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QVC EXPORTS LIMITED

QVC Exports Limited (the “Company”) was incorporated on August 9, 2005 as a private limited company under the name and style of ‘QVC Exports Private Limited’, under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, West Bengal at Kolkata. Further, our Company was converted into a public limited company pursuant to a resolution passed by our Shareholders in an Extraordinary General Meeting held on February 14, 2022 and consequently the name of our Company was changed to ‘QVC Exports Limited’ and a fresh certificate of incorporation dated March 1, 2022 was issued by the Registrar of Companies, West Bengal at Kolkata. For details of change in Registered Office of our Company, please refer to the chapter titled “History and Certain Corporate Matters” on page 144 of the Draft Prospectus.

Registered Office: 6th Floor, South City Business Park 770, EM Bypass, Anandapur, Adarsha Nagar, E.K.T, Kolkata- 700 107, West Bengal, India;

Telephone: +91 332 419 7677

Corporate Office (where books of accounts are maintained): 2nd FR 6, Southern Avenue, Kalighat, Kolkata – 700 026, West Bengal, India;

Telephone: +91 334 849 8782

E-mail: office@qvcgroup.com; **Website:** www.qvcgroup.com; **Contact Person:** Khushboo Singh, Company Secretary and Compliance Officer; **CIN:** U27109WB2005PLC104672

PROMOTERS OF OUR COMPANY: NILESH KUMAR SHARMA, MADHU SHARMA, PRITI SHARMA, MATASHREE MERCANTILE PRIVATE LIMITED AND UNITY VYAPAAAR PRIVATE LIMITED

ADDENDUM TO THE DRAFT PROSPECTUS DATED MARCH 29, 2024: NOTICE TO THE INVESTORS (“THE ADDENDUM”)

PUBLIC OFFER OF UP TO 28,00,000 EQUITY SHARES OF FACE VALUE ₹ 10 EACH (“EQUITY SHARES”) OF THE COMPANY FOR CASH AT A PRICE OF ₹ [·]- PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹ [·]- PER EQUITY SHARE) (THE “OFFER PRICE”), AGGREGATING UPTO ₹ [·] LACS (“OFFER”), COMPRISING A FRESH ISSUE OF UPTO 20,50,000 EQUITY SHARES AGGREGATING TO ₹ [·] LAKHS (THE “FRESH ISSUE”) AND AN OFFER FOR SALE OF UPTO 7,50,000 EQUITY SHARES BY MATASHREE MERCANTILE PRIVATE LIMITED (“THE SELLING SHAREHOLDER”) (“OFFER FOR SALE”) AGGREGATING TO ₹ [·] LAKHS, OUT OF WHICH [·] EQUITY SHARES AGGREGATING TO ₹ [·] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION I.E. OFFER OF [·] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT AN OFFER PRICE OF ₹ [·]- PER EQUITY SHARE AGGREGATING TO ₹ [·] LAKHS IS HERINAFTER REFERRED TO AS THE “NET OFFER”. THE OFFER AND THE NET OFFER WILL CONSTITUTE [·]% AND [·]%, RESPECTIVELY OF THE POST OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, SEE “TERMS OF THE OFFER” ON PAGE 212 OF THE DRAFT PROSPECTUS.

Potential Bidders may note the following: “OBJECTS OF THE OFFER”, “RISK FACTORS”, “OUR BUSINESS”, “OUR MANAGEMENT”, “GOVERNMENT AND OTHER STATUTORY APPROVALS” have been updated in accordance with the suggestions made by NSE.

The above is to be read in conjunction with the Draft Prospectus and accordingly their references in the Draft Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges. All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Prospectus.

Place: Kolkata, West Bengal

Date: July 22, 2024

On behalf of QVC Exports Limited

Sd/-

Khushboo Singh

Company Secretary and Compliance Officer

LEAD MANAGER TO THE ISSUE

KHANDWALA SECURITIES LIMITED

Vikas Building, Ground Floor, Green Street, Fort, Mumbai – 400 023, Maharashtra, India.

Telephone: +91 224 076 7373;

Facsimile: +91 224 076 7377 / 78;

Contact Person: Rinav Manseta / Sanket Sharma

Email: ipo@kslindia.com, rinav@kslindia.com;

Website: www.kslindia.com;

SEBI Registration Number: INM000001899

CIN No.: L67120MH1993PLC070709

REGISTRAR TO THE ISSUE

CAMEO CORPORATE SERVICES LIMITED

“Subramanian Building”, No. 1, Club House Road, Chennai - 600 002, Tamil Nadu, India.

Telephone: +91 444 002 0700, 442 846 0390

Facsimile: N.A.

Email: ipo@cameoindia.com

Contact Person: Ms. K. Sreepriya

Website: www.cameoindia.com

Online Investor Portal: <https://wisdom.camcoindia.com>

SEBI Registration Number: INR000003753

CIN No: U67120TN1998PLC041613

BID/ISSUE PROGRAMME

ISSUE OPENS ON: [·]

ISSUE CLOSES ON: [·]

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SECTION II – RISK FACTORS

INTERNAL RISK FACTORS

BUSINESS RELATED RISKS

4. There have been instances of incorrect filings of certain forms with the RoC, in the past.

Our Company had inadvertently failed to file consolidated accounts after consolidating the accounts of the Associate Companies and its *erstwhile* wholly owned subsidiary, QVC Steels Private Limited from the Financial Years 2014-15 to 2020-21. Our Company has made an application before the National Company Law Tribunal, Kolkata, under Section 131 of the Companies Act, 2013 read with Rule 11 of the National Company Law Tribunal Rules, 2016 for seeking condonation of delay in filing the consolidated financial statements from the Financial Years 2014-15 to 2020-21 and for refiling of the financial statements along with Form AOC-4 for the said financial years. The said application is presently pending for approval.

While, no show cause notice in respect to the above has been received by our Company till date and no penalty or fine has been imposed by any regulatory authority in respect to the same, however we anticipate the following estimated penalties to be imposed upon us:

| Particulars | Year | Penalty or Fine |
|----------------|---------|---------------------|
| AOC-4 XBRL CFS | 2014-15 | 22,690.00 |
| | 2015-16 | 226,900.00 |
| | 2016-17 | 226,900.00 |
| | 2017-18 | 207,600.00 |
| | 2018-19 | 171,100.00 |
| | 2019-20 | 134,500.00 |
| | 2020-21 | 98,000.00 |
| Total | | 1,087,690.00 |

It cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our results of operations and financial position.

10. We derive majority of our revenue from our export operations. Any adverse events affecting these countries could have an adverse impact on our results from operations.

During Fiscal 2021 to Fiscal 2023, majority of our revenue was earned through export operations. The export destination countries impose varying duties on our products. There can be no assurance that the duties imposed by such countries will not increase. Further, an economic slowdown in countries to which we export our products may have a significant adverse impact on our business, financial condition, cash flows and results of operations. India is also a party to, and is currently negotiating, free trade agreements with several countries and if we export our products to such countries, any revocation or alteration of those bilateral agreements may also adversely affect our ability to export, and consequently, our business, financial condition, cash flows and results of operations. Additionally, export destination countries may also enter into free trade agreements or regional trade agreements with countries other than India. Such agreements and alteration of existing tax treaties may lead to increased competition or may even place us at a competitive disadvantage compared to manufacturers in other countries and could adversely affect our business, financial condition, cash flows and results of operations. Further, our inability to secure any license, certification, registrations and permits that may become necessary in other jurisdictions to which we export our products, in a timely manner or at all, could result in operational delays or suspensions and/or administrative fines and penalties, which could have a material adverse effect on the overall business, results of operations, cash flows and financial condition.

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

As of September 30, 2023, we have entered into several related party transactions with our Promoters, individuals and entities forming a part of our promoter group relating to our operations. In addition, we have in the past also entered into transactions with other related parties. For further details, please refer to the chapter titled — “*Restated Financial Information*” at page 163. The related party transactions undertaken by the Company are in compliance with applicable provisions of Companies Act, 2013.

While we believe that all our related party transactions have been conducted on an arm’s length basis, we cannot assure you that we may not have achieved more favorable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

51. Any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.

Our Company intends to use the Net Proceeds towards funding of working capital requirements and repayment of unsecured borrowings. Our Board will have flexibility in temporarily investing the Net Proceeds as well as its inter se allocation across various heads, as per applicable laws, as disclosed in the section titled "*Objects of the Offer*" on page 72.

In case of any exigencies arising out of business conditions, economic conditions, competition or other factors beyond our control which adversely affect our business, we may require to use the Net Proceeds to meet any other expenditure or fund which expenditure cannot be determined with certainty as on the date of this Draft Prospectus. In terms of Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances requiring us to undertake variation in the utilisation of the Net Proceeds disclosed in the Draft Prospectus, we cannot assure that we will be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoters would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Offer. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders may deter the Promoters from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Fresh Issue, if any, or vary the terms of any contract referred to in the Draft Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

SECTION III – INTRODUCTION

OBJECTS OF THE OFFER

General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ [●] lakh, towards general corporate purposes and the business requirements of our Company as approved by the Board, from time to time, subject to such amount not exceeding 25% of the Gross Proceeds of the Offer, in compliance with the SEBI ICDR Regulations.

The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, meeting ongoing general corporate contingencies, strengthening marketing capabilities and brand building exercises, enhancing our technology related infrastructure, strategic initiatives and acquisition and/or funding any shortfall in any of the abovementioned objects. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes as per applicable laws. For risks relating to the same, please refer to the chapter titled "*Risk Factors – Risk Factor 51- Any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Prospectus would be subject to certain compliance requirements, including prior shareholders' approval*" on page 38 of the Draft Prospectus.

SECTION IV – ABOUT THE COMPANY

OUR BUSINESS

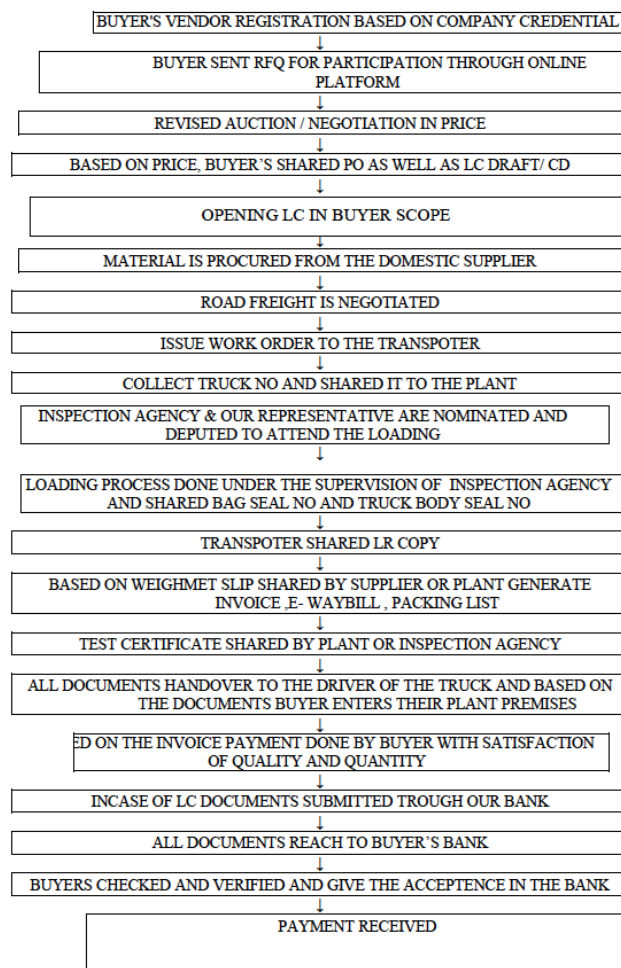
OUR BUSINESS STRENGTHS

Reduced warehousing, storage and overhead expenses:

The Company supplies its products directly from its supplier's premises to its customers in order to save the transportation cost and remain cost competitive in the market. We believe that procuring and storing goods in warehouses is time and cost consuming. The Company have strategically crafted our business process in such a manner that it saves our cost of loading, unloading, warehouse rent, maintenance, *etc.*, and therefore helps us reduce our expenditure and increase our revenue margins.

PROCESS

Our business process for our domestic operations have been described below:



Domestic Process Map:

Step 1: Vendor Registration

We initiate vendor registration based on the buyer's procurement contract and vendor registration guidelines. We receive the Vendor Application Form from the buyer. We complete the form with necessary details such as company name, address, contact information, and offered products/services. We also include required documents like the business registration certificate, tax identification number, and financial statements. We submit the completed application form along with the necessary documents. The buyer assesses our company's credentials, financial stability, creditworthiness, past performance, and references. Upon approval, we receive a vendor code and access to the buyer's portal using a login ID and password.

Step 2: Participation in RFPQ

The buyer sends a Request for Proposal/

Quotation (RFPQ) for participation through an online platform. We identify the need for goods or services as detailed in the RFPQ.

We prepare the RFQ document with relevant information and supporting documents. We upload the RFQ document and necessary files to the platform. We set notification preferences categorically for the bid we are participating in. We submit our bid offering a competitive price.

Step 3: Revised Auction and Price Negotiation

The buyer arranges a revised auction where bidders can participate with revised lower offer prices. We participate in the revised auction, adhering to the guidelines of the RFQ. We monitor live bids during the negotiation process. Once bidding is completed, the auction is closed, and the final ranking is disclosed. The buyer issues a contact / purchase order to the successful bidder to proceed with the business. This structured process ensures a transparent and efficient vendor registration and bidding procedure, enhancing the collaboration between buyers and vendors.

OUR MANAGEMENT

Our Key Managerial Personnel

In addition to our Chairman and Managing Director and Whole-time Director and, whose details have been provided under paragraph above titled '*Brief Profile of our Directors*', set forth below are the details of our Key Managerial Personnel as on the date of filing of this Draft Prospectus:

Arun Kumar Mandal, aged 50 years, is the Chief Financial Officer of our Company. He attended Vidyasagar University, Midnapore to pursue bachelor's degree in commerce. He is a director on the board of directors of Matashree Mercantile Private Limited. He has experience of more than fifteen years in accounts and finance management. He has been associated with our Company since November 19, 2008 in the capacity of manager (accounts & finance) and was promoted as the Chief Financial Officer of our Company with effect from January 11, 2022 and has received remuneration ₹ 6.50 lakhs during the Fiscal 2023.

**SECTION VI – LEGAL AND OTHER INFORMATION
GOVERNMENT AND OTHER STATUTORY APPROVALS**

III. Business Related Approvals

| Sr. No. | Type of License/Approval | Issuing Authority | Reference / Registration / License No. | Date of Issue/Renewal | Valid up to |
|----------------|---|---------------------------|---|------------------------------|--------------------|
| 3. | Registration certificate under the West Bengal Shops and Establishment Act, 1963 for our registered office situated at 6th Floor, South City Business Park 770, EM Bypass, Anandapur, Adarsha Nagar, E.K.T, Kolkata- 700 107, West Bengal, India. | Government of West Bengal | KL04452N2024004272 | June 24, 2024 | June 23, 2027 |
| 4. | Registration certificate under the West Bengal Shops and Establishment Act, 1963 for our Corporate Office situated at 2nd FR 6, Southern Avenue, Kalighat, Kolkata – 700 026, West Bengal, India. | Government of West Bengal | KL04082P2024000003 | May 19, 2024 | May 19, 2027 |

V. Licenses/ Approvals for which applications have been made by our Company and are pending:

Our Company has made applications before the regulatory authorities for applying for change of its name on the licenses and approvals, consequent to change of name and conversion of our Company from a private limited company into a public limited company.
