD ITEMS	2,942,262.76
110046	FRANKEY FABER	5,319,350.11
110049	JK TYRES	1,960,214.45
110052	APOLLO TYRES & TUBES	14,584,220.17
110054	KENT WATER FILTER	1,781,449.30
110059	HPCL	4,155,607.96
110065	COMPUTER & ACCESSORIES	7,954,482.17
110069	TATA SERVICE CENTRE - PLING	3,177,855.83
		266,924,242.72



3.2 Trade Receivables as on 23/04/2024

Additionally, we will be collecting Nu. 128,598,194.50 within 180 days against total Trade Receivables of Nu. 358,709,430.65 as on 31st July, 2024.

Sl. No.	Customer Name	Amount
1	VAJRA BUILDERS PRIVATE LIMITED	15,879,670.24
2	PROJECT DANTAK 60 RCC CHAPCHA	10,458,452.10
3	DEJUNG CONSTRUCTION PVT LTD	6,920,336.49
4	DRUK GREEN POWER CORPORATION	6,471,237.76
5	M/S. CHEKI WANGMO TRANSPORT	6,259,329.15
6	MANGDECHHU HYDROPOWER PLANT	5,413,800.00
7	ROYAL BHUTAN POLICE	4,818,552.23
8	DRUK HOLDING INVESTMENT	4,495,453.36
9	DE KHOR CONSTRUCTION PRIVATE LIMITED	4,103,000.00
10	JIGS TYRES & SPARE PARTS	3,420,047.36
11	STATE MINING CORPORATION LIMITED SAMTSE	3,220,566.76
12	ROYAL BODY GUARD	2,722,495.50
13	BHUTAN POWER CORPORATION LTD	2,502,196.37
14	EMPIRE CONSTRUCTION PVT. LTD	2,460,040.68
15	CONSTRUCTION DEVELOPMENT CORPORATION LTD	2,321,885.63
16	ATSARA SPARE PARTS	2,142,971.39
17	RANA ENTERPRISE	2,040,784.45
18	RAI TYRE SHOP	1,844,268.47
19	TSANGLHA CONSTRUCTION	1,786,445.72
20	BHUTAN NATIONAL BANK	1,716,824.11
21	THUJI CONSTRUCTION PRIVATE LIMITED	1,510,499.33
22	MIGMA AUTO WORKSHOP	1,378,445.00
23	SHA SPARE PARTS SHOP	1,367,556.52
24	DHAREYDARA STONE QUERY	1,142,923.00
25	ROYAL INSURANCE CORPORATION OF BHUTAN	1,093,421.27
26	MINISTRY OF AGRICULTURE	1,042,432.83
27	M/S CITY BUS SERVICE	983,550.89
28	TASHI DUNGKARLING WORKSHOP	977,305.64
29	M/S KAMDANG TRANSPORT	961,596.48



30	GAMMON ENGINEERS AND CONTRACTOR PVT LTD	933,582.25
31	UGYEN TSHENDEN CONSTRUCTION	932,428.05
32	NEXEN TYRES	888,842.00
33	BAL AUTOMOBILE WORKSHOP	850,796.21
34	T & K CONSTRUCTION PVT LTD	840,929.72
35	GAWA YARPHEL CONSTRUCTION	830,164.60
36	SANGDAG CONSTRUCTION PRIVATE LIMITED	809,770.28
37	BHUTAN INSURANCE LIMITED	771,641.07
38	AJIT ENTERPRISE	760,936.05
39	YESHI AUTO PARTS	718,800.26
40	CHEKI WANGMOTRANSPORT	690,630.90
41	THIMPHU THROMDE	666,790.17
42	BHUTAN LIVESTOCK DEVELOPMENT CORPORATION LIMITED	642,469.54
43	PEMAGATSHEL DZONGKHAG ADMINISTRATION	630,962.00
44	RIGSAR CONST. PVT LTD	600,310.04
45	LUNGWANG NORPHEL TRANSPORT	599,989.58
46	KINGA TSHERING AUTOMOBILE WORKSHOP	586,137.71
47	M/S. RIGSAR CONSTRUCTION PVT LTD FOR PETROLEUM DIV	10,078,060.95
48	AJANG GARI AUTO SPARE PARTS	537,323.13
49	DRUK HOLIDNG INVESTMENT	534,098.18
50	BHUTAN TELECOM LTD	499,921.89
51	BHUTAN HYDROPOWER SERVICE LIMITED	494,570.70
52	ROYAL MONETARY AUTHORITY	397,918.47
53	GYALSUNG ACADEMY, GYALPHOZHING	363,760.71
54	THUENKYEN PHUENTSHOG ENGG AUTO WORKSHOP	351,573.50
55	BANK OF BHUTAN	318,806.81
56	MINISTRY OF INFRASTRUCTURE & TRANSPORT	309,949.52
57	MONGAR DZONGKHA ADMINISTRATION	500,941.48
		128,598,194.50

Total Receivables as on 31.07.24	358,709,430.65
Receivables pledged for NPPF term loan	73,295,154.76
Balance TR	285,414,275.89



11. Particular of present Board of Director and CEO

Name	Designation
Mr. Chhime Tshering	Director, Department of Industry
Mr. Phuntsho Namgyal	Director, Department of Geology and Mines
Mr. Kelzang Lhendup	Senior Analyst, Druk Holding and Investments Ltd.
Mr. Singye N Dorji	Joint Managing Director, RSA Pvt Ltd
Mr. Chencho Tshering	Chief Executive Officer, Bhutan Yuden Travels
Mr. Tshering Wangchuk	Chief Executive Officer, STCBL
Mr. Prem Bdr Moktan	Director, Bank of Bhutan



12. Declaration: We hereby declare that the relevant provision of the companies Act 2016 and these guidelines issued by the Regulatory Authority have been complied with and no statement made in the offer memorandum are contrary to the provisions of the companies Act, 2016.

Date: 16th August, 2024



Jehuming 16/08
Signature of Chairman/Director

CHAIRMAN
BOARD OF DIRECTORS
STCB LTD.

[Handwritten Signature]
Seal & Signature of Chief Executive Officer

Chief Executive Officer
State Trading Corporation
of Bhutan Ltd



APPLICATION FOR THE ISSUANCE OF COMMERCIAL PAPER

The Registrar of Companies
Thimphu

Subject: Approval of issuance of Commercial Paper

Dear Sir/Madam,

We would like to seek the RoC's approval for the issuance of Commercial paper as per the details provided below:

Serial No.: .008..

Days to Maturity: 180 days

Quantity/Amount: Nu. 200,000,000.00

Date of Issue:

Terms and Conditions (Check List)

1. Maximum Maturity of the Instrument:

1.1: not more than 90 Days

1.2: Above 90 Days

2. Potential Investors:

2.1: Only the Financial Institutions

2.2: Others (Please specify)

3. Additional Requirements:

3.1: The instrument is backed by

3.1.1: Deposits/Receivables/Inventories

and other qualified assets

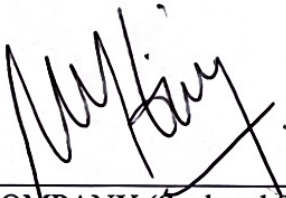


3.1.2: Corporate/FIs Guarantee

3.2: The instrument is in the denominations of Nu. 100,000/ with multiples of 2000 with total face value of Nu. 200,000,000.00 (200 million) only.

3.3: The CIB Clearance obtained

3.4: Authorization from the board obtained



HEAD OF THE COMPANY (Seal and Sign of Issuer)
 Chief Executive Officer
 State Trading Corporation
 of Bhutan Ltd

Approval Form (to be filled by the RoC)

1) The MMI Registration No.: CP/2024/008

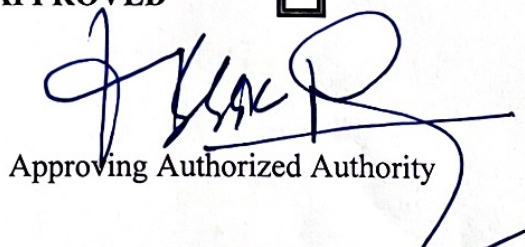
2) Name of the Issuer: State Trading Corporation of Bhutan Limited

3) Date Of Issue:

4) Total Face Value of Issue: 100,000

5) Date of Maturity:

APPROVED NOT APPROVED


 Approving Authorized Authority

