

Annual Report

2018-19

SBC EXPORTS LIMITED

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CORPORATE INFORMATION

Board of Directors

Mr. Dheerendra Kumar Gupta
Mrs. Deepika Gupta
Mr. Manish Gupta
Mr. Akshat Gupta
Mrs. Manupriya Mishra
Mr. Amit Jaiswal

Chief Financial Officer

Mr. Mukesh Bhatt

Company Secretary & Compliance Officer

Mr. Hariom Sharma

Board Committees:

Audit Committee

Mr. Dheerendra Kumar Gupta
Mr. Manish Gupta
Mr. Amit Jaiswal

Nomination and Remuneration Committee

Mr. Manish Gupta
Mr. Manupriya Mishra
Mr. Amit Jaiswal

Risk Management Committee

Mr. Amit Jaiswal
Mr. Dheerendra Kumar Gupta
Mr. Manish Gupta

Stakeholders Relationship Committee

Mr. Dheerendra Kumar Gupta
Mr. Manish Gupta
Mr. Amit Jaiswal

Website

www.sbcexportslimited.com

Secretarial Auditors

M/s Kumar Mandal & Associates
Company Secretaries

Statutory Auditors

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

Registrar & Transfer Agents

Bigshare Services Pvt. Ltd
1st Floor, Bharat Tin Works
Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri
(East), Mumbai – 400059

Bankers

State Bank of India
Punjab National Bank
Kotak Mahindra Bank
Yes Bank
IDFC Bank
HDFC Bank
ICICI Bank

Stock Exchange

BSE SME Platform

Registered Office

House NO.-20, Lohiya Talab, Choti
Basahi P.O.: Vindhyachal
Mirzapur UP 231307

Corporate Office

49/95 Site-IV Sahibabad Industrial
Area Ghaziabad U P - 201010

NOTICE

NOTICE is hereby given that the 8th Annual General Meeting of the Members of **M/s SBC EXPORTS LIMITED** will be held at shorter notice on Monday the 30th day of September, 2019 at 1:00 p.m. at the Registered Office of the Company at House No.-20, Lohiya Talab, Choti Basahi P.O.: Vindhyachal, Mirzapur – 231307, Uttar Pradesh to transact the following business:

ORDINARY BUSINESS:

ITEM NO.1 ADOPTION OF FINANCIAL STATEMENTS

To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon.

ITEM NO.2 RE-APPOINTMENT OF MRS. DEEPIKA GUPTA AS DIRECTOR

To Re-appoint a Director in place of Mrs. Deepika Gupta (**DIN 03319765**), who retires by rotation and, being eligible, offers himself for re-appointment.

**For and on behalf of the Board
For SBC EXPORTS LIMITED**

Sd/-

**Hariom Sharma
Company Secretary**

Date: 16.09.2019

Place: Mirzapur

NOTES:

1) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll, instead of him/her self and the proxy need not be a member. A person can act as proxy on behalf of members' up to and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company. Further, a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member. The instrument appointing proxy must be deposited at the registered office of the company not less than 48 hours before the time of holding the meeting.

2) Corporate members are requested to send a duly certified copy of the board resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote on their behalf at the Meeting.

3) During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company.

4) Members/Proxies/Authorised Representatives should bring the duly filled Attendance Slips enclosed to attend the meeting.

5) Annual Report for the financial year 2018-19 including notice of 8th AGM along with Attendance Slips and Proxy Forms are being sent on Email IDs of those members whose E-mail IDs are registered with the Depository Participant(s)/Company, unless a member has requested for a physical copy of the same. The Documents shall be sent through permitted mode to all members holding shares in physical mode.

6) Documents referred to in the notice and the explanatory statement shall be kept open for inspection by the members at the registered office of the Company on all working days (Monday to Saturday) from 10.00 a.m. to 01.00 p.m. except holidays, upto the date of the meeting. The Annual Report shall also be available on company's website i.e.-www.sbcexportslimited.com

**For and on behalf of the Board
For SBC EXPORTS LIMITED**

**Date: 16.09.2019
Place: Mirzapur**

**Sd/-
Hariom Sharma
Company Secretary**

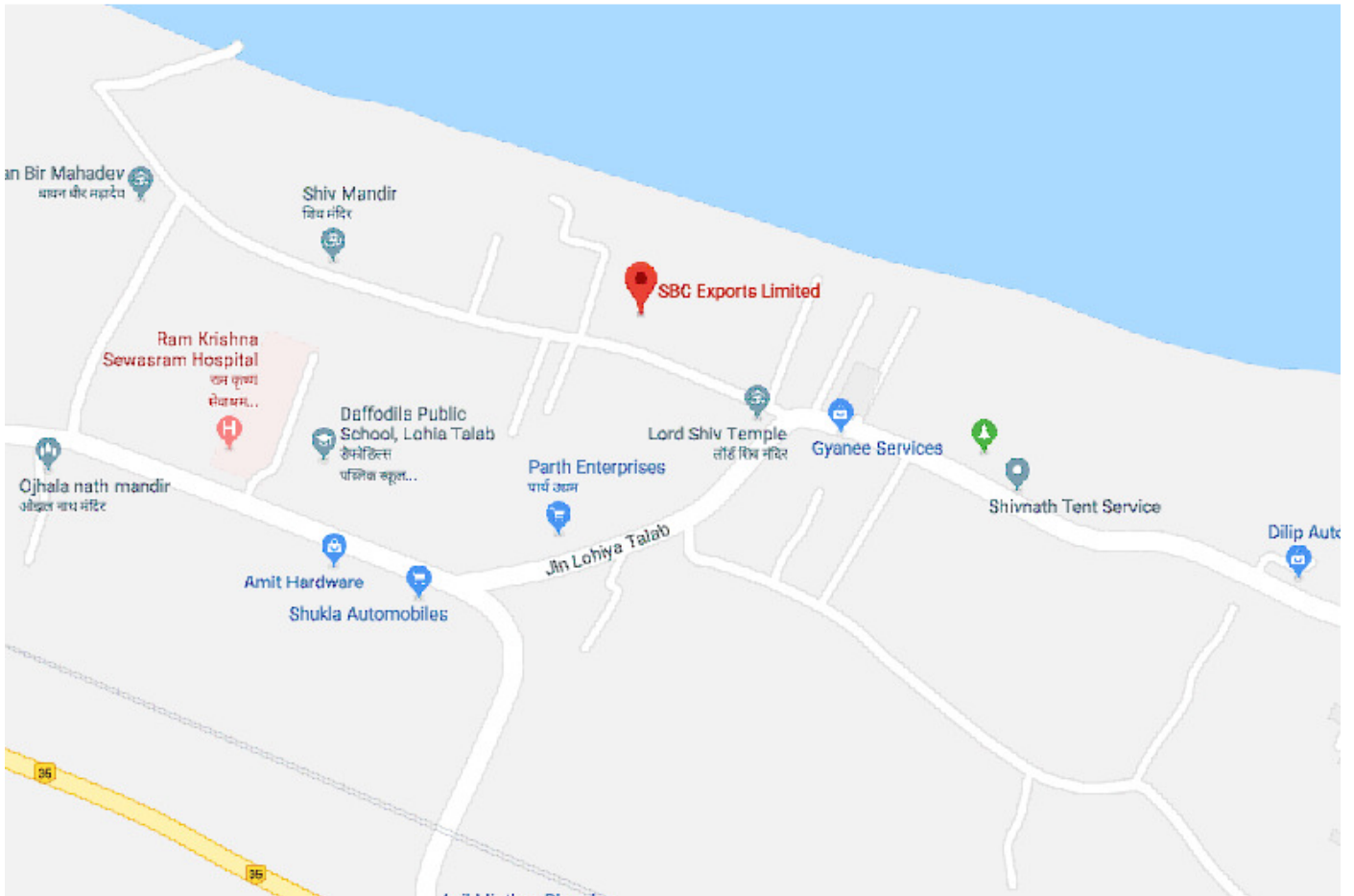
**ANNEXURE TO ITEM NO 2 OF THE NOTICE
BRIEF PROFILE OF MRS. DEEPIKA GUPTA**

(In pursuance of Regulation 36(3) of
SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

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.

Name	Mrs. Deepika Gupta
Father's name	Mr. Shyam Murari Gupta
Address	Plot No-317,2nd Floor-1, Gyan Khand-1, Indirapuram, Ghaziabad Uttar Pradesh – 201014
Date of Birth	29.09.1985
Occupation	Businesswoman
PAN Number	ASFPG0156J
DIN	03319765
Academic Qualification	Post Graduate (M.A.)
No. of Shares Held	31,30,000
Date of first appointment on the Board	18/01/2011
Directorship in other Companies	DIMENSIONS METALS PRIVATE LIMITED SBC INFOTECH LIMITED SBC FINMART LIMITED
Chairman/Member of the Board of other Committee	NO

ROUTE MAP FOR AGM VENUE



BOARDS' REPORT

Dear Members,

Your Directors have pleasure in presenting this 8th Annual report on the affairs of the Company together with the Audited Statement of Accounts for the year ended on 31st March, 2019.

1. FINANCIAL SUMMARY (STANDALONE):-

The Company's financial performance for the year under review along with previous year's figures is given hereunder:-

PARTICULARS	31.03.2019 (In Rs.)	31.03.2018 (In Rs.)
Revenue from Operations	80,00,10,363/-	63,99,45,469/-
Other Income	41,37,463/-	21,50,351/-
Total Revenue	80,41,47,826/-	64,20,95,820/-
Total Expenditure	78,56,13,913/-	62,93,86,147/-
Profit/Loss before taxation	1,85,33,913/-	1,27,09,673/-
Less: Tax Expenses	57,02,434/-	45,93,529/-
Profit /loss for the year	1,33,49,591/-	84,52,448/-

2. OPERATIONS:-

The Company has reported total revenue of ₹ 80.00/- Crores for the current year against ₹ 63.99/- Crores for the previous year. The Net profit for the year under review amounted to ₹ 1.33/- crores in the current year as compared to Profit incurred in last year amounting to ₹ 84.52/- Lacs.

3. TRANSFER OF RESERVES:-

An amount of ₹ 1.33 Crores of profit has been transferred to Reserve & Surplus Account.

4. DIVIDEND

Although the Company had earned a good profits as compared to previous year but the Board of Directors of your company do not recommend any dividend on equity shares for the financial year under review rather they recommended reinvest the earnings in the business.

5. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES ALONG WITH THEIR PERFORMANCE AND FINANCIAL POSITION

The Company does not have any Subsidiary, Joint venture or Associate Company.

6. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY:-

There have been no other material changes and commitments except the listing of the securities of the Company on the **BSE SME Platform**, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

7. CHANGE IN SHARE CAPITAL

Authorised Share capital

During Financial Year 2018-2019, the Company had increased its Authorised Capital from Rs. 10,00,000/- comprising of 1,00,000 equity shares of Rs. 10/- each to Rs. 11,10,00,000/- comprising of 1,10,00,000/-equity shares of Rs. 10/- each.

Paid up Share Capital

During the year, the Company had increased its Paid up share Capital from Rs. 10,00,000/- comprising of 1,00,000 equity shares of Rs. 10/- each to Rs. 7,60,00,000/- comprising of 76,00,000/- equity shares of Rs. 10/- each by way of Right Issue of 75,00,000 Equity Shares.

Initial Public Offering (IPO)

Further the Company had entered into the Capital Market with its Initial Public Offering (IPO) of 29,82,000 Equity Shares of a 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. 656.04 lakhs (**"THE ISSUE"**).

The Issue opened for Subscription on 24th June, 2019 and closed on 26th June, 2019 in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Your Directors are pleased to inform you that the IPO of the Company was successfully subscribed. The response of the investors was really very encouraging.

The Securities of the Company have been Listed and admitted to dealings on the **BSE SME Platform** of the Bombay Stock Exchange (**BSE**) w.e.f. 4th July, 2019 having the symbol of **"SBC"**

At present the paid up share capital of your Company is Rs. 10,58,20,000/- dividing into 1,05,82,000 Equity Shares of Rs. 10 each.

8. DEPOSITORY SYSTEM

As the Members are aware, your Company's shares are tradeable compulsorily in electronic form and your Company has established connectivity with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the depository system, the members are requested to avail the facility of Dematerialization of the Company's shares on NSDL & CDSL. The ISIN allotted to the Company's Equity shares is **INE04AK01010**.

9. CHANGE IN THE NATURE OF BUSINESS:-

There is no change in the nature of the business of the company in the review period.

10. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:-

During the year under review there has been no any such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Circular/ Notifications/ Directions issued by Reserve Bank of India from time to time, the Management Discussion and Analysis of the financial condition and result of consolidated operations of the Company for the year under review is presented in a separate section forming part of the Annual Report as **Annexure-I**.

12. CORPORATE GOVERNANCE

We wish to inform the members that in term of Regulation 15 (2) (b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Corporate Governance is not applicable to our Company as we have listed our securities on the SME Exchange. However, your Company has been practicing the principles of good corporate governance as it is committed to maintain the highest standards of Corporate Governance.

13. DEPOSITS

During the year, the Company has neither accepted any deposits from the public, nor does it have any scheme to invite any such deposits.

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were on an arm's length basis and in the ordinary course of business under the Companies Act 2013 and not material under the Listing Regulations and hence did not require members' prior approval under the Companies Act 2013 and the Listing Regulations.

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 is attached as **Annexure-II** in the Form AOC-2.

15. AUDITORS AND AUDITORS' REPORT

M/S. R. N. K. A. & Co., Chartered Accountants (FRN 021745N), who were appointed as the Statutory Auditors of the Company in the 4th Annual General Meeting of the Company held on 30th September, 2015 to hold their office from the conclusion of the 4th Annual General Meeting till the conclusion of 8th Annual General Meeting (up to the Financial Year ending 2018-19).

It may be noted that the current statutory auditor has completed his two consecutive terms and they are not eligible for re-appointment.

Accordingly, The Board is looking to appoint new Statutory Auditor of your Company, which shall hold office for five (5) years.

Further, the Auditors' Report and Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore, does not call for any further comments and explanations.

The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory and do not calls for any further comment.

16. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel Rules) 2014, Company had appointed **M/s. Kumar Mandal and Associates**, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report is attached as **Annexure-III**

17. BOARD MEETINGS

During the year under review, the Board met 9 (Nine) Times on May 26, 2018, July 20, 2018, August 30, 2018, September 29, 2018, November 16, 2018, December 10, 2018, December 15, 2018, January 28, 2019 and March 11, 2019. The maximum interval between any two meetings did not exceed 120 days.

18. GENERAL MEETINGS

During the year under review, there were 5 (Five) General Meetings held including Annual General Meeting on August 18, 2018, September 29, 2018, December 10, 2018, January 02, 2019 and March 11, 2019.

19. COMMITTEES OF BOARD

There are four Committees constituted as per Companies Act, 2013, which are as follows;

- a) Audit Committee;
- b) Nomination and Remuneration Committee;
- c) Stakeholder's Relationship Committee.
- d) Risk Management Committee

A. Audit Committee

The Board had constituted qualified Audit Committee pursuant to provision of Companies Act, 2013 as well as Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The constitution of said Committee was approved by a meeting of the Board of Directors held on December 10, 2018. The Audit Committee confirms to extant SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 in all respects concerning its constitution, meetings, functioning, role and powers, mandatory review of required information, approved

related party transaction & accounting treatment for major items. It also fulfils the requirements as set out in the Companies Act, 2013.

During the financial year the Committee met One (01) time; on December 10, 2018.

The Audit Committee comprises three directors, composition is as below:

Name of Director	Designation	Nature of Directorship
Dheerendra Kumar Gupta	Member	Managing Director- Executive
Manish Gupta	Chairman	Independent Director- Non- Executive
Amit Jaiswal	Member	Independent Director- Non- Executive

Role of the audit committee:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a) Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Modified opinion(s) in the audit report.
5. Reviewing, with the management, the half yearly and annual financial statements before submission to the board for approval.
6. Reviewing, with the management, 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.
7. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors on any significant findings and follow up there on.

10. Reviewing 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.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. 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.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. 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.
15. To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.
16. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
17. Scrutiny of inter-corporate loans and investments.
18. Valuation of Undertakings or assets of the company, wherever it is necessary.
19. Evaluation of internal financial controls and risk management systems.
20. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
21. Monitoring the end use of funds raised through public offers and related matters.

The Audit Committee shall mandatorily review the following information:-

1. Management Discussion and Analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
3. Management letters / letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. Statement of deviations:
 - a) Half yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Powers of the Audit Committee:

- Investigating any activity within its terms of reference;
- Seeking information from any employee;
- Obtaining outside legal or other professional advice; and
- Securing attendance of outsiders with relevant expertise, if it considers necessary.

B. Nomination and Remuneration Committee

The nominated and remuneration policy is being formulated in compliance with section 178 of the Companies Act, 2013 and rules made there under and Regulations of SEBI (Listing Obligation and Disclosure Requirements) regulations 2015.

The constitution of said Committee was approved by a meeting of the Board of Directors held on December 10, 2018.

During the year Committee met on December 10, 2018.

Composition of Nomination and Remuneration Committee is as under;

Name of Director	Designation	Nature of Directorship
Manish Gupta	Member	Independent Director- Non- Executive
Manupriya Mishra	Chairperson	Independent Director- Non- Executive
Amit Jaiswal	Member	Independent Director- Non- Executive

The terms of reference of the Nomination and Remuneration Committee are:

To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);

To be authorized at its duly constituted meeting to determine on behalf the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole time/Executive Directors, including pension rights and any compensation payment;

Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

C. Stakeholders Relationship Committee:

Pursuant to Provisions of Companies Act, 2013 and rules made there under and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015; Company Constituted Shareholders Relationship Committee and Decided Role of said Committee.

The constitution of said Committee was approved by a meeting of the Board of Directors held on December 10, 2018.

During the year Committee met on December 10, 2018.

Composition of Shareholders Relationship Committee is as under;

Name of Director	Designation	Nature of Directorship
Dheerendra Kumar Gupta	Member	Managing Director- Executive
Manish Gupta	Member	Independent Director- Non- Executive
Amit Jaiswal	Chairman	Independent Director- Non- Executive

The Stakeholder Relationships Committee shall oversee all matters pertaining to investors of our Company. The terms of reference of the Investor Grievance Committee include the following:

- Redressal of shareholders' /investors' complaints;
- Reviewing on a periodic basis the Approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;

- Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- Non-receipt of declared dividends, balance sheets of the Company; and
- Carrying out any other function as prescribed under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

D. Risk Management Committee:

Pursuant to Provisions of Companies Act, 2013 and rules made there under, the Company Constituted a Risk Management Committee and Decided Role of said Committee.

The constitution of said Committee was approved by a meeting of the Board of Directors held on December 10, 2018.

During the year Committee met on December 10, 2018.
Composition of Risk Management Committee is as under;

Name of Director	Designation	Nature of Directorship
Dheerendra Kumar Gupta	Member	Managing Director- Executive
Manish Gupta	Member	Independent Director- Non- Executive
Amit Jaiswal	Chairman	Independent Director- Non- Executive

20. SEPARATE MEETING OF INDEPENDENT DIRECTORS:

Pursuant to code of Independent Directors under the Companies Act, 2013 and rules made there under, a separate meeting of the Independent Directors of the Company was held on March 20, 2019 to review the performance of Non-independent directors (including the Chairman) and the Board as a whole. The Independent directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its committees which is necessary to effectively and reasonably perform and discharge their duties.

21. CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS AND KMPs

During the year under review following changes took place on the Board:

- Appointment of Mr. Hariom Sharma and Mr. Mukesh Bhatt as Company Secretary and Chief Financial Officer respectively w.e.f. 16th November, 2018.
- Appointment of Mr. Deepika Gupta as Whole Time Director and Mr. Dheerendra Kumar Gupta as Managing Director of the Company w.e.f. 10th December, 2018.
- Appointment of Mr. Akshat Gupta, Mr. Vinod Kumar, Mrs. Manupriya Mishra, Mr. Amit Jaiswal and Mr. Manish Gupta as Independent Directors of the Company.
- Cessation of Mr. Amit Kumar Agarwal and Mr. Parveen from the directorship w.e.f. 11th March, 2019.

22. RETIREMENT OF DIRECTOR BY ROTATION:

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Deepika Gupta , (DIN: 03319765), Whole Time Director is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, he has offered himself for re-appointment. Accordingly, the proposal for his re-appointment has been included in the Notice convening the Annual General Meeting of the Company.

A brief resume of Mrs. Deepika Gupta seeking re-appointment is enclosed consisting nature of expertise in specific functional areas and name of companies in which they hold directorship and/or membership/ chairmanships of committees of the respective Boards, shareholding and relationship between directorship inter-se as stipulated under Reg. 36(3) of the SEBI (LODR) Regulations, 2015, are given in the section of notice of AGM forming part of the Annual Report.

23. BOARD'S INDEPENDENCE

Definition of 'Independence' of Directors is in conformity with Section 149(6) of the Companies Act, 2013 and the requirements of Listing Regulations. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Section 149(6) of the Companies Act, 2013 and the requirements of Listing Regulations :-

1. Mr. Akshat Gupta
2. Mr. Vinod Kumar
3. Mrs. Manupriya Mishra
4. Mr. Amit Jaiswal and
5. Mr. Manish Gupta

The independent directors have submitted the declaration of independence, as required under section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in section 149(6) of the Companies Act, 2013.

24. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby stated that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and the corporate

governance requirements as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ('SEBI Listing Regulations').

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- Expertise;
- Objectivity and Independence;
- Guidance and support in context of life stage of the Company;
- Understanding of the Company's business;
- Understanding and commitment to duties and responsibilities;
- Willingness to devote the time needed for effective contribution to Company;
- Participation in discussions in effective and constructive manner;
- Responsiveness in approach;
- Ability to encourage and motivate the Management for continued performance and success.

The evaluation involves Self-Evaluation by the Board Member and subsequent assessment by the Board of Directors. A member of the Board will not participate in the discussion of his/her evaluation. Accordingly, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors and also the necessary evaluation was carried out by Nomination and Remuneration Committee and Independent Director at their respective meetings held for the purpose.

26. PARTICULARS OF EMPLOYEES

There were no employee in receipt of remuneration of Rs. 1.02 crores Rupees per annum if employed for whole of the year or Rs. 8.50 Lakhs per month, if employed for part of the year, whose particulars are required to be given under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

27. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System which is commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit reports to the Chairman of the Audit Committee of the Board and to the Managing Director. The Internal Audit Department reviews the effectiveness and efficiency of these systems and procedures to ensure that all assets are protected against loss and that the financial and operational information is accurate and complete in all respects. Company policies, guidelines and procedures provide for adequate checks and balances and are meant to ensure that all transactions are authorized, recorded and reported correctly.

28. WHISTLE BLOWER POLICY /VIGIL MECHANISM

In compliance with the requirement of the Companies Act, 2013 and SEBI Listing Regulations, the Company has established a Whistle Blower Policy / Vigil Mechanism Policy that enables the Directors and Employees to report genuine concerns. The vigil mechanism provides for (a) adequate safeguards against victimization of persons who use the vigil mechanism; and (b)

direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases.

No complaint of this nature has been received by the Audit Committee during the year under review.

29. EXTRACT OF ANNUAL RETURN:-

The Company is maintaining a website where the extract of Annual Return can be accessible. The Link of the website is www.sbcexportslimited.com.

30. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 (12) OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:-

There were no frauds as reported by the Statutory Auditors under sub-section 12 of Section 143 of the Companies Act, 2013 along with Rules made there-under other than those which are reportable to the Central Government.

31. CORPORATE SOCIAL RESPONSIBILITY

As per the provisions of section and 135 of the Companies Act, 2013 Corporate Social Responsibility (CSR) is not applicable to the Company during the year under review so there are no disclosures required under section 134 (3)(o) of the Companies Act, 2013.

32. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The provisions/requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (Acts) and Rules made thereunder are being followed by the Company and the company is providing the proper environment of working to all employees and has proper internal control Mechanism for prevention, prohibition and redressal of sexual harassment at workplace. The Company has complied with the provisions of constitution of Internal Complaints Committee under the Act. There were no cases/complaints filed under this Act during the year.

33. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of loans given or guarantees given or investments made or securities provided are given in notes to financial statements.

34. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to Key business objectives. Major risks identified by the Board and systematically steps taken to mitigate on a continuous basis. The Company's internal control system is commensurate with the nature of its business and the size and complexity of operations

35. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of energy: **Not applicable**

Technology absorption: **Not applicable**

Foreign exchange earnings and outgo: There was no foreign exchange inflow or Outflow during the year.

36. ACKNOWLEDGEMENTS

Your Board of Directors would like to place on record their sincere appreciation for the wholehearted support and contributions made by all the employees of the Company as well as customers, suppliers, consultants, bankers and other authorities. The Directors also thank the Central and State Government of India and concerned Government Departments/ Agencies for their cooperation. The directors appreciate and value the contributions made by every member of the company.

For SBC EXPORTS LIMITED

DHEERENDRA KUMAR GUPTA

Director

DIN: 03321016

DEEPIKA GUPTA

Director

DIN: 03319765

Date: 16.09.2019

Place: Mirzapur

ANNEXURE-I

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Market context – Global and Indian economy

2018 started with the expectation of a bumper growth of around 4% in global real GDP growth. However, by second half of the year, several factors collectively impacted the outlook and the year closed at about 3.6% growth. US-China trade tensions, weak macroeconomic situation in countries like Argentina and Turkey, auto sector issues in Germany and tighter monetary policy in China – all contributed to slowing of growth. Most of these factors are still playing out in the first part of 2019, though recovery is expected later in the year and expectations are that 2019 will clock 3.3% growth in global GDP. India closed fiscal year 2018-19 with a real GDP growth of 7.2% - highest in past 3 years. However, quarterly data indicates that the year started at 8%+ growth in Q1 and has seen growth rate slowing down in successive quarters with Q3 delivering only 6.6%. All eyes are on the election results at this point, which will give direction to the next phase of infrastructure spending, farm support and taxation policies. Jury is still out on the likely economic growth in FY 2019-20 – with estimates ranging from 6.8% to 7.5% by different agencies.

In FY 2018-19, the Indian economy saw several interesting milestones being achieved. Exports are estimated to hit \$330 billion – surpassing the earlier record of \$314 billion in FY 2013-14. GST collections hit rupees 1 lakh crore per month mark, consistently for many months in the later part of the year. Village electrification got completed in April 2018 and we are now nearing universal household electrification. The stock market ended the fiscal on a strong upward momentum towards historic highs. Rupee depreciated sharply in the beginning of the year, but recovered a portion of lost ground by end of March. Inflation remained low, largely aided by low food prices. Government set export targets for agricultural products for the first time in history. 2018 saw modest single digit growth in overall apparel and textile consumption globally. China continued to shed its market share, but India has been clearly missing the bus – most of the gains have been captured by Bangladesh and Vietnam – clearly the 2nd and 3rd largest exports after China, respectively. Bangladesh clearly accounts for over 6% of the global apparel exports while Indian exports continue to degrow for a second year in a row. Other than cotton yarn exports, most other categories – especially Indian apparel exports are clearly seeing de-growth. Early part of the year, the competitiveness was hampered by a strong rupee. While it got corrected as the year progressed, the lag effect and other factors, including mixed government support for T&A exports resulted in an overall lack-lustre performance of the sector.

Indian textile industry continues to be dominated by cotton, accounting for nearly 3/4th of the total fibre consumption in the country. Globally fibre consumption is dominated by manmade fibres having 70 per cent of share in total fibre consumption. Contrary to the global trend, fibre consumption in India is skewed towards natural fibres with around 65% share, especially cotton. Area under Cotton cultivation in India in 2018-19 remained almost the same as previous season at 122 lakh hectares. Cotton production in India is estimated at 330 +/- lakh bales of 170 kg each in 2018-19, down from 360+ lakh bales produced in 2017-18. Reduced production in 2018-19 is primarily due to weaker rainfall pattern compared to the previous year. In 2018-19, total supply of cotton including carry forward inventory from previous year and imports in the current year is likely to be 395 lakhs bales vis-à-vis 410 lakhs bales in 2017-18. Reduced supply in the current year has led to prices remaining firm in the India compared to other Cotton producing countries.

In fact for most of the season, Indian Cotton price traded well above the new MSP level, announced by Government of India based on the recommendation by Commission for Agricultural Costs & Prices (CACP). International Cotton prices remained volatile throughout the year mainly influenced by trade related developments between US and China. Such global volatility also imparted volatility to the Cotton prices in India. Considering the price disparity between India and rest of the world, India is likely to import around 30 lakh bales, which if realised will be the highest volume of imported Cotton by India.

SBC's business performance summary

FY 2018-19 was a momentous year in the history of SBC. During this year, SBC's core textile and apparel business continued implementing its stated strategy of growing around four clear pillars – verticalization, innovation, advanced materials and B2C business growth. As a result, the proportion of fabrics that we sell as full vertical apparel solution increased and is poised to grow rapidly in the coming financial year. The company continued to introduce new innovative products, including knitted indigo dyed apparel – which promises to bring denim like aesthetic in the comfort of a knitwear apparel. On woven products side, the focus of innovation was around experimentation with new sustainable fibres, creative blends and significant reduction in use of dyes, chemicals and in turn, water. The B2C business was re-structured in this year and all channels were brought under one common leadership to drive a concerted and integrated strategy.

Outlook

SBC will predominately consist of textile business and advanced material business. We aim to build the future of this business on four large pillars of growth. We will continue to grow our asset light garment business model. We are investing heavily on the garment business and it is expected to be a key part of our growth story. We are also focussing on new age, high performance fabrics which allows us an entry into a fast growing newer product segment. We are seeing new growth opportunities in advanced material division and the segment continues to grow at a rapid pace. And last but not the least we are working to build SBC as a retail brand that will help us capture the lucrative fabric retail market in the country. On the back of these four pillars, we are aiming to grow the business in double digits, a significant improvement over the mid-single digit growth registered in recent years. In our B2C business of brands and retail, we have been growing through a portfolio of strong international brands and speciality retail stores that has presence across multiple channels, price points and consumer segments.

We are rapidly expanding our distribution footprint further across our brands, which is likely to be a major growth driver in the future. Our speciality retail business is doing well and we are investing to grow this business at a significant pace in the current year. We aim to achieve annual growth of more than 40% for the next 3-4 years. As the revenue grows, we expect our EBITDA margins also to improve and achieve double digit margins over the same period. Overall we expect to maintain a positive momentum across all the three businesses.

Disclaimer

Readers are cautioned that this discussion and analysis contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words “anticipate,” “believe,” “estimate,” “intend,” “will” and “expected” and other similar expressions as they relate to the Company or its business are intended to identify such forward-looking statements. The Company

undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Actual results, performances or achievements, risks and opportunities could differ materially from those expressed or implied in these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements as these are relevant at a particular point of time & adequate restraint should be applied in their use for any decision making or formation of an opinion. The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

ANNEXURE-II

FORM NO. AOC-2

(Pursuant to Clause (h) of sub section (3) of section 134 of the act and Rule 8/2 of the Companies Accounts Rules, 2014)

DETAILS REGARDING RELATED PARTY TRANSACTIONS

AS PER THE PROVISIONS OF SECTION 188 OF THE COMPANIES ACT, 2013
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangement/transactions	Duration of the contracts / arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:	Date of Special Resolution u/s188
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/arrangement/transactions	Duration of the contracts / arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any: (in Lacs)	Date of Special Resolution u/s188
Deepika Gupta	Equity Contribution	N.A.	N.A.	N.A.	372.00.	N.A.
Mr. D. K. Gupta	Equity Contribution	N.A.	N.A.	29.09.2018	377.00	N.A.
Mr. Amit Kumar Agrawal	Equity Contribution	N.A.	N.A.	29.09.2018	50.00	N.A.
Mr. Govindji Gupta	Equity Contribution	N.A.	N.A.	29.09.2018	100.00	N.A.
SBC Finmart Ltd.	Equity Contribution	N.A.	N.A.	29.09.2018	100.00	N.A.

Name(s) of the related party and nature of relationship	Nature of contracts/arrangement/transactions	Duration of the contracts / arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any: (in Lacs)	Date of Special Resolution u/s188
Deepika Gupta	Remuneration	N.A.	N.A.	10.12.2018.	9.96	N.A.
Mr. D. K. Gupta	Remuneration	N.A.	N.A.	10.12.2018	6.60	N.A.
Mr. Amit Kumar Agrawal	Remuneration	N.A.	N.A.	N.A.	9.12	N.A.
Mr. Praveen	Remuneration	N.A.	N.A.	N.A.	6.43	N.A.

ANNEXURE-II

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2019

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

To,

The Members,

SBC EXPORTS LIMITED

House No.-20, Lohiya Talab,
Choti Basahi P.O.: Vindhyachal,
Mirzapur, UP-231307

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SBC EXPORTS LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon.

Based on our verification of the **Company's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2019**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **SBC EXPORTS LIMITED** ("The Company") for the financial year ended on **31st March, 2019** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange

Board of India Act, 1992 ('SEBI Act'):-

1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
4. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
5. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
6. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
8. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:

1. The Secretarial Standards with regard to Meeting of Board of Directors (SS-I) and General Meetings (SS-II) issued by The Institute of Company Secretaries of India.
2. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with Bombay Stock Exchange Limited.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Thanking you,

Yours Sincerely,

For **Kumar Mandal & Associates**

Asim Kumar Mandal

Proprietor

M. No.: A46621

C. P. No. 17039

Date: 05.09.2019

Place: New Delhi

INDEPENDENT AUDITORS' REPORT

TO,

THE MEMBERS OF SBC EXPORTS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SBC EXPORTS LIMITED**, which comprise the Balance Sheet as at **31/03/2019**, the Statement of Profit and Loss, Cash flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Auditor's Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **31/03/2019**, and its **Profit** for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management and Those Charged with Governance (TCWG)

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We give in the Annexure A statements on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on **31/03/2019** taken on record by the Board of Directors, none of the directors is disqualified as **31/03/2019** from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR R N K A & CO.
(Chartered Accountants)
Reg No. :021745N

CA RAJESH KUMAR
Partner
M.No. : 506726
Date: 25/09/2019
Place: Delhi

ANNEXURE – A
Reports under the Companies (Auditor's Report) Order, 2016 (CARO 2016)
for the year ended on 31st March 2019

To,

The Members of SBC EXPORTS LIMITED

We report that:-

Sl. No.	Comment Required on	Auditor's Opinion on Following Matter	Auditor's Remark
(i)	Fixed Assets	a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets?	The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
		b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of accounts?	Fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.
		c) Whether the title deeds of immovable properties are held in the name of the company? If not, provide the details thereof.	YES
(ii)	Inventory	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account?	Physical verification of inventory has been conducted at reasonable intervals by the management.
(iii)	Loans Secured or Unsecured Granted	Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of The Companies Act, 2013? if so,	The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the companies Act-2013.
		a) Whether the terms and conditions of the	

		grant of such loans are not prejudicial to the company's interest?	
		b) Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular?	
		c) If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest?	
(iv)	Loan to director and investment by the company	In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	While doing transaction for loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
(v)	Public Deposits	In case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	The company has not accepted any Deposits.
(vi)	Cost Accounting Records	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained?	The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.
(vii)	Statutory Compliance	a) Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service	The company is regular in depositing the undisputed statutory dues

		<p>tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated?</p>	<p>including provident fund, employees` state insurance, income tax, sales, tax wealth tax, service tax, custom duty, excise duty. Cess and other statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.</p>
		<p>b) Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute)</p>	<p>There is no dispute with the revenue authorities regarding any duty or tax payable.</p>
(viii)	Loan from Banks/ Financial Institution	<p>Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and government, lender wise details to be provided)</p>	<p>The company has not defaulted in repayment of dues to financial institution, or a bank.</p>
(ix)	Application of Money Received from Equity or Loan	<p>Whether moneys raised by way of initial public offer or further public offer {including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification? if any, as may be applicable, be reported.</p>	<p>The Company has not applied term loans for the purposes other than for which those are raised</p>
(x)	Fraud Reporting	<p>Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year? If yes, the nature and the</p>	<p>Based on our audit procedures and the information and explanation made</p>

		amount involved is to be indicated;	available to us no such fraud noticed or reported during the year.
(xi)	Managerial Remuneration	whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same.	Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
(xii)	Nidhi Company - Compliance with Deposits	Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability?	As per information and records available with us The company is not Nidhi Company.
(xiii)	Related Party Transactions	Whether all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards?	Yes , All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
(xiv)	Issue of Share Capital and use of Amount Raised	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance?	No Company has not made any preferential allotment or private placement of Shares or fully or partly convertible debenture during Financial Year 2018-19.
(xv)	Transaction with	Whether the company has entered into	The company has

	Director	any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with?	entered into any non-cash transactions with directors or persons connected with him and the provisions of section 192 of Companies Act, 2013 have been complied with.
(xvi)	Registration from RBI	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained?	The company is not required to be registered under section 45-IA of the Reserve Bank of India Act.

FOR R N K A & CO.
(Chartered Accountants)
Reg No. :021745N

CA RAJESH KUMAR
Partner
M.No. : 506726
Date: 25/09/2019
Place: Delhi

**“Annexure B”
To the Independent Auditor’s Report of even date
on the Standalone Financial Statements of
SBC EXPORTS LIMITED.**

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

We have audited the internal financial controls over financial reporting of SBC EXPORTS LIMITED as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR R N K A & CO.
(Chartered Accountants)
Reg No. :021745N

RAJESH KUMAR
Partner
M.No. : 506726
Date: 25/09/2019
Place: Delhi

SBC EXPORTS LIMITED
BALANCE SHEET AS AT 31st MARCH 2019

PARTICULARS	NOTE No.	As at 31-Mar-19	As at 31-Mar-18
<u>EQUITY & LIABILITIES</u>			
Shareholders' Funds			
- Share Capital	2	76,000,000.00	1,000,000.00
- Reserves & Surplus	3	52,007,805.00	13,758,214.00
Share application money pending allotment			
Non-Current Liabilities			
a) Long Term Borrowings – Secured	4	3,467,509.00	4,963,423.00
b) Long Term Borrowings – Unsecured	5	22,601,839.00	23,237,298.00
Deferred Tax Liabilities (Net)		-	-
Current Liabilities			
a) Short-Term Borrowing	6	9,093,488.00	-
b) Trade Payables	7	175,581,163.00	139,134,917.00
c) Other Current Liabilities	8	23,579,502.00	2,578,092.00
d) Short-Term Provisions	9	5,443,378.00	5,227,326.00
Total		367,774,684.00	189,899,270.00
<u>ASSETS</u>			
Non-Current Assets			
a) Fixed Assets			
i) Tangible Assets	10	34,858,816.00	11,448,939.00
b) Deferred Tax Assets (Net)	11	901,929.00	642,873.00
c) Other Non-Current Assets			
d) Non Current Investment	12	100,000.00	-
Current Assets			
a) Inventories	13	79,785,280.00	74,862,019.00
b) Trade Receivables	14	171,888,127.00	74,400,527.00
c) Cash and cash Equivalents	15	12,731,408.00	12,771,696.00
d) Short-Term Loans and Advances	16	54,484,965.00	15,773,216.00
e) Other Current Assets	17	13,024,159.00	-
Total		367,774,684.00	189,899,270.00

For R N K A & Co.

Chartered Accountants

For SBC EXPORTS LIMITED

CA. RAJESH KUMAR
PARTNER

M No. 506726

Place: New Delhi

Date : 25/09/2019

DHEERENDRA KUMAR GUPTA

Director
DIN 03321016

DEEPIKA GUPTA

Director
DIN 03319765

SBC EXPORTS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS	NOTE No.	As at 31-Mar-19	As at 31-Mar-18
<u>INCOME</u>			
Revenue from Operations	18	800,010,363.00	639,945,469.00
Other Income	19	4,137,463.00	2,150,351.00
Total		804,147,826.00	642,095,820.00
<u>EXPENSES</u>			
Purchases of Stock In Trade	20	715,443,710.00	639,521,196.00
Changes in Inventory of Raw Goods	21	(4,923,261.00)	(41,544,115.00)
Payments to and Provision for Employees	22	35,277,027.00	16,905,929.00
Financial Costs	23	6,889,145.00	3,786,838.00
Depreciation and Amortization Expenses		3,746,359.00	1,638,651.00
Establishment & Other Expenses	24	29,180,933.00	9,077,648.00
Total		785,613,913.00	629,386,147.00
Profit before Tax		18,533,913.00	12,709,673.00
Provision for Taxation			
Current Tax		5,443,378.00	4,425,377.00
Deferred Tax			
Less : Deferred Tax Liability		-	-
Add: Deferred Tax Assets		259,056.00	168,152.00
Profit for the Period		13,349,591.00	8,452,448.00
Basic Earning Per Share of Rs. 10/- each		3.44	84.52
Diluted Earning Per Share of Rs. 10/- each		3.44	84.52

For R N K A & Co.
Chartered Accountants

For SBC EXPORTS LIMITED

CA. RAJESH KUMAR
PARTNER

M No. 506726
Place: New Delhi
Date :25/09/2019

DHEERENDRA KUMAR GUPTA
Director
DIN 01632764

DEEPIKA GUPTA
Director
DIN 03319765

SBC EXPORTS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(Rs. In Lacs)

Particulars	31.03.2019	31.03.18
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxes	185.34	127.09
Adjustment for:		
Add: Depreciation & Amortisations	37.46	16.38
Add: Financial Expenses	68.89	37.87
Add / (Less): Loss / (Profit) on Sale of Fixed Assets		
Operating Profit before Working capital changes	291.69	181.34
Adjustments for:		
Decrease (Increase) in Inventories	(49.23)	(415.44)
Decrease (Increase) in Trade & Other Receivables	(974.88)	(340.07)
Decrease (Increase) in Short Term Loans & Advances(Excl. Taxes)	(387.12)	(37.16)
Decrease (Increase) in Other Current Assets	(130.24)	(25.18)
Increase (Decrease) in Trade Payables	364.46	659.50
Increase (Decrease) in Short Term Provisions (Excl. Taxes)	2.16	33.75
Increase (Decrease) in Other Current Liabilities	210.01	24.71
Net Changes in Working Capital	(964.84)	(99.89)
Cash Generated from Operations	(673.15)	81.45
Less: Taxes	54.43	44.25
Net Cash Flow from Operating Activities (A)	(727.58)	37.20
CASH FLOW FROM INVESTING ACTIVITIES		
Sale /(Purchase) of Fixed Assets and CWIP	(271.56)	(85.41)
Decrease (Increase) in Non Current Assets		
Decrease (Increase) in Investments	(1.00)	-
Net Cash Flow from Investing Activities (B)	(272.56)	(85.41)
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	(68.89)	(37.87)
Preliminary Expenses Incurred		
Increase / (Repayment) of Long Term Borrowings	(21.31)	180.95
Increase / (Repayment) of Short Term Borrowings	90.93	(15.05)
Decrease (Increase) in Long Term Loans & Advances		
Net Cash Flow from Financing Activities (C)	999.73	128.03
Net Increase / (Decrease) in Cash & Cash Equivalents	(0.41)	79.82
Cash and cash equivalents at the beginning of the year / Period	127.72	47.90
Cash and cash equivalents at the end of the year/ Period	127.31	127.72

For R N K A & Co.
Chartered Accountants

For SBC EXPORTS LIMITED

CA. RAJESH KUMAR
PARTNER
M No. 506726
Place: New Delhi
Date :25/09/2019

DHEERENDRA KUMAR GUPTA
Director
DIN 01632764

DEEPIKA GUPTA
Director
DIN 03319765

SBC EXPORTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1 SIGNIFICANT ACCOUNTING POLICIES :

1.1 Basis Of Preparation Of Financial Statement

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The Financial Statements has been prepared on the accrual basis and under the historical cost convention. The Management evaluates all recently issued or revised accounting standards on an on-going basis.

1.2 Recognition Of Income & Expenditure :

All revenues, income & expenses are accounted for on accrual basis.

1.3 Fixed Assets :

Expenditure, which are of capital nature, are capitalised at acquisition cost, which comprises purchase price (net of rebates and discount), levies and any directly attributable cost of bringing the assets to its working condition for the intended use.

1.4 Depreciation :

a) Depreciation on Fixed Assets has been provided on W.D.V. Method as per the classification and on the basis of rates prescribed in Schedule II to the Companies Act, 2013.

b) Depreciation on Fixed Assets added /disposed off during the year, is provided on pro-rata basis with reference to the month of additional/Disposal.

1.5 Employees Benefits :

The provisions of provident Fund Act and ESI Act are not applicable to the Company. Other retirement benefits payable to employees are being provided as and when the payment for the same is made.

1.6 Revenue Recognition :

1.7 Accounting For Tax:-

Provision for Current Income Tax is made on the taxable income using the applicable tax rates and tax laws. Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods, is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred Tax assets are recognised as there is sufficient assurance with respect to future taxable income.

	As at 31-Mar-19	As at 31-Mar-18
2 Share Capital		
<u>AUTHORISED</u>		
1,11,00,000/100,000 Equity Shares of Rs. 10/- each	<u>1,11,000,000.00</u>	<u>1,00,000,000.00</u>
<u>ISSUED, SUBSCRIBED & PAID UP</u>		
76,00,000/100,000 Equity Shares of Rs. 10/- each fully paid up	<u>76,000,000.00</u>	<u>1,00,000,000.00</u>

a) Details of Shareholders :

Name of Shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of Share held	% of Holding	No. of Shares held	% of Holding
DEEPIKA GUPTA	3,130,000	41.19	30,000	30.00
DHEERENDRA KUMAR GUPTA	2,525,000	33.22	25,000	25.00
GOVINDJI GUPTA	404,000	5.32	4,000	4.00
SARIKA GUPTA	25,000	0.33	25,000	25.00
PRAVEEN VERMA	5,500	0.07	5,500	5.50
AMIT KUMAR AGARWAL	505,500	6.65	5,500	5.50
SBC FINMART LTD (CAPITAL)	1,000,000.00	13.16	-	-
GAURAV GUPTA	2,500	0.03	-	-
SUDESHWAR GUPTA	2,500	0.03	-	-

b) Reconciliation of no. of shares outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31 December 2019	
	Number	Amount
Shares outstanding at the beginning of the year	100,000	1,000,000.00
Shares issued during the year	7,500,000	75,000,000.00
Shares bought back during the year	-	-
Shares outstanding as on 31st December 2018	7,600,000	76,000,000.00

c) Details of shares brought back during the period of five years immediately preceding the reporting date : NIL

d) Other Disclosures :

The company has only one class of share capital having per value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. In the event of Liquidation, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

Particulars	As at 31-Mar-19	As at 31-Mar-18
3. Reserve & Surplus		
a) Profit & Loss Account Balance		
Opening Balance	13,758,214.00	5,305,766.00
Add: Profit for the year	13,349,591.00	8,452,448.00
	<u>27,107,805.00</u>	<u>13,758,214.00</u>
b) Share Premium Account	24,900,000.00	-
	<u>52,007,805.00</u>	<u>13,758,214.00</u>
4. Long Term Borrowings – Secured	<u>3,467,509.00</u>	<u>4,963,423.00</u>
	<u>3,467,509.00</u>	<u>4,963,423.00</u>
5. Long Term Borrowings – Unsecured		
Unsecured Loan From Financial Institutions	22,601,839.00	23,237,298.00
	<u>22,601,839.00</u>	<u>23,237,298.00</u>
6 Short Term Borrowings- Secured		
Bank OD	9,093,488.00	-
	<u>9,093,488.00</u>	<u>-</u>

SBC EXPORTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	As at 31-Mar-19	As at 31-Mar-18
7 TRADE PAYABLE		
a) Sundry Creditors	175,581,163.00	139,134,917.00
	175,581,163.00	139,134,917.00
8 OTHER CURRENT LIABILITIES		
a) Salary Payable	3,919,261.00	2,064,258.00
b) Auditors Remuneration Payable	225,000.00	250,000.00
c) Rent Payable	100,904.00	263,834.00
d) TDS Payable	1,296,291.00	
f) Credit Card Payable	23,359.00	
e) Current Maturity of Long Term Debt	18,014,687.00	
	23,579,502.00	2,578,092.00
9 SHORT TERM PROVISIONS		
a) Provision for Income tax Liability	5,443,378.00	4,425,377.00
b) Others	-	801,949.00
	5,443,378.00	5,227,326.00
11 Deferred Tax Liabilities/(Assets)		
a) Deferred Income Tax Assets	901,929.00	642,873.00
	901,929.00	642,873.00
12. Non Current Investment		
Investment in Equity Shares (Indian Companies)	100,000.00	
	100,000.00	-
13. Inventories (As per inventories taken, valued and certified by the management)		
- Stock in Trade (Valued at lower of cost or realisable value)	79,785,280.00	74,862,019.00
	79,785,280.00	74,862,019.00
14. Trade Receivables		
a) Secured		
b) Unsecured (Considered good)		
- Outstanding for period Less than six months	58,139,256.00	71,919,829.00
- Outstanding for period more than six months	113,748,871.00	
- Other Debts		2,480,698.00
	171,888,127.00	74,400,527.00

SBC EXPORTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	As at 31-Mar-19	As at 31-Mar-18
15. Cash & Cash Equivalents		
a) Cash on hand (As Certified by the Management)	90,509.00	218,996.00
b) Balance With the Scheduled Bank in current accounts:	12,640,899.00	10,565,911.00
c) Travel Card		1,986,789.00
	12,731,408.00	12,771,696.00
16. Short Term Loans & Advances		
a) Loan & Advances	47,897,671.00	6,939,752.00
b) Tds Receivable	6,587,294.00	8,833,464.00
	54,484,965.00	15,773,216.00
17. Other Current Assets		
a) Accrued Interest	117,243.00	
b) Deposits	10,696,254.00	-
c) GST Receivables	2,210,662.00	-
	13,024,159.00	-
18. Revenue From Operations		
Sales	424,758,453.00	387,538,930.00
Services	375,251,910.00	252,406,539.00
	800,010,363.00	639,945,469.00
19. Other Income		
Commission	-	12,372.00
Discount recd	150,150.00	74,374.00
Interest Received	3,975,976.00	2,063,605.00
Misc Income	11,337.00	-
	4,137,463.00	2,150,351.00
20. Purchase Of Stock		
Purchase of Trading Items	373,966,842.00	393,366,199.00
Purchase of Services	324,606,752.00	246,154,997.00
Purchase of Packaging Materials	15,748,965.00	
Consumables	1,121,151.00	
	715,443,710.00	639,521,196.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	As at 31-Mar-19	As at 31-Mar-18
21. Changes In Inventory		
Opening Stock of Finished Goods	74,862,019.00	33,317,904.00
Closing Stock of Finished Goods	79,785,280.00	74,862,019.00
	(4,923,261.00)	(41,544,115.00)
22. Employee Benefit Expenses		
Director's Remuneration	3,211,622.00	2,988,000.00
Salaries including Bonus	30,613,720.00	13,034,303.00
Staff Welfare	434,176.00	605,883.00
Conveyance	1,017,509.00	277,743.00
	35,277,027.00	16,905,929.00
23. Financial Costs		
Bank Charges	207,099.00	226,920.00
Interest Paid	6,682,046.00	3,559,918.00
	6,889,145.00	3,786,838.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	As at 31-Mar-19	As at 31-Mar-18
24. Establishment And Other Expenses		
Auditors Remuneration	250,000.00	250,000.00
SBC paid	-	64,067.00
Loan Processing Charges	414,857.00	625,322.00
Festival Expenses	36,000.00	117,000.00
Freight	1,619,533.00	6,000.00
Power and fuel	1,194,184.00	568,145.00
Rent	5,880,468.00	1,799,472.00
Printing & Stationary	4,500.00	181,000.00
Advertisement	381,625.00	499,890.00
Repair & Maintenance	198,075.00	147,613.00
Postage & courier	140,273.00	78,070.00
Software maintenance	169,580.00	54,673.00
Finishing Expenses	1,721,747.00	1,183,652.00
Security expenses	180,000.00	180,000.00
Telephone Expenses	665,170.00	429,882.00
Tour & Travelling Expenses	671,849.00	167,331.00
Commission Paid on Sale	1,158,750.00	12,000.00
Legal & Professional Exp.	6,261,645.00	135,000.00
Rebate & Discount	93,075.00	98,621.00
Business Promotion	501,412.00	972,998.00
Office Expenses	2,210,371.00	1,006,033.00
Vehicles Running & Maintenance	803,187.00	24,530.00
Job Work charges	498,261.00	351,866.00
Misc. Expenses	188,691.00	124,483.00
Sundry Balance W/o	1,365,972.00	-
Insurance Expenses	249,052.00	-
Marketing Expenses	423,000.00	-
ROC Expenses	1,096,180.00	-
Charity & Donation	16,200.00	-
Online Trading Expenses	429,302.00	-
Interest Expenses	357,974.00	-
	29,180,933.00	9,077,648.00

SBC EXPORTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

	<u>31-Mar-2019</u>	<u>31-Mar-2018</u>
25. Contingent Liabilities and Commitments (to the extent not provided for)	NIL	NIL
26. There is no claim against the Company which can be acknowledged as debts.		
27. In the opinion of the board of directors, the "Current Assets, Loans & 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.		
28. The Board has certified that all the incomes accrued to the Company has been taken into consideration and belong entirely and exclusively to the business of the Company.		
29. Balances in the accounts of some of the parties are subject to confirmation from respective parties.		
	<u>31-Mar-2019</u>	<u>31-Mar-2018</u>
30. <u>Auditors Remuneration</u>		
Audit Fee	250,000.00	250,000.00
31. <u>Remuneration to whole time Directors :</u>		
Remuneration to Director	3,211,622.00	2,988,000.00
32. In line with mandatory Accounting Standard 22 issued by the institute of Chartered Accountants of India, the Company has accounted for Taxes on income to include the effect of timing differences in the tax expenses in the Profit & Loss Account and deferred tax assets/liability in the Balance sheet.		
	<u>31-Mar-2019</u>	<u>31-Mar-2018</u>
The Deferred Tax Asset (Liability) has been created on account of following items.		
Timing Difference in Depreciation	1,032,505.00	672,606.00
33. Balance appearing under loans, sundry debtors and sundry creditors are subject to confirmation.		
34. There are no material prior period items , expect to the extent disclosed , included in Profit & Loss A/c required to be disclosed as per Accounting Standard -5 issued by the ICAI.		
35. Fixed Assets possessed by the company are treated as 'Corporate Assts ' and not 'Cash Generating Units' as defined by Accounting Standards -28 - "Impairment Of Assets" issued by the ICAI. As on March 31, 2019. There was no event or changes in circumstance which indicate any impairment in the assets.		
36. There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at March 31, 2019. This information as required to disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have identified on the basis of information available with company.		

For R N K A & Co.
Chartered Accountants

For SBC EXPORTS LIMITED

CA. RAJESH KUMAR
PARTNER
M No. 506726
Place: New Delhi
Date : 25/09/2019

DHEERENDRA KUMAR GUPTA
Director
DIN 03321016

DEEPIKA GUPTA
Director
DIN 03319765

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

	<u>31-Mar-2019</u>	<u>31-Mar-2018</u>
37. <u>Expenditure in Foreign Currency: (amount in Rs.)</u>		
Import of Trading Goods	NIL	NIL
Travelling Expenses	NIL	NIL

38. Earning per share

Computation for Basis & Diluted Earning per Share

Net Profit as per Profit & Loss Account	13,349,591	84,52,448
Weighted average number of equity shares outstanding during the year	38,80,822	1,00,000
Basis & Diluted Earnings per Share (in Rs.)	3.44	84.52

39. Disclosures in respect of Related Parties as defined in Accounting Standard (AS) 18, with whom transaction were carried out in the ordinary course of business during the year as given blow :

A. Related parties & their Relationship

i. Directors, Key Management Persons & their relative

DEEPIKA GUPTA
DHEERENDRA KUMAR GUPTA
AKSHAT GUPTA
VINOD KUMAR
MANUPRIYA MISHRA
AMIT JAISWAL
MANISH GUPTA

ii. Other related parties where common control exists and with whom company had transaction during the year.

NIL

B. Transactions made during the year 2018-2019

Amount in Rs.

Detail Of Transaction	Associates	KMPI & Relatives	Associates	KMP & Relatives
	2018-19	2018-19	2017-18	2017-18
Equity Contribution	10,000,000.00	89,900,000.00	-	-
Loans Taken				
Loans Repaid				
Loans & advances Given				
Director Remuneration		3,211,622.00		2,988,000.00
Assets Sold				
Interest received on Loans given				
interest paid on Loans				
Rent Paid				
Purchase of Stock In Trade				

SBC EXPORTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

- 40.** Previous year figures have been re-grouped/ re-arranged wherever necessary to conform to current year presentation in terms of revised schedule VI issued by Ministry of Corporate Affairs.

**For R N K A & Co.
Chartered Accountants**

For SBC EXPORTS LIMITED

**CA. RAJESH KUMAR
PARTNER
M No. 506726
Place: New Delhi
Date : 25/09/2019**

**DHEERENDRA KUMAR GUPTA
Director
DIN 03321016**

**DEEPIKA GUPTA
Director
DIN 03319765**

SBC EXPORTS LIMITED

(CIN: U18100UP2011PLC043209)

Regd. Off: House No.-20, Lohiya Talab, Choti Basahi P.O.: Vindhyachal Mirzapur Up 231307 In

Email-Id: info@sbcel.com; **Website:** www.sbceportslimited.com

ATTENDANCE SLIP

Regd. Folio No./DP Id No.*/Client Id No.* (*Applicable for investor holding shares in electronic form.)	
No. of Shares held	
Name and Address of the First Shareholder (IN BLOCK LETTERS)	
Name of the Joint holder (if any)	

I/we hereby record my/our presence at the 8th Annual General Meeting of SBC Exports Limited held at shorter notice on Monday the 30th day of September, 2019 at 1:00 p.m. at the Registered Office of the Company at House No.-20, Lohiya Talab, Choti Basahi P.O.: Vindhyachal, Mirzapur – 231307, Uttar Pradesh.

Member's/Proxy's Name in Block Letters
Signature

Member's/Proxy's

Note: Please fill up this attendance slip and hand it over at the entrance of the venue of meeting. Members are requested to bring their copies of the Annual Report to the AGM.

----- Please tear here -----

PROXY FORM

(Form No. MGT-11 - Pursuant to section 105(6) of the Companies Act, 2013 Rules made thereunder)

Name of the member(s)	
Registered Address	
E-mail Id	
Folio No/Client Id	

I/We, being the member(s) of shares of the above named company, hereby appoint:

- Name :
Address :; Signature....., or failing him;
- Name :
Address :; Signature....., or failing him;
- Name :
Address :; Signature....., or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 8th Annual General Meeting and/or any adjournment thereof of **M/s SBC EXPORTS LIMITED** will be held at shorter notice on Monday the 30th day of September, 2019 at 1:00 p.m. at the registered office of the Company at House No.-20, Lohiya Talab, Choti Basahi P.O.: Vindhyachal, Mirzapur – 231307, Uttar Pradesh to and/or any adjournment thereof in respect of such resolutions as are indicated below:

Resol. No.	Resolutions	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
1	To receive, consider and adopt audited financial statement of account for the financial year ended on March 31, 2019 and the reports of the Directors' and the Auditors' thereon			
2	To Re-appoint a Director in place of Mrs. Deepika Gupta (DIN 03319765), who retires by rotation and, being eligible, offers himself for re-appointment.			

Signed this _____ day of _____ 2019

Signature of Shareholder: ; Signature of proxy holder(s)

Affix
Revenue
Stamp of
Re. 1/-.

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Annual General meeting.
- It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.