



# S CHAND AND COMPANY LIMITED

Our Company was incorporated as 'S. Chand & Co. Private Limited' on September 9, 1970 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Delhi ("RoC Delhi"). Our Company became a deemed public limited company under Section 43A(1) of the Companies Act, 1956 and, the RoC Delhi certified our change of name to 'S. Chand & Co. Limited' on May 6, 1976 upon such conversion. Thereafter, pursuant to the approval of the Central Government dated April 30, 1986 under Section 43A(4) of the Companies Act, 1956, our Company was converted into a private limited company and a certificate of incorporation certifying our change of name to 'S. Chand And Company Private Limited' was issued by the Registrar of Companies, NCT of Delhi and Haryana, at New Delhi ("RoC") on May 21, 1986. Subsequently, our Company became a deemed public limited company under Section 43A(1) of the Companies Act, 1956 on October 3, 1988 and accordingly, upon such conversion, our name was changed to 'S. Chand And Company Limited'. Our Company, pursuant to a special resolution dated February 23, 2001, converted from a deemed public limited company under Section 43A(1) of the Companies Act, 1956 to a public limited company under Section 31 and Section 21 read with Section 44 of the Companies Act, 1956 and, upon such conversion, the RoC certified our change of name to 'S. Chand And Company Limited' on November 7, 2001. Pursuant to the approval of the Central Government dated August 8, 2012, our Company was converted into a private limited company and a certificate of incorporation certifying our change of name to 'S Chand And Company Private Limited' was issued by the RoC on August 8, 2012. Our Company was converted into a public limited company under the Companies Act, 2013 and a certificate of incorporation certifying our change of name to S Chand And Company Limited was issued by the RoC on September 8, 2016. For further details, see "History and Certain Corporate Matters" on page 157 of the Red Herring Prospectus dated April 13, 2017 ("RHP").

**Corporate Identity Number:** U22219DL1970PLC005400; **Registered Office:** Ravindra Mansion, Ramnagar, New Delhi 110055, India; **Corporate Office:** A-27, 2nd Floor, Mohan Cooperative Industrial Estate, New Delhi 110 044, India; **Tel:** +91 11 6667 2000; **Fax:** +91 11 2367 7446; **Website:** www.schandgroup.com; **Contact Person:** Mr. Jagdeep Singh, Company Secretary and Compliance Officer; **E-mail:** investors@schandgroup.com

## OUR PROMOTERS: MR. DINESH KUMAR JHUNJHNUWALA, MS. NEERJA JHUNJHNUWALA AND MR. HIMANSHU GUPTA

**INITIAL PUBLIC OFFERING OF UP TO [•] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH ("EQUITY SHARES") OF S CHAND AND COMPANY LIMITED ("ISSUER" OR "COMPANY") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [•] PER EQUITY SHARE ("OFFER PRICE"), AGGREGATING UP TO ₹ [•] MILLION CONSISTING OF A FRESH ISSUE OF [•] EQUITY SHARES AGGREGATING UP TO ₹ 3,250 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 6,023,236 EQUITY SHARES AGGREGATING UP TO ₹ [•] MILLION ("OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"), COMPRISING OF UP TO 440,298 EQUITY SHARES BY MR. HIMANSHU GUPTA, UP TO 274,591 EQUITY SHARES BY MR. DINESH KUMAR JHUNJHNUWALA, UP TO 240,018 EQUITY SHARES BY MS. NEERJA JHUNJHNUWALA, (MR. HIMANSHU GUPTA, MR. DINESH KUMAR JHUNJHNUWALA AND MS. NEERJA JHUNJHNUWALA ARE COLLECTIVELY REFERRED TO AS THE "PROMOTER SELLING SHAREHOLDERS"), UP TO 74,841 EQUITY SHARES BY MS. NIRMALA GUPTA, UP TO 93,682 EQUITY SHARES BY MS. SAVITA GUPTA, UP TO 70,270 EQUITY SHARES BY MS. ANKITA GUPTA, UP TO 14,800 EQUITY SHARES BY MR. GAURAV KUMAR JHUNJHNUWALA (MS. NIRMALA GUPTA, MS. SAVITA GUPTA, MS. ANKITA GUPTA, AND MR. GAURAV KUMAR JHUNJHNUWALA ARE COLLECTIVELY REFERRED TO AS THE "OTHER SELLING SHAREHOLDERS"), UP TO 4,814,736 EQUITY SHARES BY EVERSTONE CAPITAL PARTNERS II LLC ("EVERSTONE" OR "INVESTOR SELLING SHAREHOLDER") (THE PROMOTER SELLING SHAREHOLDERS, THE OTHER SELLING SHAREHOLDERS AND THE INVESTOR SELLING SHAREHOLDER ARE COLLECTIVELY REFERRED TO AS, THE "SELLING SHAREHOLDERS"). THE OFFER SHALL CONSTITUTE AT LEAST [•]% OF THE FULLY DILUTED POST-OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**Price Band: ₹660 to ₹670 per Equity Share of face value of ₹5 each**  
**The Floor Price is 132 times the face value and the Cap Price is 134 times the face value**  
**Bids can be made for a minimum of 22 Equity Shares and in multiples of 22 Equity Shares thereafter**

### Risks to Investors:

- The three Book Running Lead Managers associated with the Offer have handled 26 public issues in the past 3 years, out of which 5 issues closed below the offer price on listing date.\*
- The price/earnings ratio based on diluted EPS of ₹17.09 on consolidated basis and of ₹6.04 on unconsolidated basis in Fiscal 2016 for the issuer at the upper end of the Price band is as high as 39.20 on consolidated basis and 110.93 on unconsolidated basis, respectively as compared to the average industry peer group price/earnings ratio of 37.34 on consolidated basis.
- The Company has incurred a loss of ₹ 884.88 million on consolidated basis for the nine month period ended December 31, 2016, and consequently the EPS and RoNW for the period is negative.
- The average cost of acquisition of Equity Shares for our Selling Shareholders, Dinesh Kumar Jhunjhnuwala is ₹15.97, Neerja Jhunjhnuwala is ₹10.60, Himanshu Gupta is ₹3.55, Nirmala Gupta is ₹61.61, Savita Gupta is ₹21.31, Ankita Gupta is ₹19.97, Gaurav Kumar Jhunjhnuwala is ₹54.59 and Everstone is ₹270.00 and the Offer Price at upper end of the price band is ₹670.
- The weighted average return on net worth on an unconsolidated and consolidated basis is 3.19% and 8.22%, respectively, for Fiscals 2016, 2015 and 2014. This is lower than the return on net worth of the industry peer, which is 17.73% on consolidated basis for Fiscal 2016.

\* Financial Years 2016-17, 2015-16 and 2014-15 have been considered as past 3 years

## BID/OFFER PROGRAMME: BID/OFFER OPENS ON APRIL 26, 2017<sup>(1)</sup> BID/OFFER CLOSSES ON APRIL 28, 2017

<sup>(1)</sup> Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI/ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

### ASBA\* | Simple, Safe, Smart way of Application - Make use of it !!!

\*Applications Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, investors can avail the same. For details, check section on ASBA below.  
**Mandatory in public issues from January 01, 2016. No cheque will be accepted.**

In case of any revision in the Price Band, the Bid/Offer Period will be extended for a minimum of three additional Working Days after such revision of the Price Band subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period will be widely disseminated by notification to the BSE Limited (the "BSE") and the National Stock Exchange of India (the "NSE"), and together with the BSE, the "Stock Exchanges", by issuing a press release, and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members and the Registered Brokers, and by intimation to Self Certified Syndicate Banks ("SCSBs"), Collecting Depository Participants ("CDP"), and Registrar and Share Transfer Agents ("RTA").

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR"), the Offer is being made for at least 25% of the post-Offer paid-up Equity Share capital of our Company. The Offer is through the Book Building Process, in reliance of Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Offer shall be Allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"), provided that our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis (the "Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation, in accordance with the SEBI ICDR Regulations, to Retail Individual Investors, subject to valid Bids being received at or above the Offer Price.

All investors, other than Anchor Investors, are required to mandatorily utilise the Applications Supported by Blocked Amount ("ASBA") process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. For details, see "Offer Procedure" on page 508 of the RHP.

**Bidders/Applicants should ensure that DP ID, PAN and the Client ID are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN and Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.**

**CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS:** For information on the main objects and other objects of our Company, see the section titled "History and Certain Corporate Matters" on page 157 of the RHP and Clause III of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, see the section titled "Material Contracts and Documents for Inspection" on page 598 of the RHP.

**LIABILITY OF THE MEMBERS OF THE COMPANY:** Limited by shares

**AMOUNT OF SHARE CAPITAL OF OUR COMPANY AND CAPITAL STRUCTURE:** As on the date of the RHP, the authorised share capital of our Company is ₹ 200,000,000 divided into 40,000,000 Equity Shares of ₹5 each. The issued, subscribed and paid-up share capital of our Company before the Offer is ₹ 149,222,480 divided into 29,844,496 Equity Shares of ₹5 each. For details of the Capital Structure, see "Capital Structure" on the page 82 of the RHP.

**Names of the signatories to the Memorandum of Association of our Company and the number of Equity Shares subscribed by them:** Given below are the names of the signatories of the Memorandum of Association of our Company and the number of Equity Shares subscribed by them at the time of signing of the Memorandum of Association of our Company – Mr. Shyam Lal Gupta, Mr. Rajendra Kumar Gupta and Mr. Ravindra Kumar Gupta holding 10 Equity Shares each, aggregating to 30 Equity Shares of ₹1,000 each, respectively.

**LISTING:** The Equity Shares offered through the RHP are proposed to be listed on the BSE and NSE. We have received in-principle approvals from the BSE and NSE for listing of our Equity Shares pursuant to letters dated December 27, 2016 and January 2, 2017, respectively. For the purposes of the Offer, BSE shall be the Designated Stock Exchange. A signed copy of the RHP and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the RHP up to the Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 598 of the RHP.

**DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"):** SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. Investors are advised to refer to page 486 of the RHP for the full text of the Disclaimer Clause of SEBI.

**DISCLAIMER CLAUSE OF THE BSE (The Designated Stock Exchange):** "It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the RHP has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the RHP." The investors are advised to refer to page 494 of the RHP for the full text of the Disclaimer clause of the BSE.

**DISCLAIMER CLAUSE OF THE NSE:** "It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document." The investors are advised to refer to page 494 of the RHP for the full text of the Disclaimer clause of the NSE.

**GENERAL RISKS:** Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the RHP. Specific attention of the investors is invited to the section "Risk Factors" on page 16 of the RHP.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER	COMPANY SECRETARY & COMPLIANCE OFFICER
 <b>JM Financial Institutional Securities Limited</b> 7th Floor, Chenergy Building, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Maharashtra, India Tel: +91 (22) 6630 3030 Fax: +91 (22) 6630 3330 E-mail: schand ipo@jmfi.com Investor Grievance E-mail: grievance.ibd@jmfi.com Website: www.jmfi.com Contact Person: Ms. Prachee Dhuri SEBI Registration No.: INM000010361	 <b>Axis Capital Limited</b> Axis House, 1st Floor, C-2 Wadia International Center P. B. Marg, Worli, Mumbai 400 025 Maharashtra, India Tel: + 91 (22) 4325 2183 Fax: +91 (22) 4325 3000 E-mail: schand ipo@axiscap.in Investor Grievance E-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Mr. Ankit Bhatia SEBI Registration No.: INM000012029	 <b>CREDIT SUISSE</b> <b>Credit Suisse Securities (India) Private Limited</b> 9th Floor, Ceejay House, Plot F, Shivasagar Estate Dr. Annie Besant Road, Worli Mumbai 400 018 Maharashtra, India Tel: +91 22 6777 3777; Fax: +91 22 6777 3820 E-mail: list.projectkiado@credit-suisse.com Investor Grievance E-mail: list.lgcellmerbnkg@credit-suisse.com Website: www.credit-suisse.com Contact Person: Mr. Shashank Sinha SEBI Registration No.: INM 000011161	 <b>Link Intime India Private Limited</b> C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083 Maharashtra, India Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 E-mail: schand ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Ms. Shanti Gopalkrishnan SEBI Registration No.: INR000004058	<b>Mr. Jagdeep Singh</b> A-27, 2nd Floor, Mohan Co-operative Industrial Estate, New Delhi-110 044 Tele: +91 11 4973 1800 Fax: +91 11 4973 1801 E-mail: jsingh.del@schandgroup.com Website: www.schandgroup.com  Investors can contact the Compliance Officer, the BRLMs and the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of Allotment Advice, credit of Allotted Equity Shares in the respective beneficiary account, unblocking of funds or non-receipt of refund orders (in case of Anchor Investors).

**AVAILABILITY OF RHP:** Investors are advised to refer to the RHP and the Risk Factors contained therein before applying in the Offer. Full copy of the RHP is available on the website of the SEBI at www.sebi.gov.in, the websites of the BRLMs at www.jmfi.com, www.axiscapital.co.in and www.credit-suisse.com and the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, respectively.

**AVAILABILITY OF BID CUM APPLICATION FORM:** Bid cum Application Form can be obtained from the Registered Office of Company, **S Chand And Company Limited**, Tel: +91 11 6667 2000; Fax: +91 11 2367 7446; BRLMs and Syndicate Members: **JM Financial Institutional Securities Limited**, Tel: +91 (22) 6630 3030; Fax: +91 (22) 6630 3330; **Axis Capital Limited**, Tel: +91 (22) 4325 2183; Fax: +91 (22) 4325 3000; **Credit Suisse Securities (India) Private Limited**, Tel: +91 22 6777 3777; Fax: +91 22 6777 3820, at selected locations of Sub-Syndicate Members (as given below), Registered Brokers, RTAs and CDPs participating in the Offer. Bid cum Application Forms will also be available on the websites of BSE, NSE, and at the Designated Branches of SCSBs, the list of which is available on the websites of the Stock Exchanges and SEBI.

**SUB-SYNDICATE MEMBERS:** Ajcon Global Services Ltd.; Almondz Global Securities Ltd.; Amit Jasani Financial Services Pvt. Ltd.; Amrapali Capital & Finance Services Ltd.; Anand Rathii Share & Stock Brokers; Anand Share Consultancy; Anil Dhulia; ANS Pvt. Ltd.; Ashika Stock Broking Ltd.; Ashwani Dandia & Co; Asit C Mehta Investment Intermediates Ltd.; Axis Securities Ltd.; Eureka Stock & Share Broking Services Ltd.; G Raj & Co. (Consultants) Ltd.; ICICI Securities Ltd.; IDBI Capital Markets & Securities Ltd.; India Infoline Ltd.; Inventure Growth & Securities Ltd.; Jhaveri Securities; K Motiram Vakli; Kalpataru Multiplier Ltd.; Kamlesh D Joshi; Karvy Stock Broking Ltd.; Keynote Capitals Ltd.; KJMC Capital Market Services Ltd.; Kotak Securities Ltd.; Lakshminshree Investment & Securities Pvt. Ltd.; LKP Securities Ltd.; Marwadi Shares & Finance; Mehta Equities Ltd.; Motilal Oswal Securities Ltd.; MPSE Securities Ltd.; MSM Enterprise; Mukesh D Joshi; NDA Securities Ltd.; Nirmal Bang Securities Pvt. Ltd.; O J Financial Services Ltd.; Ohm Securities Ltd.; Patel Wealth Advisors Pvt. Ltd.; Prabhudas Lilladher Pvt. Ltd.; Pravin Ratilal Share & Stock Brokers Ltd.; PRL Stock & Share Brokers Pvt. Ltd.; Raghunandan Capital Pvt. Ltd.; Reliance Securities Ltd.; Religare Securities Ltd.; RR Equity Brokers Pvt. Ltd.; RSG Share & Stock Brokers Ltd.; Sharekhan Ltd.; SMC Global Securities Ltd.; Swastika Investmart Ltd.; Tanna Financial Services; Tradebulls Securities (P) Ltd.; VCK Share & Stock Broking Services Ltd.; Way2wealth Brokers Pvt. Ltd.

**APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA):** Investors have to apply through the ASBA process. ASBA has to be availed by all the investors except Anchor Investors. For details on the ASBA process, please refer to the details given in the ASBA Form and Abridged Prospectus and also please refer to "Offer Procedure" on page 508 of the RHP. ASBA Bid cum Application Forms can also be downloaded from the websites of the Stock Exchanges. ASBA Forms can be obtained from the list of banks that is available on the website of SEBI at www.sebi.gov.in. ASBA Form can be obtained from Syndicate Members, SCSBs, Registered Brokers, RTAs and CDPs, the list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/5/33/0/0/Recognised-Intermediaries.

**ESCROW COLLECTION BANK AND PUBLIC OFFER BANK:** HDFC Bank Limited

**REFUND BANK:** HDFC Bank Limited

**All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.**

For **S Chand And Company Limited**  
On behalf of the Board of Directors  
Sd/-  
Company Secretary & Compliance Officer

Place: New Delhi  
Date: April 18, 2017

**S CHAND AND COMPANY LIMITED** is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed the RHP dated April 13, 2017 with the Registrar of Companies, National Capital Territory of Delhi and Haryana. The RHP shall be available on the website of the SEBI at www.sebi.gov.in, the websites of the Book Running Lead Managers at www.jmfi.com, www.axiscapital.co.in and www.credit-suisse.com and the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com. Any potential investor should note that investment in Equity Shares involves a high degree of risk, for details potential investors should refer to the section titled "Risk Factors" beginning on page 16 of the RHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision.

This announcement has been prepared for publication in India and may not be released in the United States. This announcement does not constitute an offer of securities for sale in any jurisdiction, including the United States, and any securities described in this announcement may not be offered or sold in the United States absent registration under the US Securities Act of 1933 or an exemption from such registration. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer or the selling security holder and that will contain detailed information about the company and management, as well as financial statements. No public offering or sale of securities in the United States is contemplated.