

Annexure II:

Prospectus for public issue of commercial paper worth Nu. 200 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: Menuka Chhetri & 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	21-09-2023	03-10-2023	Commercial Paper is secured by inventory worth Nu. 338,855,406.71 as on 31/08/23 and trade receivables worth Nu. 101,389,493.48.

4. Term of the Commercial Paper & Rate of Interest

Term	Interest	Payment of Coupon Amount
180 Days	6 %	5,917,808.22



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

- 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.
- 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.
- 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) na

1) Comprehensive Income

Particulars	2020	2021	2022	2023	2024	2025
Total Revenue	1,688.59	3,161.59	3,231.26	5,507.36	7,205.37	8,724.94
Total Expenses	1,697.22	3,049.28	3,151.91	5,378.05	7,026.78	8,532.86
Profit Before Tax	(8.63)	112.31	79.36	129.31	178.59	192.08
Tax Expenses	0.30	32.71	22.01	39.99	53.58	57.62
Net Profit for the year	(1.00)	79.60	57.35	89.32	125.01	134.45
Other Comprehensive Income for the Year	(0.70)	(1.76)	64.65	-	-	-
Total comprehensive income	(9.63)	77.84	122.00	89.32	125.01	134.45
Earnings Per Share	(0.50)	4.42	3.19	4.96	6.94	7.47

2) 1. Financial Position

Particulars	2020	2021	2022	2023	2024	2025
ASSET						
Total Non-Current Asset	329.68	346.56	524.57	702.58	880.58	1,058.59
Total current Asset	994.05	813.35	923.34	1,033.32	1,143.31	1,253.30
Total Asset	1,323.73	1,159.91	1,447.90	1,735.90	2,023.90	2,311.89
Equity and Liabilities						
Total Equity	444.53	573.73	647.92	722.11	796.30	870.49
Non-Current Liabilities	166.14	162.86	195.34	227.82	260.30	292.78
Current Liabilities	713.07	423.31	604.64	785.97	967.29	1,148.62
Total Equity and Liabilities	1,323.73	1,159.91	1,447.90	1,735.90	2,023.90	2,311.89



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3. Inventory Highlights of the Issuer till date 31/08/2023

3.1 Inventory Details as on 31/08/2023

No.	Name	Amount (Nu.)
109950	Tata Vehicle	74,980,166.77
109960	Tata Spare Parts	33,622,096.12
109980	Eicher Vehicle	17,694,018.34
109990	Eicher Spare Parts	7,548,641.07
110010	Toyota Vehicle	19,653,455.72
110020	Toyota Spare Parts	57,279,989.72
110021	Petroleum Chamkuna	29,143,893.97
110022	Petroleum Samtenling	4,067,441.83
110030	Toyota Tyres and Tubes	2,337,602.45
110031	Petroleum Ramtokto	29,972,470.21
110032	Essential Goods	390,917.02
110036	Multi-Brand Spare Parts	5,502,523.46
110038	Petroleum Chhukha	4,106,363.16
110039	SML Spare Parts	9,096,520.75
110040	SML Vehicle	10,354,500.00
110042	Tractors	5,469,541.51
110045	Household Items	4,344,606.84
110052	Apollo Tyres & Tubes	9,178,795.84
110055	E-Bike Spares	98,873.85
110061	Two Wheelers	241,085.14
110062	Toyota Service Centre-Thimphu	342,629.90



110063	Bitumen	5,647,744.68
110065	Computer and Accessories	7,639,083.46
110067	G.C Sheets	130,335.16
110068	Toyota Service Centre-Pling	12,109.74
	Total	338,855,406.71



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3.2 Trade Receivables as on 27/08/2023

Additionally, we will be collecting Nu. 101,389,493.48 within 180 days against total Trade Receivables of Nu. 313,081,207.58.

Sl.No	Customer Name	Amount (Nu.)
1	Khenrab Wangchuk	21,569,833.51
2	STATE MINING CORPORATION LIMITED SAMTSE	10,288,031.50
3	DRUK GREEN POWER CORPORATION	6,728,571.03
4	DE KHOR CONSTRUCTION PRIVATE LIMITED	5,603,000.00
5	PROJECT DANTAK 60 RCC CHAPCHA	5,521,620.10
6	Construction Development Corporation Ltd	5,301,103.96
7	SONAM TYRES	5,277,365.00
8	PETROLEUM DIVISION	4,994,679.12
9	Dejung Construction Pvt Ltd	4,072,657.08
10	JIGS TYRES & SPARE PARTS	3,479,335.60
11	BHUTAN POWER CORPORATION LTD	3,475,085.07
12	BHUTAN POWER CORPORATION LIMITED	3,229,915.94
13	RSA Pvt Ltd	3,190,970.83
14	STATE TRADING CORPORATION OF BHUTAN LTD	3,068,630.46
15	Samten Wangdi	2,966,633.06
16	DRUK GREEN POWER CORPORATION	2,933,060.04
17	Empire Construction pvt. ltd	2,460,040.68
18	WHITE MOUNTAIN PVT LTD (BHUTAN SWALLOWTAIL)	2,278,431.34
23	ATSARA SPARE PARTS	1,878,881.39
27	CHUNDU AGENCY	1,702,839.28
32	RBG, ROYAL BODYGUARD, DECHENCHOLLING	1,368,808.49
	Total	101,389,493.48



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10. Particular of present Board of Director and CEO

Name	Designation
Mr. Chhime Tshering	Director, Department of Industry
Dr. Cheki Dorji	President, College of Science & Technology
Mr. Kinga Lotey	Associate Director, Druk Holding and Investments Ltd
Mr. Kinga Thinley	General Manager, RICBL
Mr. Singye N Dorji	Joint Managing Director, RSA Pvt Ltd
Chencho Tshering	Chief Executive Officer, Bhutan Yuden Travels
Mr. Tshering Wangchuk	Chief Executive Officer, STCBL



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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- 5th September, 2023



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Signature of Chairman/Director

Director
Department of Industry
Ministry of Industry, Commerce and Employment
Thimphu : Bhutan

[Handwritten Signature]

Seal & Signature of Chief Executive Officer

**Chief Executive Officer
State Trading Corporation
of Bhutan Ltd**