



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.

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.

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.

ADDENDUM – NOTICE TO INVESTORS

In reference to the RHP filed with the Registrar of Companies, NCT of Delhi and Haryana, the Securities and Exchange Board of India and the Stock Exchanges, 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:

1. Our Company has received an intimation dated April 21, 2017 from Everstone that it has, on April 21, 2017, transferred 1,491,507 Equity Shares for cash, at a price of ₹ 670 per Equity Share, aggregating to ₹ 999.31 million, as follows: (i) 300,000 Equity Shares to Suresh Bhatia HUF; (ii) 298,507 Equity Shares to Jhelum Investment Fund I; (iii) 20,000 Equity Shares to Dinesh Hasumukhrai Kanabar; (iv) 746,000 Equity Shares to Volrado Venture Partners Fund II; and (v) 127,000 Equity Shares to IIFL Special Opportunities Fund (the "Everstone Transfer"). Please note that these Equity Shares do not form part of the Equity Shares proposed to be offered by Everstone, as a part of the Offer for Sale in the Offer. Further, please note that the Equity Shares transferred pursuant to the Everstone Transfer, being the pre-Offer equity share capital held by persons other than the Promoters, shall be subject to lock-in, in accordance with Regulation 37 of the SEBI ICDR Regulations.

2. Pursuant to the Everstone Transfer please note the following:

- With respect to the disclosure made on pages 94 and 157 of the RHP, the number of Shareholders as on date shall stand updated to 14 instead of nine;
- With respect to the disclosure made on page 88 of the RHP, the details of the build-up of equity share capital held by the Investor Selling Shareholder in our Company shall include the details in relation to the Everstone Transfer and accordingly, the number of Equity Shares held by Everstone, as on date will be 8,137,965 Equity Shares representing 27.27% of the issued, subscribed and paid up equity share capital of our Company. Further, please note that the Equity Shares held by Everstone as on date, as disclosed in the RHP shall stand modified to 8,137,965 Equity Shares;
- With respect to the disclosure made on page 94 of the RHP, the top 10 Shareholders as on the date of this addendum, shall stand modified as follows:

*(a) Our top ten shareholders and the number of Equity Shares held by them as on date are as follows:

S. No.	Shareholder	Pre-Offer		Post-Offer	
		Number of Equity Shares	Percentage (%)	Number of Equity Shares	Percentage (%)
1.	Everstone Capital Partners II LLC	8,137,965	27.27	[·]	[·]
2.	Mr. Himanshu Gupta	6,167,752	20.67	[·]	[·]
3.	Mr. Dinesh Kumar Jhunjhnuwala	4,064,820	13.62	[·]	[·]
4.	Ms. Neerja Jhunjhnuwala	3,553,036	11.91	[·]	[·]
5.	International Finance Corporation	2,805,784	9.40	[·]	[·]
6.	Ms. Savita Gupta	1,312,316	4.40	[·]	[·]
7.	Ms. Ankita Gupta	984,348	3.30	[·]	[·]
8.	Volrado Venture Partners Fund II	746,000	2.50	[·]	[·]
9.	Ms. Nirmala Gupta	720,168	2.41	[·]	[·]
10.	Mr. Gaurav Kumar Jhunjhnuwala	606,800	2.03	[·]	[·]
	Total	29,098,989	97.50	[·]	[·]

(d) With respect to the disclosure made on page 93 of the RHP, the shareholding pattern of our Company, as on date, will stand modified to reflect that the total number of public Shareholders shall be seven instead of two and the total number of Shareholders as on date shall stand updated to 14 instead of nine; and

(e) With respect to the disclosure made on page 46 of the RHP, the average cost of acquisition of Equity Shares for Everstone will stand modified to reflect the Everstone Transfer and shall be Nil* instead of ₹ 270.

* Equity Shares have been allotted pursuant to a bonus issue, therefore, the cost of acquisition is nil.

The above notice is to be read in conjunction with the RHP, Advertisements, Bid cum Application Forms, and the abridged prospectus, and information and above disclosure in relation to the Everstone Transfer will be included in the Prospectus to be filed by our Company with the RoC.

All capitalized terms used in this addendum 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

Sd/-

COMPANY SECRETARY AND COMPLIANCE OFFICER

Place : New Delhi
Date : April 22, 2017

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 a RHP. 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.

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