



# SANCO INDUSTRIES LIMITED

Our Company was incorporated on March 17, 1989 as a private Limited company under the provisions of Companies Act, 1956 in the name and style of "Sanco Plastics Private Limited" vide Certificate of Incorporation issued by Registrar of Companies, Delhi & Haryana. The Company took over the business of a partnership firm "Sanco Plastic Industries" by way of an Agreement dated April 1, 1989. The name of our Company was changed to "Sanco Industries Private Limited", pursuant to which a fresh certificate of incorporation dated April 09, 2008 consequent upon change of name was issued by Registrar of Companies, Delhi & Haryana. Our Company was subsequently converted into a public company and the name was changed to 'Sanco Industries Limited' pursuant to a shareholders resolution dated May 15, 2008 and received a Fresh Certificate of Incorporation dated June 03, 2008 consequent upon Change of Name on conversion to Public Limited Company.

The Corporate Identification Number is U74899DL1989PLC035549.

**Registered Office:** 9/51 Bazar Gali, Vishwas Nagar, Delhi-110032, India. Tel: +91 11 2238 2737; Fax: +91 11 2238 2737.

**Corporate Office:** D- 161, Surajmal Vihar, near Karkadoma Court, New Delhi- 110092, India Tel: +91 11 4731 5500; Fax: +91 11 4731 5555.

**Contact Person:** Ms. Preeti Gupta, Company Secretary and Compliance Officer; **E-mail:** ipo@sancopipes.com; **Website:** www.sancopipes.com

**PUBLIC ISSUE OF 24,00,000 EQUITY SHARES OF ₹ 10 EACH FOR CASH AT A PRICE OF ₹ 18.00 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 8.00 PER EQUITY SHARE) AGGREGATING TO ₹ 432.00 LAKHS (THE "ISSUE") BY OUR COMPANY, OF WHICH 1,20,000 EQUITY SHARES AGGREGATING TO ₹ 21.60 LACS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER(S) TO THE ISSUE ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 22,80,000 EQUITY SHARES OF ₹ 10 EACH AGGREGATING TO ₹ 410.40 LACS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 28.00% AND 26.60%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

**THIS ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009.**

FOR FURTHER DETAILS, PLEASE SEE "TERMS OF THE ISSUE" ON PAGE 146 OF THE PROSPECTUS.

## FIXED PRICE ISSUE AT ₹ 18/- PER EQUITY SHARE

**THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10/- PER EQUITY SHARE AND THE ISSUE PRICE IS 1.8 TIMES OF THE FACE VALUE**

**MINIMUM APPLICATION SIZE OF 8,000 EQUITY SHARES AND IN MULTIPLES OF 8,000 EQUITY SHARES THEREAFTER**

**OUR PROMOTERS: MR. SANJAY GUPTA, MRS. SHAKUNTALA GUPTA AND M/S SANJAY GUPTA (HUF)**

# ISSUE

**OPENS ON: MONDAY, 24<sup>TH</sup> FEBRUARY, 2014**

**CLOSES ON: WEDNESDAY 26<sup>TH</sup> FEBRUARY, 2014**

# 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.

**PLEASE NOTE THAT IN ACCORDANCE WITH THE PROVISIONS OF SEBI CIRCULAR BEARING NUMBER CIR/CFD/DIL/1//2011 DATED APRIL 29, 2011, ALL APPLICANTS WHO ARE QIBS, NON – INSTITUTIONAL INVESTORS SHALL MANDATORILY MAKE USE OF ASBA FACILITY. ALL QIBS AND NON-INSTITUTIONAL INVESTORS, COMPLYING WITH THE ELIGIBILITY CONDITIONS OF SEBI CIRCULAR DATED DECEMBER 30, 2009, MUST MANDATORILY INVEST THROUGH THE ASBA PROCESS.**

**NON-RETAIL INVESTORS HAVING BANK ACCOUNT WITH THE SCSBs THAT ARE PROVIDING ASBA IN CITIES / CENTERS WHERE NON-RETAIL INVESTORS ARE LOCATED ARE MANDATORILY REQUIRED TO MAKE USE OF ASBA FACILITY, OTHERWISE APPLICATIONS OF NON-RETAIL INVESTORS ARE LIABLE FOR REJECTION. ALL RETAIL INVESTORS ARE ENCOURAGED TO MAKE USE OF ASBA FACILITY WHEREVER SUCH FACILITY IS AVAILABLE.**

### BASIS FOR ISSUE PRICE

#### Qualitative Factors

- Experienced Promoter
- Wide Product Range
- An ISO 9001:2008 certified Company
- First few companies in "North India" and within its category to get "IS-14927" certification for PVC Profiles
- Vending approvals from various government, semi-government and public limited companies such as Railways, BSNL, MTNL, HCL, Wipro, Siemens etc

#### QUANTITATIVE FACTORS

Information presented in this section is derived from the financial statements certified by the Statutory Auditors of the Company.

#### 1. Earnings Per Share (EPS) (on ₹ 10/- per share)

Year Ended	EPS (₹)	Weight
March 31, 2011	3.47	1
March 31, 2012	3.80	2
March 31, 2013	4.86	3
<b>Weighted Average EPS</b>	<b>4.28</b>	

#### 2. Price/ Earning (P/E) Ratio in relation to the Issue price of ₹ 18/- per Equity Share of ₹10 each

Particulars	
P/E based on pre-issue weighted average EPS of ₹ 4.28	4.21
P/E based on pre-issue EPS of FY 13 of ₹ 4.86	3.70

#### 3. Return on Net Worth (RONW)

Year Ended	RONW (%)	Weight
March 31, 2011	20.78	1
March 31, 2012	17.46	2
March 31, 2013	18.23	3
<b>Weighted Average RONW</b>	<b>18.40</b>	

#### 4. Minimum Return on Increased Net Worth required to maintain pre-issue EPS: 20.07%

#### 5. Net Asset Value (NAV) per share

As on March 31, 2013 (₹)	26.63
Pre-Issue as on September 30, 2013	28.22
Post Issue (₹)	25.36

#### 6. Industry Average P/E

	Name of Company	P/E Multiple based on Price as on 31/01/2014
Highest	Astral Poly Technik Ltd	31.93
Lowest	Torrent Cables Limited	3.00
<b>Industry Average*</b>	- Plastic Products - Cables - Power	15.8 5.5

**Source:** www.bseindia.com and \*Capital Market: February 03 - February 16, 2014; Segment – Plastic Products & Cables - Power

#### 7. Comparison with Peer Group

Name of the Company	Face Value Per equity shares (₹)	Equity Capital as on 31/03/13 (₹ In Cr.)	Sales as on 31/03/13 (₹ In Cr.)	PAT/ (Loss) as on 31/03/13 (₹ In Cr.)	Book Value (₹)	EPS (₹)	Price As on 31/01/14 (₹)	P/E Multiple based on Price as on 31/01/14
<b>PVC pipe manufacturers</b>								
Tijaria Polypipes Limited	10	23.63	128.32	0.87	38.06	0.37	3.80	10.3
Astral Poly Technik Ltd	2	11.24	821.20	59.52	42.82	10.59	338.15	31.93
Dutron Polymers Limited	10	6.00	83.53	1.15	23.10	1.92	21.00	10.9
Kisan Mouldings Ltd	10	20.33	518.46	2.42	49.76	1.19	17.60	14.8
Texmo Pipes and Products Ltd	10	23.82	154.59	1.23	48.62	0.52	5.49	10.6
<b>Cable &amp; Wire Manufacturers</b>								
Precision Wires India Limited	10	11.56	976.21	15.95	174.90	12.23	75.70	6.2
Torrent Cables Limited	10	8.60	376.11	17.93	192.63	20.85	61.60	3.0

**Source:** www.bseindia.com

**Sanco Industries Limited** **10.00** **6.17** **58.58** **2.99** **26.63** **4.86** **-** **-**

**8. The face value of Equity Shares of Sanco Industries Limited is ₹ 10 and the Issue Price is 1.8 times of the Face Value.**

The Issue Price of ₹ 18/- has been determined by us in consultation with the Lead Manager. Our Company and the Lead Manager believe that the Issue Price of ₹ 18/- is justified in view of the above qualitative and quantitative parameters.

**Information under Section 30 of the Companies Act, 2013:** Our Company was incorporated on March 17, 1989 as a private Limited company under the provisions of Companies Act, 1956 in the name and style of "Sanco Plastics Private Limited" vide Certificate of Incorporation issued by Registrar of Companies, Delhi & Haryana. Information regarding the contents of our Memorandum of Association as regards main objects are available in the Prospectus of the Company on page no. 65. We are a limited liability Company. Our authorized share capital comprises of 1,40,00,000 equity shares of ₹ 10/- each aggregating to ₹ 1400.00 lacs. The present issued, subscribed and paid up share capital comprises of 61,70,000 equity shares of ₹ 10/- each aggregating to ₹ 617.00 lacs. We are proposing to issue 24,00,000 equity shares of ₹ 10/- each in terms of the Prospectus dated February 03, 2014 at a price of ₹ 18/- per share. The names of signatories to the Memorandum of our Company at the time of Incorporation and number of shares subscribed for by them is as follows:

Sr.No.	Name of Signatories	No. of Equity Shares Subscribed (Face Value Rs. 100/- each)*
1	Mr. Sanjay Gupta	10
2	Mr. Jai Pal Singh Shishodia	10
	<b>Total</b>	<b>20</b>

\* At the time of incorporation face value of our equity shares was ₹ 100/- each. Same has been sub-divided to face value of ₹ 10/- w.e.f. March 17, 2010. The present capital structure of the Company is as follows:

Sr.No.	Category of Shareholders	No. of Shareholders	No. of Shares held	%
1	Promoters & promoter Group	12	61,70,000	100
2	Public	-	-	-
	<b>Total</b>	<b>12</b>	<b>61,70,000</b>	<b>100</b>

**LISTING:** The Equity Shares offered through the Prospectus are proposed to be listed on the SME Platform of the NSE i.e., "EMERGE" and traded in the SME Normal market. In –principle approval from NSE for listing the Equity Shares has been received pursuant to its letter no. NSE/LIST/225842-N dated December 30, 2013. The NSE shall be the Designated Stock Exchange.

**Disclaimer Clause of SEBI:** Since the Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations 2009, the Draft Prospectus was not filed with SEBI. In terms of the SEBI Regulations, the SEBI shall not issue any observation on the Prospectus. Hence there is no such specific disclaimer clause of SEBI. However investors may refer to the entire Disclaimer Clause of SEBI beginning on page 135 of the Prospectus.

**Disclaimer Clause of the National Stock Exchange of India Limited (NSE):** It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Prospectus has been cleared or approved by NSE nor does it in any manner warrant certify or endorse the correctness or completeness of any of the contents of the Prospectus. The investors are advised to refer to the full text of the Disclaimer Clause of the NSE.

**IPO GRADING:** Since the issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of appointing an IPO Grading agency.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE	COMPANY SECRETARY AND COMPLIANCE OFFICER
<b>KEYNOTE</b> <b>Keynote Corporate Services Limited</b> The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400028 Tel: +91-22-30266000-3; Fax: +91-22-3026 6088 E-mail: mbd@keynoteindia.net Website: www.keynoteindia.net Contact Person: Mr. Janardhan Wagle/ Ms. Girija Sangle SEBI Registration No.: INM 000003606 AIBI No.: AIBI/ 040	<b>BEETAL</b> <b>BEETAL Financial &amp; Computer Services (P) Limited</b> Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110 062 Tel.: +91-11-2996 1281; Fax: +91-11-2996 1284 Email: beetal@beetalfinancial.com Website: www.beetalfinancial.com Contact Person: Mr. Punit Mittal SEBI Registration No.: INR 000000262	Ms. Preeti Gupta <b>Sanco Industries Limited</b> 9/51 Bazar Gali, Vishwas Nagar, Delhi-110032 India. Tel: 011-22382737; Fax: 91-11-22382737 Email: ipo@sancopipes.com Website: www.sancopipes.com  Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted shares in the respective beneficiary account and refund orders.

**Availability of Prospectus:** Investors should note that investment in Equity Shares involves a high degree of risk and investors are advised to refer to the Prospectus and the Risk Factors contained therein, before applying in the issue. Full copy of the Prospectus will be available at the website of SEBI at www.sebi.gov.in; the website of Stock Exchange at www.nseindia.com, the website of LM at www.keynoteindia.net and website of Issuer Company at www.sancopipes.com

**Availability of Application form:** Application forms can be obtained from the Issuer Company: **Sanco Industries Limited**, Lead Manager: **Keynote Corporate Services Limited** and Banker to the Issue: **Axis Bank Limited**. Application Forms can also be obtained from the Stock Exchange and list of SCSBs available on the website of SEBI at www.sebi.gov.in and website of Stock Exchange at www.nseindia.com.

**Applications Supported by Blocked Amount (ASBA):** Investors may apply through the ASBA process. ASBA can be availed by all the investors. Non-retail investors have to compulsorily apply through ASBA. The investors are required to fill the ASBA form and submit the same to their banks. The SCSB will block the amount in the account as per the authority contained in ASBA form. On allotment, amount will be unblocked and account will be debited only to the extent required to be paid for allotment of shares. Hence, there will be no need of refund. The ASBA application forms can also be downloaded from the website of NSE Limited. ASBA forms can be obtained from the list of banks that is available on website of SEBI at www.sebi.gov.in and website of Stock Exchange at www.nseindia.com.

For more details on the ASBA process, please refer to the details given in application forms and abridged prospectus and also please refer to the section "Issue Procedure" beginning on page 155 of the Prospectus.

**BANKER TO THE ISSUE / ESCROW COLLECTION BANK: AXIS BANK LIMITED.**

For **SANCO INDUSTRIES LIMITED**

On behalf of the Board of Directors

Sd/-

**Managing Director**

Place : New Delhi

Date : 13-02-2014

**SANCO INDUSTRIES LIMITED** is proposing, subject to market conditions and other considerations, a public issue of its Equity Shares and has filed the Prospectus with the Registrar of Companies, National Capital Territory of Delhi & Haryana. The Prospectus will be available on the website of the SEBI at www.sebi.gov.in, the website of the Lead Manager at www.keynoteindia.net, website of the NSE at www.nseindia.com and website of Issuer Company at www.sancopipes.com. Investor should note that investment in equity shares involves a high degree of risk. For details, investors should refer to and rely on the Prospectus, including the section titled "Risk Factors" of the Prospectus. The Equity Shares have not been and will not be registered under the US Securities Act ("the Securities Act") or any state securities laws in United States and will not be issued or sold within the United States.