



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 Registrar of Companies, NCT of Delhi and Haryana, at New Delhi ("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 and as supplemented by the "Addendum-Notice to Investors" dated April 22, 2017 and published on April 24, 2017 in all editions of the English national newspaper, Financial Express and in all editions of the Hindi national newspaper, Jansatta (collectively, referred to as the "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.
 THE FACE VALUE OF THE EQUITY SHARES IS ₹ 5 EACH AND THE OFFER PRICE IS [·] TIMES THE FACE VALUE OF THE EQUITY SHARES.**

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 Company 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 Nil** 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.

**Equity Shares have been allotted pursuant to a bonus issue, therefore, the cost of acquisition is nil. For further details, see "Addendum-Notice to Investors" dated April 22, 2017, published in all editions of Financial Express and Jansatta on April 24, 2017.

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.

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 BSE and NSE. 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, 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.

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 entitled "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 entitled "Material Contracts and Documents for Inspection" on page 598 of the RHP.

LIABILITY OF MEMBERS OF OUR 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 to the Memorandum of Association of our Company – Mr. Shyam Lal Gupta, Mr. Rajendra Kumar Gupta and Mr. Ravindra Kumar Gupta who subscribed to 10 equity shares each, of our Company as initial subscription.

DISCLAIMER CLAUSE OF 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. The investors are advised to refer to page 486 of the RHP for the full text of the Disclaimer Clause of SEBI.

DISCLAIMER CLAUSE OF BSE: 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 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.

CORRIGENDUM – NOTICE TO INVESTORS

In reference to the red herring prospectus dated April 13, 2017 filed with the RoC, the Securities and Exchange Board of India and the Stock Exchanges, as supplemented by the "Addendum-Notice to Investors" dated April 22, 2017 and published on April 24, 2017 in all editions of the English national newspaper, Financial Express and in all editions of the Hindi national newspaper, Jansatta, and the advertisements for announcement of the Price Band and the Minimum Bid Lot dated April 18, 2017 published in all editions of the English national newspaper, Financial Express and all editions of the Hindi national newspaper, Jansatta on April 19, 2017, in relation to the Offer ("Advertisements"), and the Bid cum Application Forms and the abridged prospectus, investors should note the following:

One of our subsidiaries, VPHPL has been issued a notice by the Department of Trade & Taxes demanding an amount of ₹ 42.45 million. Our Company is in the process of responding to the said notice. Accordingly, the disclosure in relation to the "Litigation involving our Subsidiaries - Litigation involving VPHPL – I. Litigation against VPHPL – B. Tax Proceedings" on page 472 of the RHP, shall stand modified.

Further, there are two notices received by a subsidiary of our Company, NSHPL from the Income Tax Department, Ghaziabad and the Department of Trade and Taxes, Government of NCT Delhi, respectively, involving an aggregate amount of ₹ 0.90 million. Accordingly, the disclosure in relation to the "Litigation involving our Subsidiaries - Litigation involving NSHPL" on page 473 of the RHP, shall stand modified.

The disclosure in relation to the risk factor "17. There are various outstanding proceedings involving our Company, our Subsidiaries, one of our Promoter, one of our Director and certain of our Group Companies, which if determined against them, may have an adverse effect on our business. – Litigation against Subsidiaries" on page 24 of the RHP, shall accordingly stand modified to reflect the above.

This "Corrigendum – Notice to Investors" is to be read in conjunction with the RHP, "Addendum-Notice to Investors" dated April 22, 2017 and published on April 24, 2017 in all editions of the English national newspaper, Financial Express and in all editions of the Hindi national newspaper, Jansatta, Advertisements, Bid cum Application Forms, and the abridged prospectus, and information and above disclosure in relation to the notice will be included in the Prospectus to be filed by our Company with the RoC.

All capitalized terms used in this "Corrigendum – Notice to Investors" shall, unless the context otherwise requires, have the same meanings as ascribed in the RHP.

For S CHAND AND COMPANY LIMITED
 on behalf of Board of Directors

Place : New Delhi
 Date : April 26, 2017

Sd/-
 COMPANY SECRETARY AND COMPLIANCE OFFICER

Disclaimer: S Chand And Company is proposing, subject to receipt of requisite approvals, market conditions and other considerations, an initial public offering of its Equity Shares and has filed the red herring prospectus dated April 13, 2017 with the Registrar of Companies, NCT of Delhi and Haryana and published an "Addendum-Notice to Investors" dated April 22, 2017 in all editions of the English national newspaper, Financial Express and in all editions of the Hindi national newspaper, Jansatta, on April 24, 2017. Investors should note that investment in equity shares involves a high degree of risk and for details refer to the RHP, including the section titled "Risk Factors" beginning on page 16 of the RHP. The RHP is available on the website of the SEBI at www.sebi.gov.in, BSE Limited at www.bseindia.com, National Stock Exchange of India Limited at www.nseindia.com and the websites of JM Financial Institutional Securities Limited, Axis Capital Limited and Credit Suisse Securities (India) Private Limited (collectively the "BRLMs") at www.jmfi.com, www.axiscapital.co.in and www.credit-suisse.com, respectively.

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.