



## S Chand And Company Limited

Registered Office: A-27, 2nd Floor, Mohan Co-Operative Industrial Estate, New Delhi - 110044, India.

P: +91 11 4973 1800 | F: +91 11 4973 1801 | E: info@schandgroup.com | www.schandgroup.com

Date: November 12, 2022

To Listing Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai, Maharashtra 400001	To Listing Department, National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai, Maharashtra 400051
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Dear Sir,

**Re: Outcome of Board Meeting in accordance with The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")**

The Board of Directors at its meeting held on Saturday, November 12, 2022 which commenced at 3:05 P.M. and concluded at 4.35 P.M., inter alia, transacted the following matters:

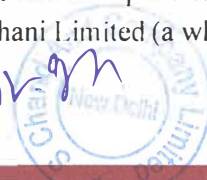
- 1) Considered and approved the Unaudited Standalone and Consolidated Financial Results for the quarter and half year ended September 30, 2022 and took note of the Limited Review Report on the Unaudited Standalone and Consolidated financial results for the quarter and half year ended September 30, 2022. The same are enclosed herewith.

Copies of the abovementioned results are also being uploaded on the website of the Company at [www.schandgroup.com](http://www.schandgroup.com).

Pursuant to Regulation 33(3)(d) of the Listing Regulations, please note that the Limited Review Report issued by M/s. Walker Chandiok & Co LLP (Firm Registration No. 001076N/N500013), Chartered Accountants, Statutory Auditors of the Company on the Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2022 is with modified opinion with respect to carrying value of recoverable balances as at September 30, 2022 related to DS Digital Private Limited, a subsidiary of the Company. The statement on impact of audit qualification is enclosed herewith.

Please note that the Limited Review Report issued by M/s. Walker Chandiok & Co LLP (Firm Registration No. 001076N/N500013), Chartered Accountants, Statutory Auditors of the Company on the Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2022 is with Unmodified opinion.

- 2) Approved the Corporate Guarantee in favour of Tata Capital Financial Services Limited against the working capital demand loan for an amount upto Rs. 10.00 crores (Rupees Ten Crores Only) proposed to be taken by Chhaya Prakashani Limited (a wholly owned subsidiary of the Company)



The detailed disclosure regarding this matter as per Schedule III of the Listing Regulations read with SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015 will be submitted after execution of necessary agreements with Tata Capital Financial Services Limited in relation to the same.

Request you to kindly take note of the above.

Thanking You.

Yours Sincerely,

**For S Chand And Company Limited**



**Jagdeep Singh**

**Company Secretary**

**Membership No: A15028**

**Address: A-27, 2<sup>nd</sup> Floor,**

**Mohan Co-operative Industrial Estate,**

**New Delhi-110044**

**Encl. as above**

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Walker Chandiook & Co LLP  
L 41, Connaught Circus,  
Outer Circle,  
New Delhi – 110 001  
India  
T +91 11 45002219  
F +91 11 42787071

## **Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

### **To the Board of Directors of S Chand And Company Limited**

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of S Chand And Company Limited ('the Company') for the quarter ended 30 September 2022 and the year to date results for the period 01 April 2022 to 30 September 2022, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



# Walker Chandiook & Co LLP

## Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)

4. As stated in note 9 of the Statement, the Company has a non-current investment in DS Digital Private Limited ('DS Digital'), a subsidiary of the Company amounting to ₹ 247.78 million (net of impairment of ₹ 55.00 million), and has loans and trade/ other receivables recoverable from such subsidiary company amounting to ₹ 156.09 million and ₹ 50.67 million, respectively, as at 30 September 2022. DS Digital has been incurring operational losses since earlier years as a result of which the net worth of such subsidiary company has been completely eroded. Management, based on their internal assessment, has assessed that the aforesaid recoverable balances are fully recoverable as at 30 September 2022 and hence, no adjustments are required to be made to the accompanying financial results. However, in absence of sufficient and appropriate evidence to support management's assessment as above, we are unable to comment on the appropriateness of the carrying value of the aforesaid recoverable balances as at 30 September 2022 and the consequential impact thereof on the accompanying standalone financial results for the quarter and year to date ended 30 September 2022. The opinion expressed by us on the standalone financial statements for the year ended 31 March 2022 vide our audit report dated 24 May 2022 and conclusion expressed by us on the standalone financial results for the quarter ended 30 June 2022 vide our review report dated 9 August 2022 were also qualified in respect of above matter.
5. Based on our review conducted as above, except for the possible effects of the matter described in previous section, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

### For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

*Tarun*

**Tarun Gupta**

Partner

Membership No. 507892



UDIN: 22507892BCXLLN9062

**Place:** New Delhi

**Date:** 12 November 2022

**Statement of standalone unaudited financial results for the quarter and half year ended 30 September 2022**

(₹ in millions)

Particulars	Quarter ended			Half year ended		Year ended
	30 September 2022	30 June 2022	30 September 2021	30 September 2022	30 September 2021	31 March 2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>I Revenue from operations</b>	253.89	399.83	240.35	653.72	341.50	1,699.66
<b>II Other income</b>	15.32	160.09	65.86	175.41	98.28	190.08
<b>III Total income (I+II)</b>	<b>269.21</b>	<b>559.92</b>	<b>306.21</b>	<b>829.13</b>	<b>439.78</b>	<b>1,889.74</b>
<b>IV Expenses</b>						
Cost of published goods/materials consumed	152.63	180.17	89.90	332.80	122.67	548.62
Purchase of stock-in-trade	20.00	12.22	9.54	32.22	11.04	38.86
(Increase)/decrease in inventories of finished goods and stock-in-trade	(95.92)	(36.22)	(16.04)	(132.14)	(18.55)	115.50
Employee benefits expense	110.60	101.18	99.79	211.78	188.87	407.74
Finance costs	20.32	18.36	32.97	38.68	66.43	121.61
Depreciation and amortisation expense	16.73	16.21	16.67	32.94	36.20	81.12
Other expenses	88.14	118.40	104.88	206.54	165.96	459.03
<b>Total expenses (IV)</b>	<b>312.50</b>	<b>410.32</b>	<b>337.71</b>	<b>722.82</b>	<b>572.62</b>	<b>1,772.48</b>
<b>V (Loss) / profit before tax and exceptional items (III-IV)</b>	<b>(43.29)</b>	<b>149.60</b>	<b>(31.50)</b>	<b>106.31</b>	<b>(132.84)</b>	<b>117.26</b>
<b>VI Exceptional item (refer note 10)</b>	101.62	-	-	101.62	-	-
<b>VII (Loss)/ profit before tax (V-VI)</b>	<b>(144.91)</b>	<b>149.60</b>	<b>(31.50)</b>	<b>4.69</b>	<b>(132.84)</b>	<b>117.26</b>
<b>VIII Tax expenses:</b>						
1) Current tax	(4.89)	22.68	-	17.79	-	5.51
2) Tax relating to earlier years	-	-	(10.00)	-	(10.00)	(10.00)
3) Deferred tax	(8.00)	14.01	-	6.01	-	33.05
<b>IX (Loss)/ profit for the period/year (VII-VIII)</b>	<b>(132.02)</b>	<b>112.91</b>	<b>(21.50)</b>	<b>(19.11)</b>	<b>(122.84)</b>	<b>88.70</b>
<b>X Other comprehensive income</b>						
A. (i) Items that will not be reclassified to profit or loss						
Re-measurement gains/ (losses) on defined benefit plans	(2.17)	(0.69)	1.78	(2.86)	2.68	4.40
(ii) Income tax related to items that will not be reclassified to profit or loss	0.63	0.20	-	0.83	-	(1.28)
B. (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
(ii) Income tax related to items that will be reclassified to profit or loss	-	-	-	-	-	-
<b>Total other comprehensive income, net of tax</b>	<b>(1.54)</b>	<b>(0.49)</b>	<b>1.78</b>	<b>(2.03)</b>	<b>2.68</b>	<b>3.12</b>
<b>XI Total comprehensive income/ (loss) for the period/year (IX+X) (Profit/ (loss) and other comprehensive income for the period/ year)</b>	<b>(133.56)</b>	<b>112.42</b>	<b>(19.72)</b>	<b>(21.14)</b>	<b>(120.16)</b>	<b>91.82</b>
<b>XII Paid-up equity share capital (face value of ₹ 5 each)</b>	175.22	175.22	174.88	175.22	174.88	175.22
<b>XIII Other equity</b>	N.A.	N.A.	N.A.	N.A.	N.A.	7,788.33
<b>XIV Earnings per equity share (in ₹) (not annualised, except year end)</b>						
1) Basic	(3.77)	3.22	(0.61)	(0.55)	(3.51)	2.53
2) Diluted	(3.77)	3.21	(0.61)	(0.55)	(3.51)	2.53

See accompanying notes to standalone unaudited financial results.



**S Chand And Company Limited**  
Corporate Identity Number: L22219DL1970PLC005400

Registered office and corporate office: A-27, 2nd Floor, Mohan Co-operative Industrial Estate, New Delhi 110044  
Tel: +91 11 4973 1800; Fax: +91 11 4973 1801; E-mail: investors@schandgroup.com; Website: www.schandgroup.com

**Notes to standalone financial results:**

**1. Standalone Statement of assets and liabilities**

Particulars	(₹ in millions)	
	As at 30 September 2022 Unaudited	As at 31 March 2022 Audited
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	136.64	113.23
Right-of-use assets	132.63	139.45
Capital work-in-progress	4.36	4.14
Goodwill	23.83	23.83
Other intangible assets	117.97	105.82
Intangible assets under development	9.39	1.67
Financial assets	-	
- Investments	6,254.10	6,163.29
- Loans	81.36	150.38
- Other financial assets	5.81	9.52
Deferred tax assets (net)	244.75	249.92
Other non-current assets	25.61	35.28
<b>Total non-current assets (A)</b>	<b>7,036.45</b>	<b>6,996.53</b>
<b>Current assets</b>		
Inventories	668.26	393.61
Financial assets		
- Investments	207.62	81.00
- Trade receivables	829.77	1,177.38
- Cash and cash equivalents	131.83	253.18
- Bank balances other than cash and cash equivalents	34.16	32.32
- Loans	214.73	290.99
- Other financial assets	134.17	178.36
Other current assets	54.97	35.64
<b>Total current assets (B)</b>	<b>2,275.51</b>	<b>2,442.48</b>
<b>Total assets (A+B)</b>	<b>9,311.96</b>	<b>9,439.01</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity share capital	175.22	175.22
Other equity	7,744.58	7,788.33
<b>Total equity (C)</b>	<b>7,919.80</b>	<b>7,963.55</b>
<b>Non-current liabilities</b>		
Financial liabilities		
- Borrowings	68.27	285.33
- Lease liabilities	10.33	8.52
Provisions	20.85	16.79
<b>Total non-current liabilities (D)</b>	<b>99.45</b>	<b>310.64</b>
<b>Current liabilities</b>		
Financial liabilities		
- Borrowings	641.92	427.63
- Lease liabilities	19.06	26.62
- Trade payables	-	
- micro enterprises and small enterprises	6.55	23.32
- other than micro enterprises and small enterprises	526.56	558.28
- Other financial liabilities	59.38	69.97
Other current liabilities	37.72	57.48
Provisions	1.52	1.52
<b>Total current liabilities (E)</b>	<b>1,292.71</b>	<b>1,164.82</b>
<b>Total equity and liabilities (C+D+E)</b>	<b>9,311.96</b>	<b>9,439.01</b>

*(Signature)*



**2. Statement of Standalone Cash flow for the period ended**

(₹ in millions)

Particulars	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
<b>A. Cash flow from operating activities</b>		
<b>Profit/ (loss) before tax</b>	<b>4.69</b>	<b>(132.84)</b>
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation expense	32.94	36.20
Unrealised foreign exchange (gain)/ loss (net)	(0.54)	0.14
Net gain on sale of current investments	(1.78)	(1.34)
Loss/ (gain) on sale of property, plant and equipment (net)	0.90	(0.09)
Provision for expected credit loss, advances and bad debts written-off	9.19	31.02
Finance cost	38.68	66.43
Interest income	(31.68)	(34.55)
Interest income on securities measured at amortised cost	(0.30)	(0.29)
Fair value loss/ (gain) on financial instruments at fair value through profit or loss	0.13	(1.92)
Fair value gain on investment at fair value through profit or loss	(105.00)	-
Unwinding financial guarantee obligation	(0.55)	(1.66)
Liabilities written back	(0.16)	(2.94)
Provision for diminution in value of investments	101.62	-
Rent concession and gain on de-recognition of lease liability	(0.31)	(0.86)
Employee stock option expense	0.97	2.05
<b>Operating profit / (loss) before working capital changes</b>	<b>48.80</b>	<b>(40.65)</b>
<b>Movements in working capital:</b>		
Decrease in trade payables	(48.47)	(203.27)
Increase/ (decrease) in other assets	6.83	(33.93)
Decrease in other liabilities	(29.31)	(51.27)
Increase in provisions	1.20	1.64
(Increase) in inventories	(274.65)	(73.79)
Decrease in trade receivables	336.94	349.80
(Increase) in loans and advances	-	(2.05)
<b>Cash generated from/ (used in) operations</b>	<b>41.34</b>	<b>(53.52)</b>
Direct taxes paid (net of refunds)	(9.02)	5.06
<b>Net cash generated from/ (used in) operating activities (A)</b>	<b>32.32</b>	<b>(48.46)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment including intangible assets and capital work-in-progress	(62.68)	(14.20)
Purchase of non-current investments	(0.15)	-
Purchase of current investments	(201.77)	(100.00)
Proceeds from sale of current investments	76.80	58.66
Proceeds from sale of property, plant and equipment	1.04	12.29
Interest received	25.65	17.20
Investment in bank deposits	(1.70)	-
Repayments received of loan to related parties	78.74	-
Loans to related parties	(13.78)	(15.40)
<b>Net cash used in investing activities (B)</b>	<b>(97.85)</b>	<b>(41.45)</b>
<b>C. Cash flows from financing activities</b>		
Interest paid on borrowings	(36.92)	(60.57)
Proceed from non-current borrowings	6.00	3.50
Repayment of non-current borrowings	(224.38)	(52.40)
Proceeds from current borrowings (net)	215.60	50.79
Payment of lease liabilities	(16.12)	(20.98)
<b>Net cash used in financing activities (C)</b>	<b>(55.82)</b>	<b>(79.66)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(121.35)</b>	<b>(169.57)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>253.18</b>	<b>171.51</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>131.83</b>	<b>1.94</b>


**Notes to standalone financial results:**

3. The standalone financial results for the quarter and half year ended 30 September 2022 were reviewed by the Audit Committee on 12 November 2022 and have been approved and taken on record by the Board of Directors at its meeting held on 12 November 2022. Further, the limited review of financial results for the quarter and half year ended 30 September 2022, in terms of Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, has been carried out by the statutory auditors of the Company. The statutory auditors of the Company have expressed a modified conclusion on these standalone financial results.
4. The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and Companies (Indian Accounting Standards) amendment Rules 2016.
5. As per Indian Accounting Standard (Ind AS) 108 "Operating Segment", the Company's business falls within a single business segment viz. "publishing of books".
6. The Company had filed Draft Composite Scheme of Arrangement on 9 January 2018 having an appointed date of 1 April 2017, amongst Blackie & Son (Calcutta) Private Limited ("Blackie"), Nirja Publishers & Printers Private Limited ("Nirja"), DS Digital Private Limited ("DS Digital"), Safari Digital Education Initiatives Private Limited ("Safari Digital") and S Chand And Company Limited ("S Chand") and their respective shareholders and creditors (Composite Scheme) with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and Circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017 ("SEBI Circular"). The Scheme inter alia includes amalgamation of Blackie and Nirja with and into S Chand, demerger of the education business of DS Digital & Safari Digital with and into S Chand and amalgamation of residual business (after demerger) of DS Digital with and into Safari Digital. The Company had filed the Scheme with NCLT. Respective creditors and shareholders have approved the Composite Scheme and thereafter Company has filed a second motion application with NCLT for approval of the Composite Scheme. The approval of NCLT is awaited.
7. The Company's financial results have, historically, been subject to seasonal trend. The Company sees a higher volume of book sales during the months of January, February and March because academic sessions start from the month of April. Ongoing revenue also demonstrate signs of seasonality, with revenue generally lower during other quarters, which are not close to the beginning of academic session. These trends are likely to continue in the future. The current quarter is not comparable with corresponding quarter/ period of the previous year which was impacted by the Covid-19.
8. During the half year period ended 30 September 2022 and year ended 31 March 2022, the following options were exercised, lapsed/forfeited and remained outstanding under the employee stock option plan 2012 (ESOP 2012) and employee stock option plan 2018 (ESOP 2018).

	Period ended 30 September 2022	Year ended 31 March 2022
Exercised	-	68,049
Granted	-	2,09,000
Lapsed/forfeited	7,000	19,765
Outstanding	1,95,000	2,02,000

9. The Company has a non-current investment in DS Digital Private Limited ("DS Digital"), subsidiary of the Company amounting to ₹ 247.78 million (net of impairment of ₹ 55.00 million) in form of investment in equity shares and preference shares as at 30 September 2022. Further, there are loans and trade/ other receivables recoverable from DS Digital amounting to ₹ 156.09 million and ₹ 50.67 million respectively as at 30 September 2022. DS Digital has been incurring losses since earlier years which have eroded its net worth. The management has filed a composite Scheme of arrangement ("the Scheme") (refer note 6) having an appointed date as 1 April 2017. As per the Scheme, DS Digital would cease to exist as education business would get demerged into S Chand and the residual business of DS Digital would get merged into Safari Digital. Merger would bring synergies which will help the resulting entity (Safari Digital) to optimize the utilization of resources to exploit the anticipated business opportunities more efficiently leading to financial strengthening. The Scheme has been filed with NCLT and due to the scenario of COVID-19 and nationwide restrictions, the hearing for this matter has been delayed. Management believes that the aforesaid recoverable balances from DS Digital are good and recoverable as at 30 September 2022.
10. During the current period, diminution in the carrying value of investment in respect of Safari Digital Education Initiatives Private Limited amounting to ₹ 101.62 million (represented by investment in equity shares) has been made to recognise a decline in the value of its investments in resultant business, other than temporary in the value of the investment. Also refer note 6 above.
11. During the current period, the Company has acquired a business undertaking from its subsidiary company S. Chand Edutech Private Limited which qualifies as a common control transaction and has been accounted as per Appendix C of IND AS 103- Business Combinations. Difference in the net assets and the purchase consideration has been recognised in other equity.
12. During the current period, the Company lost significant influence in its associate- Smartivity Labs Private Limited and accordingly it ceased to be an associate w.e.f. 21 June 2022. Accordingly, the investment is valued at fair value through profit and loss and a gain of ₹ 105.00 million has been recorded in other income.
13. The Government of India announced the New Education Policy (NEP) 2020 on 31 July 2020, to bring in various changes in the Education system. The National Curriculum Framework (NCF) that defines the curriculum to be taught in schools is yet to be formulated based on NEP, which is expected to be developed over the period. The management is monitoring the implementation of the policy and the revised curriculum and detailed assessment shall be made, once curriculum gets formulated.

*(Signature)*





**Notes to standalone financial results (cont'd):**

14. During the current period, the optionally convertible loan granted to one of the subsidiaries New Saraswati House Private Limited amounting to ₹ 80.00 million has been converted into equity.
15. The Company's business was severely impacted by COVID -19 due to lockdowns announced by the Government which lead to closure of schools and colleges. Based on current indicators of future economic conditions, the Company expects to recover the carrying amounts as on 30 September 2022, of its assets. Various cost rationalization measures initiated during the last financial year have continued during the current period and with the removal of restrictions and relaxations by the State Governments with respect to opening of schools and colleges, the operation of the Company has significantly improved and are currently operating near the pre-covid level.
16. The quarter and half year ended financial results are available on the Company's website [www.schandgroup.com](http://www.schandgroup.com) and on the website of BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and The National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)).
17. Figures for the previous period/year have been regrouped /reclassified, wherever necessary, to correspond with the current period/ year classifications/ disclosures.

Place: New Delhi  
Date: 12 November 2022

**For and on behalf of the Board of Directors of  
S Chand And Company Limited**



**Himanshu Gupta**  
(DIN: 00054015)  
(Managing Director)

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Walker Chandiook & Co LLP  
L 41, Connaught Circus,  
Outer Circle,  
New Delhi – 110 001  
India  
T +91 11 45002219  
F +91 11 42787071

**Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of S Chand And Company Limited**

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of S Chand And Company Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associate, (refer Annexure 1 for the list of subsidiaries and associate included in the Statement) for the quarter ended 30 September 2022 and the consolidated year to date results for the period 01 April 2022 to 30 September 2022, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the Listing Regulation, to the extent applicable.



# Walker Chandiook & Co LLP

## Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the interim financial results of 9 subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 4,481.55 million as at 30 September 2022, and total revenues of ₹ 65.27 million and ₹ 382.92 million, total net profit after tax of ₹ 61.28 million and ₹ 34.75 million, total comprehensive income of ₹ 61.91 million and ₹ 35.76 million, for the quarter and six-month period ended on 30 September 2022, respectively, and cash flows (net) of ₹ 36.39 million for the period ended 30 September 2022, as considered in the Statement. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.



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# Walker Chandiook & Co LLP

## Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)

6. The Statement includes the interim financial results of 1 subsidiary, which have not been reviewed by their auditors, whose interim financial results reflects total assets of ₹ 46.20 million as at 30 September 2022, and total revenues of ₹ 1.13 million and ₹ 4.67 million, net loss after tax of ₹ 9.68 million and ₹ 15.94 million, total comprehensive loss of ₹ 9.68 million and ₹ 15.40 million for the quarter and year-to-date period ended 30 September 2022 respectively, cash flow (net) of ₹ 0.72 million for the period ended 30 September 2022 as considered in the Statement. The Statement also includes the Group's share of net loss after tax of nil and ₹ 1.11 million and total comprehensive income of nil and ₹ (1.11) million for the quarter and year to date period ended on 30 September 2022 respectively, in respect of 1 associate, based on their interim financial results, which have not been reviewed by their auditors, and have been furnished to us by the Holding Company's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and the associate, is based solely on such unreviewed interim financial results. According to the information and explanations given to us by the management, these interim financial results are not material to the Group.

Our conclusion is not modified in respect of this matter with respect to our reliance on the financial results certified by the Board of Directors.

### For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

*Tarun*



**Tarun Gupta**

Partner

Membership No. 507892

UDIN: 22507892BCXMDA4042

**Place:** New Delhi

**Date:** 12 November 2022

# Walker Chandiook & Co LLP

**Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)**

## **Annexure 1**

### **List of entities included in the Statement**

**S.No Name of Holding Company**

1. S Chand And Company Limited

**Name of subsidiaries**

1. Vikas Publishing House Private Limited
2. Chhaya Prakashani Limited
3. New Saraswati House (India) Private Limited
4. DS Digital Private Limited
5. Safari Digital Education Initiatives Private Limited
6. Blackie & Son (Calcutta) Private Limited
7. BPI (India) Private Limited
8. Edutor Technologies India Private Limited
9. Nirja Publishers and Printers Private Limited
10. S. Chand Edutech Private Limited
11. Indian Progressive Publishing Co Private Limited
12. Convergia Digital Education Private Limited (w.e.f. 1 July 2021)

**Name of associate**

1. Smartivity Labs Private Limited (upto 21 June 2022)



**S Chand And Company Limited**  
**Corporate Identity Number: L22219DL1970PLC005400**  
**Registered office and corporate office: A-27, 2nd Floor, Mohan Co-operative Industrial Estate, New Delhi 110044**  
**Website: www.schandgroup.com**

Statement of unaudited consolidated financial results for the quarter and half year ended 30 September 2022

(₹ in millions)

Particulars	Quarter ended			Half year ended		Year ended
	30 September 2022	30 June 2022	30 September 2021	30 September 2022	30 September 2021	31 March 2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>I</b> Revenue from operations	472.74	1,073.08	518.40	1,545.82	876.79	4,809.30
<b>II</b> Other income	1.96	142.94	53.19	144.90	89.31	143.47
<b>III</b> Total income (I+II)	<b>474.70</b>	<b>1,216.02</b>	<b>571.59</b>	<b>1,690.72</b>	<b>966.10</b>	<b>4,952.77</b>
<b>IV</b> Expenses						
Cost of published goods/materials consumed	295.45	399.67	179.62	695.12	277.60	1,342.30
Purchase of stock-in-trade	4.10	2.18	21.84	6.28	38.80	146.34
(Increase)/ decrease in inventories of finished goods, work-in-progress and stock-in-trade	(119.02)	(51.60)	(4.08)	(170.62)	(5.64)	239.92
Employee benefits expense	316.59	295.50	291.58	612.09	559.87	1,172.76
Finance costs	40.99	40.97	62.43	81.96	136.69	273.59
Depreciation and amortisation expense	109.03	109.68	100.00	218.71	202.88	420.62
Other expenses	269.93	307.95	293.48	577.88	475.65	1,294.26
<b>Total expenses (IV)</b>	<b>917.07</b>	<b>1,104.35</b>	<b>944.87</b>	<b>2,021.42</b>	<b>1,685.85</b>	<b>4,889.79</b>
<b>V</b> (Loss)/ profit before share of loss in associates, exceptional items and tax (III-IV)	<b>(442.37)</b>	<b>111.67</b>	<b>(373.28)</b>	<b>(330.70)</b>	<b>(719.75)</b>	<b>62.98</b>
<b>VI</b> Share of loss in associates	-	(1.11)	(0.61)	(1.11)	(2.98)	(5.26)
<b>VII</b> (Loss)/ profit before exceptional items and tax (V+VI)	<b>(442.37)</b>	<b>110.56</b>	<b>(373.89)</b>	<b>(331.81)</b>	<b>(722.73)</b>	<b>57.72</b>
<b>VIII</b> Exceptional items (refer note 9)	156.28	-	-	156.28	-	(12.08)
<b>IX</b> (Loss)/ profit before tax (VII+VIII)	<b>(286.09)</b>	<b>110.56</b>	<b>(373.89)</b>	<b>(175.53)</b>	<b>(722.73)</b>	<b>45.64</b>
<b>X</b> Tax expenses:						
1) Current tax	9.56	43.09	2.46	52.65	6.93	131.38
2) Tax relating to earlier years	0.11	0.18	(4.05)	0.29	(4.05)	7.09
2) Deferred tax	(97.26)	4.99	39.47	(92.27)	(0.11)	(173.23)
<b>XI</b> (Loss)/ profit for the period (after tax) (IX-X)	<b>(198.50)</b>	<b>62.30</b>	<b>(411.77)</b>	<b>(136.20)</b>	<b>(725.50)</b>	<b>80.40</b>
<b>XII</b> Other comprehensive income						
A. (i) Items that will not be reclassified to profit or loss						
Re-measurement gains/(losses) on defined benefit plans	(3.61)	2.17	(2.04)	(1.44)	0.79	9.40
(ii) Income tax related to items that will not be reclassified to profit or loss	1.01	(0.51)	1.50	0.50	1.17	(2.51)
B. (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
(ii) Income tax related to items that will be reclassified to profit or loss	-	-	-	-	-	-
<b>Total other comprehensive income, net of tax</b>	<b>(2.60)</b>	<b>1.66</b>	<b>(0.54)</b>	<b>(0.94)</b>	<b>1.96</b>	<b>6.89</b>
<b>XIII</b> Total comprehensive income/ (loss) for the period/ year (XI+XII) (comprising profit/ (loss) and other comprehensive income for the period/ year)	<b>(201.10)</b>	<b>63.96</b>	<b>(412.31)</b>	<b>(137.14)</b>	<b>(723.54)</b>	<b>87.29</b>
<b>XIV</b> (Loss)/ profit for the period/ year attributable to:						
- Equity holders of the parent	(177.15)	69.50	(404.41)	(107.65)	(709.47)	111.85
- Non-controlling interests	(21.35)	(7.20)	(7.36)	(28.55)	(16.03)	(31.45)
<b>XV</b> Other comprehensive income attributable to:						
- Equity holders of the parent	(2.59)	1.40	(0.50)	(1.19)	1.83	5.47
- Non-controlling interests	(0.01)	0.26	(0.04)	0.25	0.13	1.42
<b>XVI</b> Total comprehensive income/ (loss) attributable to:						
- Equity holders of the parent	(179.74)	70.90	(404.91)	(108.84)	(707.64)	117.32
- Non-controlling interests	(21.36)	(6.94)	(7.40)	(28.30)	(15.90)	(30.03)
<b>XVII</b> Paid-up equity share capital (face value of ₹ 5 each)	175.22	175.22	174.88	175.22	174.88	175.22
<b>XVIII</b> Other equity	NA	NA	NA	NA	NA	8,139.20
<b>XIX</b> Earnings per equity share (in ₹) (not annualised, except year end)						
1) Basic	(5.66)	1.78	(11.77)	(3.89)	(20.74)	2.29
2) Diluted	(5.66)	1.77	(11.77)	(3.89)	(20.74)	2.29

See accompanying notes to consolidated unaudited financial results.



Notes to consolidated financial results:

1. Consolidated Statement of assets and liabilities

(₹ in millions)

Particulars	As at	As at
	30 September 2022	31 March 2022
	Unaudited	Audited
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	806.37	793.85
Right-of-use asset	350.62	380.24
Capital work-in-progress	4.36	4.13
Goodwill	3,381.07	3,381.07
Other intangible assets	1,018.91	1,133.77
Intangible assets under development	19.45	8.71
Investments accounted for using the equity method	-	31.34
Financial assets		
- Investments	196.61	59.21
- Other financial assets	40.03	44.03
Deferred tax assets (net)	937.57	844.80
Other non-current assets	95.17	64.66
<b>Total non-current assets (A)</b>	<b>6,850.16</b>	<b>6,745.81</b>
<b>Current assets</b>		
Inventories	1,941.45	1,275.61
Financial assets		
- Investments	318.13	152.65
- Trade receivables	1,572.06	2,921.14
- Cash and cash equivalents	360.27	608.91
- Bank balances other than cash and cash equivalents	68.11	66.23
- Other financial assets	30.76	26.65
Other current assets	159.75	112.84
<b>Total current assets (B)</b>	<b>4,450.53</b>	<b>5,164.03</b>
<b>Asset held for sale (C)</b>	<b>-</b>	<b>23.06</b>
<b>Total assets (A+B+C)</b>	<b>11,300.69</b>	<b>11,932.90</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity share capital	175.22	175.22
Other equity	8,032.63	8,139.20
Non-controlling interests	130.19	158.64
<b>Total equity (D)</b>	<b>8,338.04</b>	<b>8,473.06</b>
<b>Non-current liabilities</b>		
Financial liabilities		
- Borrowings	301.34	673.89
- Lease liability	124.47	145.15
Provisions	68.65	66.05
<b>Total non-current liabilities (E)</b>	<b>494.46</b>	<b>885.09</b>
<b>Current liabilities</b>		
Financial liabilities		
- Borrowings	1,156.38	897.88
- Lease liability	96.67	104.21
- Trade payables		
- micro enterprises and small enterprises	163.35	189.24
- other than micro enterprises and small enterprises	779.50	1,025.90
- Other financial liabilities	122.70	141.52
Other current liabilities	91.82	124.55
Provisions	43.44	42.49
Current tax liabilities (net)	14.33	48.96
<b>Total current liabilities (F)</b>	<b>2,468.19</b>	<b>2,574.75</b>
<b>Total equity and liabilities (D+E+F)</b>	<b>11,300.69</b>	<b>11,932.90</b>



## 2. Statement of Consolidated Cash flow for the period ended

(₹ in millions)

Particulars	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
<b>Cash flow from operating activities</b>		
<b>A. Loss before tax</b>	<b>(175.53)</b>	<b>(722.73)</b>
<b>Adjustment to reconcile loss before tax to net cash flows</b>		
Depreciation and amortisation expense	218.71	202.88
Loss on sale of property, plant and equipment (net)	6.69	1.91
Finance costs	81.96	136.69
Interest income	(1.96)	(18.05)
Net income on deemed disposal of associate	-	(14.57)
Amounts written-back	(14.28)	(16.94)
Fair value gain on financial instruments at fair value through profit or loss	(99.36)	(3.89)
Rent concession and gain on de-recognition of lease liability	-	(0.86)
Net gain on sale of current investments	(2.26)	(0.32)
Gain on disposal of non-current investment	(156.28)	-
Share of loss in associate	1.11	2.98
Unrealised foreign exchange (gain)/ loss (net)	(0.54)	0.19
Employee stock option expense	2.27	4.62
Provision for expected credit loss and advances	10.25	44.88
Bad debt written off	14.24	45.69
<b>Operating loss before working capital changes</b>	<b>(114.98)</b>	<b>(337.52)</b>
<b>Movements in working capital:</b>		
Increase in inventories	(665.84)	(98.74)
Decrease in trade receivables	1,325.13	1,113.52
Increase in loans and advances	-	(0.94)
Increase in other assets	(43.39)	(7.86)
Increase/ (decrease) in provisions	2.11	(8.69)
Decrease in trade payables	(258.01)	(463.06)
Decrease in other liabilities	(51.55)	(38.49)
<b>Cash generated from operations</b>	<b>193.47</b>	<b>158.22</b>
Direct taxes paid (net of refunds)	(122.38)	(36.54)
<b>Net cash generated from operating activities (A)</b>	<b>71.09</b>	<b>121.68</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment including intangible assets and capital work-in-progress	(89.83)	(40.01)
Proceeds from sale of property, plant and equipment	10.82	8.26
Purchase of current investments	(238.96)	(125.00)
Proceeds from sale of current investments	76.80	146.02
Purchase of non-current investments	(9.00)	-
Disposal of non current investment	179.32	-
Investment in deposits from banks	(1.04)	-
Interest received	1.79	20.81
<b>Net cash (used in)/ generated from investing activities (B)</b>	<b>(70.10)</b>	<b>10.08</b>
<b>C. Cash flows from financing activities</b>		
Interest paid on borrowings	(69.91)	(118.42)
Amortization of ancillary borrowing cost	-	0.08
Proceed from non-current borrowings	6.00	103.50
Repayment of non-current borrowings	(370.80)	(116.03)
(Proceeds)/ repayment of current borrowings (net)	250.75	(66.32)
Payment of lease liabilities	(65.67)	(97.68)
<b>Net cash used in financing activities (C)</b>	<b>(249.63)</b>	<b>(294.87)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(248.64)</b>	<b>(163.11)</b>
Cash and cash equivalents at the beginning of the year	608.91	419.17
<b>Cash and cash equivalents at the end of the year</b>	<b>360.27</b>	<b>256.06</b>





**Notes to consolidated financial results:**

3. The consolidated financial results for the quarter and half year ended 30 September 2022 were reviewed by the Audit Committee on 12 November 2022 and have been approved and taken on record by the Board of Directors at its meeting held on 12 November 2022. Further, the limited review of financial results for the quarter and half year ended 30 September 2022, in terms of Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, has been carried out by the statutory auditors of the Group. The statutory auditors of the Group have expressed an unmodified conclusion on these consolidated financial results.
4. The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and Companies (Indian Accounting Standards) amendment Rules 2016.
5. As per Indian Accounting Standard (Ind AS) 108 "Operating Segment", the Group's business falls within a single business segment viz. "publishing of books".
6. The Group had filed Draft Composite Scheme of Arrangement on 9 January 2018 having an appointed date of 1 April 2017, amongst Blackie & Son (Calcutta) Private Limited ("Blackie"), Nirja Publishers & Printers Private Limited ("Nirja"), DS Digital Private Limited ("DS Digital"), Safari Digital Education Initiatives Private Limited ("Safari Digital") and S Chand And Company Limited ("S Chand") and their respective shareholders and creditors (Composite Scheme) with BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and Circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017 ("SEBI Circular"). The Scheme inter alia includes amalgamation of Blackie and Nirja with and into S Chand, demerger of the education business of DS Digital & Safari Digital with and into S Chand and amalgamation of residual business (after demerger) of DS Digital with and into Safari Digital. The Group had filed the Scheme with NCLT. Respective creditors and shareholders have approved the Composite Scheme and thereafter the Group has filed a second motion application with NCLT for approval of the Composite Scheme. The approval of NCLT is awaited.
7. The Group's financial results have, historically, been subject to seasonal trends between the last quarter and whole financial year. The Group sees a higher volume of book sales during the months of January, February and March because academic sessions start from the month of April. Ongoing revenue also demonstrate signs of seasonality, with revenue generally lower during other quarters, which are not close to the beginning of academic session. These trends are likely to continue in the future. The current quarter/ period is not comparable with corresponding quarter/ period of the previous year which was impacted by the Covid-19.
8. During the period ended 30 September 2022 and year ended 31 March 2022, the following options were exercised, lapsed/forfeited and remained outstanding under the employee stock option plan 2012 (ESOP 2012) and employee stock option plan 2018 (ESOP 2018).

	Period ended 30 September 2022	Year ended 31 March 2022
Exercised	-	68,049
Granted	-	2,09,000
Lapsed/forfeited	7,000	19,765
Outstanding	1,95,000	2,02,000

9. a) During the current period, the Group had disposed off its investment in Testbook Edu Solutions Private Limited and had recognised a gain amounting to ₹ 156.28 million.  
b) During the previous year, the Group had disposed off its investment in Gyankosh Solutions Private Limited and had recognised a loss amounting to ₹ 12.08 million.
10. During the current period, the Group lost significant influence in its associate- Smartivity Labs Private Limited and accordingly it ceased to be an associate w.e.f. 21 June 2022. Accordingly, the investment is valued at fair value through profit and loss and a gain of ₹ 98.15 million has been recorded in other income.
11. The Government of India announced the New Education Policy (NEP) 2020 on 31 July 2020, to bring in various changes in the Education system. The National Curriculum Framework (NCF) that defines the curriculum to be taught in schools is yet to be formulated based on NEP, which is expected to be developed over the period. The management is monitoring the implementation of the policy and the revised curriculum and detailed assessment shall be made, once curriculum gets formulated.
12. The Group's business was severely impacted by COVID -19 due to lockdowns announced by the Government which lead to closure of schools and colleges. Based on current indicators of future economic conditions, the Group expects to recover the carrying amounts as on 30 September 2022, of its assets. Various cost rationalization measures initiated during the last financial year have continued during the current period and with the removal of restrictions and relaxations by the State Governments with respect to opening of schools and colleges, the operation of the Group has significantly improved and are currently operating near the pre-covid level.
12. The quarter ended and six month ended financial results are available on the Company's website www.schandgroup.com and on the website of BSE Limited (www.bseindia.com) and The National Stock Exchange of India Limited (www.nseindia.com).
13. Figures for the previous quarters/period's have been regrouped /reclassified, wherever necessary, to correspond with the current quarter's/ period's classifications/ disclosures.

For and on behalf of the Board of Directors of  
S Chand And Company Limited

Place: New Delhi  
Date: 12 November 2022



Himanshu Gupta  
(DIN: 00054015)  
(Managing Director)

**ANNEXURE I****Statement on Impact of Audit Qualifications (for limited review report with modified opinion) submitted along-with unaudited Financial Results - (Standalone)**

<b>Statement on Impact of Audit Qualifications for the Quarter and Half Year ended September 2022</b> <b>[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</b>				
				<b>Rs. In Mn</b>
<b>I.</b>	<b>Sl. No.</b>	<b>Particulars</b>	<b>Unaudited Figures (as reported before adjusting for qualifications)</b>	<b>Adjusted Figures (Unaudited figures after adjusting for qualifications)</b>
	1.	Turnover / Total income	829.13	829.13
	2.	Total Expenditure	722.82	722.82
	3.	Net Profit/(Loss)	(19.11)	(19.11)
	4.	Earnings Per Share	(0.55)	(0.55)
	5.	Total Assets	9311.96	9311.96
	6.	Total Liabilities	1392.16	1392.16
	7.	Net Worth	7919.80	7919.80
	8.	Any other financial item(s) (as felt appropriate by the management)		
<b>II.</b>	<b>Audit Qualification (each audit qualification separately):</b>			
	<b>a. Details of Audit Qualification:</b>			
	<p>The Auditors draw attention to note 9 of the Statement which states that, the Company has a non-current investment in DS Digital Private Limited ('DS Digital'), a subsidiary of the Company amounting to INR 247.78 million (net of impairment of INR 55 million), and has loans and trade/ other receivables recoverable from such subsidiary company amounting to INR 156.09 million and INR 50.67 million, respectively, as at 30 September 2022. DS Digital has been incurring operational losses since earlier years as a result of which the net worth of such subsidiary company has been completely eroded. Management, based on their internal assessment, has assessed that the aforesaid recoverable balances are fully recoverable as at 30 September 2022 and hence, no adjustments are required to be made to the accompanying financial results. However, in absence of sufficient and appropriate evidence to support management's assessment as above, the Auditors were unable to comment on the appropriateness of the carrying value of the aforesaid recoverable balances as at 30 September 2022 and the consequential impact thereof on the accompanying standalone financial results for the quarter and half year ended 30 September 2022. The opinion expressed by us on the standalone financial statements for the year ended 31 March 2022 vide our audit report dated 24 May 2022 and conclusion expressed by us on standalone financial results for the quarter ended 30 June 2022 vide our report dated 9 August 2022 were also qualified in respect of above matter.</p>			
	<b>b. Type of Audit Qualification:</b> Qualified Opinion / Disclaimer of Opinion / Adverse Opinion			
	Qualified Conclusion			
	<b>c. Frequency of qualification:</b> Whether appeared first time / repetitive / since how long continuing			



	Continuing since Quarter ended December 2021
	<b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>
	<p>The Company has a non-current investment in DS Digital Private Limited ('DS Digital'), subsidiary of the Company amounting to ₹ 247.78 million (net of impairment of ₹ 55 million) in form of investment in equity shares and preference shares as at 30 September 2022. Further, there are loans and trade/ other receivables recoverable from DS Digital amounting to ₹ 156.09 million and ₹ 50.67 million respectively. DS Digital has been incurring losses since earlier years and have eroded its net worth. The management has filed a composite Scheme of arrangement ('the Scheme') (refer note below) having an appointed date as 1 April 2017. As per the Scheme, DS Digital would cease to exist as education business would get demerged into S Chand and the residual business of DS Digital would get merged into Safari Digital. Merger would bring synergies which will help the resulting entity (Safari Digital) to optimize the utilization of resources to exploit the anticipated business opportunities more efficiently leading to financial strengthening. The Scheme has been filed with NCLT and due to the current scenario of COVID-19 and nationwide restrictions, the hearing for this matter has been delayed. Management believes that the aforesaid recoverable balances from DS Digital are good and recoverable as at 30 September 2022 based upon an independent valuation of the Intellectual Property which the company holds.</p> <p><b>Note :</b> The Company had filed Draft Composite Scheme of Arrangement on 9 January 2018, amongst Blackie &amp; Son (Calcutta) Private Limited ("Blackie"), Nirja Publishers &amp; Printers Private Limited ("Nirja"), DS Digital Private Limited ("DS Digital"), Safari Digital Education Initiatives Private Limited ("Safari Digital") and S Chand And Company Limited ("S Chand") and their respective shareholders and creditors (Composite Scheme) with BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and Circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017 ("SEBI Circular"). The Scheme inter alia includes amalgamation of Blackie and Nirja with and into S Chand, demerger of the education business of DS Digital &amp; Safari Digital with and into S Chand and amalgamation of residual business (after demerger) of DS Digital with and into Safari Digital. The Company had filed the Scheme with NCLT. NCLT vide its order dated 10 February 2020 had directed to convene meetings of shareholders, secured &amp; unsecured creditors of S Chand and meeting of secured and unsecured creditors of Nirja and DS Digital ("the meetings") for approval of the Scheme. However, due to Covid19 pandemic and nationwide lockdown the meetings were deferred. NCLT vide its order dated 29 May 2020 has directed to convene these meetings through video conferencing in the month of July 2020. These meetings were convened through video conferencing on 17 July 2020 and 18 July 2020. Respective creditors and shareholders have approved the Composite Scheme and thereafter Company has filed a second motion application with NCLT for approval of the Composite Scheme. The approval of NCLT is awaited.</p>
	<b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b>
	<b>(i) Management's estimation on the impact of audit qualification:</b>
	Not Applicable
	<b>(ii) If management is unable to estimate the impact, reasons for the same:</b>
	Not Applicable
	<b>(iii) Auditors' Comments on (i) or (ii) above:</b>
	Not Applicable
III.	Signatories
	<b>For S Chand and Company Limited</b>



Himanshu Gupta  
Managing Director

Place : New Delhi  
Date : 12<sup>th</sup> November 2022

**For S Chand and Company Limited**

Surabh Mittal  
CFO

Place : New Delhi  
Date : 12<sup>th</sup> November 2022

**For S Chand and Company Limited**

Archana Kapoor  
Audit Committee Chairperson

Place : New Delhi  
Date : 12<sup>th</sup> November 2022

**For Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

Tarun Gupta  
Partner  
Membership No. 507892

Place: New Delhi  
Date: 12<sup>th</sup> November 2022

