



## S Chand And Company Limited

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

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Date: July 31, 2023

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,

**Sub.: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Pronouncement of modified order by the Hon'ble National Company Law Tribunal, New Delhi Bench- III in the matter of composite Scheme of Arrangement amongst Blackie & Son (Calcutta) Private Limited, Nirja Publishers & Printers Private Limited, DS Digital Private Limited, Safari Digital Education Initiatives Private Limited and S Chand And Company Limited**

This is in reference to our earlier disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 submitted by the Company on June 16, 2023 intimating pronouncement of order dated June 16, 2023 by the Hon'ble National Company Law Tribunal, New Delhi Bench-III, approving the composite Scheme of Arrangement amongst Blackie & Son (Calcutta) Private Limited, Nirja Publishers & Printers Private Limited, DS Digital Private Limited, Safari Digital Education Initiatives Private Limited and S Chand And Company Limited, its respective members and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder.

The said NCLT order has various typographical errors. Therefore, the Company filed an application with the NCLT for issue of modified order after correcting such errors.

Considering our application, NCLT vide its order delivered on July 24, 2023 and received by the Company on July 31, 2023, issued a modified order replacing the earlier order dated June 16, 2023.



Copy of the above-mentioned modified order dated July 24, 2023 as available on the website of the Hon'ble NCLT is enclosed herewith and is also being uploaded on the website of the Company at [www.schandgroup.com](http://www.schandgroup.com).

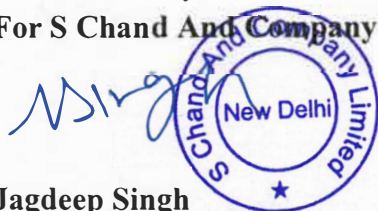
This disclosure is being made under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Request you to kindly take note of the above.

Thanking You.

Yours Sincerely,

**For S Chand And Company Limited**

A blue circular stamp with the text "S Chand And Company Limited" around the perimeter and "New Delhi" in the center. A small star is at the bottom. A handwritten signature in blue ink is written over the stamp.

**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**

**IN THE NATIONAL COMPANY LAW TRIBUNAL, NEW DELHI**  
**COURT-III**

**Item No.105**

New IA(Com.A)- 247/2023

In

CAA-60(ND)/2020

**IN THE MATTER OF:**

Blackie & Son (Culcutta) Pvt Ltd. & Nirja Publishers & Printers Pvt Ltd.

**.... APPLICANT/PETITIONER**

**SECTION**

**U/s 230-232**

**Order delivered on 24.07.2023**

**CORAM:**

**SHRI BACHU VENKAT BALARAM DAS, HON'BLE MEMBER (JUDICIAL)**

**SHRI ATUL CHATURVEDI HON'BLE MEMBER (TECHNICAL)**

**PRESENT:**

For the Applicant : Mr. Lokesh Dyani, Ms. Ashima Jain, Advocates in IA-247/2023

For the IT Department : Mr. Sanjay Kumar, Ms. Easha and Ms. Hemlata Rawat, Standing Counsels for Income Tax Department

For the OL : Ms. Hemlata Rawat Counsel for OL

**ORDER**

**IA(Com.A)- 247/2023:-**

The Ld. Counsel appearing for the Applicant has submitted that various typographical errors are there in the order dated 16.06.2023 and details of which has been mentioned in the present application.

Keeping in view, the fact that there are lot of mistakes in the said order, we deem it appropriate to issue modified order carrying out the corrections.

Accordingly, modified order is issued separately.

IA **disposed of.**

**Sd/-**

**(ATUL CHATURVEDI)  
MEMBER (TECHNICAL)**

**Sd/-**

**(BACHU VENKAT BALARAM DAS)  
MEMBER (JUDICIAL)**

**NATIONAL COMPANY LAW TRIBUNAL**  
**NEW DELHI BENCH (COURT- III)**

**C.P.(CAA)-60/ND/2020**

**In**

**CA(CAA) 12/ND/2020**

Section 230 to Section 232 of the Companies Act, 2013

**IN THE MATTER OF SCHEME OF ARRANGEMENT:**

AMONGST

**M/S BLACKIE & SON (CALCUTTA) PVT LTD**

... Petitioner No.1 /Transferor Company No.1  
AND

**M/S NIRJA PUBLISHERS & PRINTERS PVT LTD**

... Petitioner No.2 /Transferor Company No. 2  
AND

**M/S DS DIGITAL PVT LTD**

...Petitioner No.3/ Demerged Company No.1

AND

**M/S SAFARI DIGITAL EDUCATION INITIATIVES PVT LTD**

...Petitioner No.4/ Demerged Company No.2

WITH

**M/S S CHAND AND COMPANY LTD**

... Petitioner No.5/ Transferee Company No. 1

Order Delivered on: 24.07.2023

**CORAM:**

**SH. BACHU VENKAT BALARAM DAS, HON'BLE MEMBER (JUDICIAL)**  
**SH. ATUL CHATURVEDI, HON'BLE MEMBER (TECHNICAL)**

**PRESENT:**

**For the Applicant** : Mr. Satwinder Singh, Adv.

**For the RD** : Ms. Priyadarshini Dewan, Ms. Swechcha Mishra, Adv.

**For the OL** : Ms. Hemlata Rawat Adv.

**ORDER**

**PER: ATUL CHATURVEDI, MEMBER (TECHNICAL)**

1. This is a 2<sup>nd</sup> Motion Petition filed under Sections 230, 232 & 66 of the Companies Act, 2013, in connection with the proposed scheme of Arrangement amongst Blackie & Son (Calcutta) Pvt Ltd, Nirja Publishers & Printers Pvt Ltd, DS Digital Pvt Ltd, Safari Digital Education Initiatives Pvt Ltd and S Chand and Company Ltd.
2. M/s. Blackie & Son (Calcutta) Pvt Ltd, (hereinafter referred to as "Transferor Company-1") was incorporated on 09.10.1979 under the provisions of the Companies Act, 1956 having its registered office at 7361, Ravindra Mansion, Ram Nagar, Qutab Road, New Delhi-110055.
3. M/s. Nirja Publishers & Printers Pvt Ltd, (hereinafter referred to as "Transferor Company- 2") was incorporated on 31.08.1971 under the provisions of the Companies Act, 1956 having its registered office at 7361, Ravindra Mansion, Ram Nagar, Qutab Road, New Delhi-110055.
4. M/s. DS Digital Pvt Ltd, (hereinafter referred to as "Demerged Company1") was incorporated on 28.01.2008 under the provisions of the Companies Act, 1956 having its registered office at A-27, 2nd Floor, Mohan Co-operative Industrial Estate, New Delhi-110044.

5. M/s. Safari Digital Education Pvt Ltd, (hereinafter referred to as “Demerged Company-2”) was incorporated on 23.06.2010 under the provisions of the Companies Act, 1956 having its registered office at A27, 2nd Floor, Mohan Co-operative Industrial Estate, New Delhi 110044.
6. M/s. S Chand and Company Ltd, (hereinafter referred to as “Transferee Company - 1”) was incorporated on 09.09.1970 under the provisions of the Companies Act, 1956 having its registered office at A-27, 2<sup>nd</sup> Floor, Mohan Co-operative Industrial Estate, New Delhi-110044.
7. The present Petition has been filed by all the Companies jointly. Since the Registered offices of all the Petitioner Companies is situated in Delhi, the jurisdiction lies with this Adjudicating Authority. The Transferor Companies No. 1 & 2, the Demerged Companies No.1 & 2 and the Transferee Company had filed a 1<sup>st</sup> Motion Joint Application under Sections 230, 232 & 66 of the Companies Act, 2013, and other applicable provisions, if any, being CA(CAA)12(ND) OF 2020, with this Tribunal. To obtain appropriate orders to dispense/convene meetings of Shareholders, Secured Creditors and Un-Secured Creditors, of these companies for the purpose of considering and approving, with or without, the aforesaid Scheme of Arrangement.
8. This Tribunal was pleased to direct for the convening of separate meetings of Equity Shareholders of the Transferee Company No.1, Secured Creditors of the Transferor Company No.2, the Demerged Company No.1 and the Transferee Company No.1 and Un-Secured Creditors of the Transferor Company No.2, the Demerged Company No.1 and the Transferee Company No.1 on 25<sup>th</sup> March, 2020 and 26<sup>th</sup> March 2020. In view of complete nationwide Lockdown to contain the COVID19 pandemic, these meetings were forced to be cancelled and this Tribunal further directed to hold the aforesaid, meetings through video

conferencing with facility to remote e-voting on 17.07.2020 and 18.07.2020. The composite scheme of Arrangement was considered and approved unanimously with overwhelming majority in each of the meetings, the details of which have been filed.

9. Subsequent to the order of dispensation of meetings in relation to the Transferor Companies, the Second Motion petition was moved by the Petitioner Companies in connection with the Scheme of Arrangement for issuance of notices to the Central Government, Registrar of Companies NCT of Delhi & Haryana, Regional Director (Northern Region) MCA, Income Tax Authorities, Official Liquidator, Reserve Bank of India and other sectoral regulators who shall be affected by the proposed Scheme and to such other Objector(s), if any, and also for publication of notice in respect of the said Scheme. The said petition was admitted and directions were issued, by this Tribunal requiring the Petitioner Companies to serve notices to the Central Government, Registrar of Companies NCT of Delhi & Haryana, Regional Director (Northern Region) MCA, Income Tax Authorities, Official Liquidator and other sectoral regulators likely to be affected by the said proposed Scheme and also to carry out necessary publication in English and Hindi newspapers with respect to the said Scheme.
10. It is submitted by the Petitioners that in compliance of the above stated directions, the Petitioners duly filed an Affidavit of Service by confirming that the aforesaid Notices of the present Company Petition were published in Business Standard (English) and Business Standard (Hindi) newspaper Delhi edition. It is further submitted that the Petitioner Companies also served the Notices of the present Company Petition to all the statutory authorities.
11. The Regional Director vide its report dated 19.01.2021 has raised the following observations: -

- (a) Refer to clause 14 & 37 of the scheme, the Transferee Company shall comply with Section 232(3)(i) of the Companies Act, 2013 and pay the difference fee on the consolidated authorized share capital of the transferee company, after setting off the fee already paid by the Transferor Companies on their respective capital.
- (b) The Auditor has stated in the Financial Statement of Transferee Company filed for the Financial Year 2019-2020 that they are unable to verify the existence/condition of inventories of INR 103.55 Million, raw material of INR 556.40 Million, finished goods of INR 3.18 Million traded goods to determine adjustment that may be required to be made in the value of inventory. Therefore, the valuation shown under inventory may change and also the valuation report which is based on Financial Statement as at 31.03.2020.
- (c) As per Note 53 of in Financial Statement of Transferee Company filed for the Financial Year 2019-2020, there are uncertainty in receivables, inventory, raw material to use assets and investment in subsidiaries and debt repayment.
- (d) As per para (i) of the Auditor report of Transferee company, the remuneration of the director for the year ended 31.03.2020 is in excess of the limit applicable u/s 197 of the Act by Rs. 5 million.

12. The Petitioner Companies had field their reply dated 29.01.2021 in response to the Regional Director's Report dated 19.01.2021. The Reply of the Petitioner Companies is summarized below: -

- a. As provided in the Scheme of Arrangement, we wish to reiterate, confirm and undertake that the Transferee Company No. 1 and the Demerged



Company No. 2 will comply with the provisions of Section 232(3)(i) of the Companies Act, 2013 and other applicable provisions, if any, and make the requisite payment to the Registrar of Companies and other Authorities, if any, on increase of their respective authorized capital subsequent to the sanction of the Scheme of Arrangement.

- b. With regard to the remarks made by the Statutory Auditors of the Transferee Company No.1 in its report on the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2020, with regard to the verifications of inventories; it is most respectfully submitted that these observations/disclosures are made in the Auditors' Report/Financial Statements and are not necessarily a negative statement. As observed by the Statutory Auditors themselves, complete explanations are given in note 54 to the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2020, which is reproduced below for the ready reference of this Hon'ble Tribunal:

**Note 54:** *The Company, as part its policy, performs physical verification of inventory bi-annually in September and March every year. Accordingly, the management had carried out physical verification of inventory as at September 30,2019. However, as at March 31, 2020, due to travel restrictions on account of COVID-19 and due to significant business activities subsequent to year-end in the post lock down period, the management could not perform physical count of inventory as at March 31, 2020 through to the date of approval of these Financial Statements. The management has, therefore, relied upon the inventory count reflected in its books of accounts, which is the balancing figure for the opening, purchases and the inventory consumed/sold during the financial year. The management intends to complete the physical verification process in the subsequent quarter and does not expect any significant impact which arise on completion of this process.*

As mentioned by the Learned Regional Director in para 7 at page 6 of the RD Affidavit, the valuation Report for the Scheme of Arrangement is dated

November 14, 2017, after which the Scheme was filed with the Stock Exchanges and SEBI for approval, before filing the same with this Hon'ble Tribunal. Hence, the aforesaid observations made by the Auditors with regard to the inventories do not have any bearing either on the Share Valuation Report or on the proposed Scheme of Amalgamation.

- c. With regard to Note 53 on uncertainty in receivables, inventory, raw material, right to use assets and investment in subsidiaries and debt repayment in the Transferee Company No.1, it is submitted that a lot of uncertainty prevailed in the economy on account of COVID-19 pandemic and the resultant nationwide lockdown. It may be noted that the Transferee Company No.1 is engaged in publishing of educational books and other related activities. Schools and educational institutions are one of the worst hit industries due to COVID-19 pandemic. Necessary disclosure was made on the aforesaid aspects in Note 53 to the Financial Statements of the Transferee Company for the year ended 31<sup>st</sup> March, 2020, in compliance with the Companies Act, 2013 and other applicable provisions.

However, the situation is gradually improving. The Transferee Company No.1 has started realizing receivables. The realization of receivables has been slow since most of the Educational Institutions remained closed and academic sessions/semesters/admissions were delayed due to delay in examination results. The inventories of the Transferee Company No.1 have been sold during the subsequent periods and the raw material has also been put to use for production and services to customers. With regard to debt repayment, it is submitted that it has been made regularly after obtaining moratorium as approved by the Banks of the Transferee Company No.1 and there are no overdues payable by the Transferee Company No.1. The management of the Transferee Company No.1 is of the view that uncertainty on the Investment in Subsidiaries is realizable except where provision has been made in books of accounts.

The proposed scheme of Arrangement will enable the Petitioner Companies to consolidate similar businesses. The Scheme will lead to simplification of group structure by eliminating multiple companies in similar business, thus enabling focus on core competencies which has become all the more critical in the present challenging times.

d. With regard to excess remuneration paid to the Director of the Transferee Company No.1 for the year ended 31<sup>st</sup> March, 2020, it is submitted that in terms of the provisions of the Companies Act, 2013, the Transferee Company No.1 had already taken approval of the Shareholders at the Annual General Meeting convened on 29<sup>th</sup> September, 2020 for the remuneration paid to the Directors during the Financial Year 2019-20. As on the date of this Affidavit, all the compliances have been made with regard to the remuneration paid to the Directors during the Financial Year 2019-20.

13. The Income Tax Department vide its report dated 14.01.2021 submitted to this tribunal stating therein that they have no objection with respect to the present Scheme of arrangement, subject to the condition that provisions of section 72 A of the IT Act to be complied. The Petitioner company have stated that none of the Petitioner companies has any outstanding Income Tax due. Be that as it may, the Income Tax Department can initiate appropriate proceedings for recovery of Income Tax dues if any.

14. The Official Liquidator vide its report dated 03.12.2020 submitted to this Tribunal stating therein that they have no objection with respect to the present Scheme of arrangement.

15. We have gone through the observations made by the Regional Director in its report dated 19.01.2021 and the reply of the petitioner companies. On

perusal of the observation and reply by Petitioner Companies, we find no impediment for the approval of the scheme.

16. In view of the foregoing facts and discussion and upon considering the approval accorded by the Members and Creditors of all the Companies to the proposed Scheme and also in the view of the fact that no sustainable objections have been raised by the Office of the Regional Director, Income Tax Department or any other interested party, there does not appear to be any impediment in granting sanction to the Scheme proposed of Arrangement.

17. Accordingly, in the sequel to the above facts and circumstances, the sanction is hereby granted to the Scheme of Arrangement proposed by the Applicant Company under Section 230 to 232 of the Companies Act, 2013.

18. Consequently, the sanction is hereby granted to the Scheme under Section 230 to 232 of the Companies Act, 2013. Upon the sanction becoming effective from the appointed date of amalgamation and arrangement i.e., 1<sup>st</sup> April, 2017, the Transferor Companies shall stand dissolved without undergoing the process of winding up.

19. This Tribunal with respect to De-merger of Educational Business of the Demerged Company-1 and Demerged Company-2 into the Transferee Company to Order:

- a) That all properties, rights and powers of Demerged Undertaking be transferred without further act or deed to the Resulting Company and accordingly, the same shall pursuant to Section 230-232 of the Companies Act, 2013 be transferred to and vested in the Resulting Company for all intents, purposes and interest of the Demerged Undertaking subject nevertheless to all changes now affecting the same; and

- b) That all the liabilities, (if any) and powers, engagements, obligations and duties of the Demerged Undertaking shall pursuant to Section 232(3) of the Companies Act, 2013 without further act or deed be transferred to the Resulting Company and accordingly the same become the liabilities and duties of the Resulting Company; and
- c) That all proceedings now pending by or against the Demerged Undertaking shall be continued by or against the Resulting Company; and
- d) That the Petitioner Company, shall within thirty days of the date of the receipt of this order cause a certified copy of this Order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Demerged Undertaking shall be deemed to be transferred; and

20. This Tribunal further directs amalgamation with respect to Transferor Companies No. 1 and 2 with Transferee Company No.1.

21. This Tribunal further directs Amalgamation of Demerged Company No.1 (With the residual business remaining in the company after the demerger of its educational business) with Demerged Company No. 2 that:

- i. All contracts of the Transferor Companies, which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and be in full force and effect in favor of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obliged thereto;

- ii. All the employees of the Transferor Company shall be deemed to have become the employees and the staff of the Transferee Company with effect from the Appointed Date, and shall stand transferred to the Transferee Company without any interruption of service and on the terms and conditions no less favorable than those on which they are engaged by the Transferor Company, as on the Effective Date, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and any other retirement benefits;
- iii. All liabilities of the Transferor Companies, shall, pursuant to the provisions of section 232(4) and other applicable provisions of the Companies Act, 2013, to the extent they are outstanding as on the Effective Date, without any further act, instrument or deed stand transferred to and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations etc. as the case may be, of the Transferee Company and shall be exercised by or against the Transferee Company, as if it had incurred such liabilities.
- iv. All proceedings now pending by or against the Transferor Companies be continued by or against the Transferee Company.

22. The sanctioned Scheme of Arrangement shall be binding on all the Petitioner Companies and their Shareholders and Creditors. The Petitioner Companies shall remain bound to comply with the statutory requirements in accordance with law. Notwithstanding the above, if at any stage any deficiency is found or violation committed qua any enactment, statutory rule or regulation is found to be committed, the sanction granted by this Tribunal to the Scheme will not come in the way of action to be

taken, albeit, in accordance with the law, against the concerned persons, Directors and Officials of the Applicant Company.

23. While approving the Scheme as above, it is clarified that this Order should not be construed as an order in any way granting exemption from payment of Stamp Duty, Taxes or other statutory dues, if any, and payment in accordance with law or in respect to any permission/compliance with any other requirement, which may be specifically required under any law will be made. Further, the approval of the Scheme would in no manner affect the tax treatment of the transactions under the Income Tax Act, 1961 or serve as any exemption or defense for the Applicant Companies against tax treatment in accordance with the provisions of Income Tax Act, 1961.

24. This Tribunal further directs with respect to Transferor companies and Transferee company, that:

a. All benefits, entitlements, incentives and concessions under incentive schemes and policies that the Transferor Companies are entitled to include under Customs, Excise, Service Tax, VAT, Sales Tax, GST and Entry Tax and Income Tax laws, subsidy receivables from Government, grant from any governmental authorities, direct tax benefit/exemptions/deductions, shall, to the extent statutorily available and along with associated obligations, stand transferred to and be available to the Transferee Company as if the Transferee Company was originally entitled to all such benefits, entitlements, incentives and concessions;

b. All contracts of the Transferor Companies, which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and be in full force and effect in favour of the Transferee Company

and may be enforced by or against it as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obliged thereto;

- c. All the employees of the Transferor Companies shall be deemed to have become the employees and the staff of the Transferee Company with effect from the Appointed Date, and shall stand transferred to the Transferee Company without any interruption of service and on the terms and conditions no less favourable than those on which they are engaged by the Transferor Companies, as on the Effective Date, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and any other retirement benefits.

25. In compliance with the requirement of Section 230 (1) of the Act, the Petitioner Companies shall, until the full implementation of the Scheme of Arrangement, file statement in Form CAA 8 along with the required fee as prescribed in the Companies (Registration offices and fees) Rules 2014 within 210 days from the end of each financial year.

26. The Company Petition bearing C.P.(CAA)-60/(ND)/2020 is **allowed** in the above terms.

**Sd/-**

**ATUL CHATURVEDI  
(MEMBER TECHNICAL)**

**Sd/-**

**BACHU VENKAT BALARAM DAS  
(MEMBER JUDICIAL)**