

Limited Review Report

**Review Report to
The Board of Directors
S Chand and Company Limited**

We have reviewed the accompanying statement of unaudited standalone financial results of S Chand and Company Limited (the 'Company') for the quarter ended December 31, 2017 and year to date from April 01, 2017 to December 31, 2017 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS) 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, 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 the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

We have neither audited nor reviewed the accompanying standalone unaudited financial results and other financial information for the quarter ended December 31, 2016 and year to date from April 1, 2016 to December 31, 2016 and for the year ended March 31, 2017, which have been presented solely based on the information complied by management

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Yogender Seth
Partner
Membership No.: 94524

Place: Gurgaon
Date: 09/02/2018



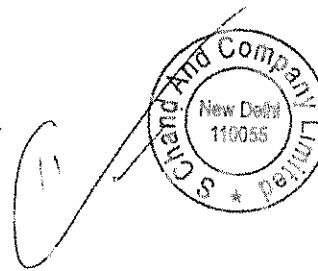
S CHAND AND COMPANY LIMITED
CIN:L22219DL1978PLC005400
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS PERIOD ENDED DECEMBER 31, 2017

Particulars	Quarter ended		Nine months period ended		Year ended
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2016	March 31, 2017
	Unaudited (Refer note 2)	Unaudited (Refer note 2)	Unaudited (Refer note 2)	Unaudited (Refer note 2)	Unaudited (Refer note 2)
I Revenue from operations	461.35	173.59	429.66	928.44	2,926.02
II Other income	55.73	59.09	23.63	160.84	96.39
III Total Income (I+II)	517.08	232.68	453.29	1,089.28	3,022.41
IV Expenses					
Cost of published goods/materials consumed	455.29	89.11	315.60	611.57	935.88
Publication expenses	49.81	28.21	69.38	125.82	317.00
Purchases of traded goods	0.00	2.62	27.23	16.03	130.05
Changes in inventories of finished goods and traded goods	(186.31)	3.02	(132.45)	(150.28)	23.28
Selling and distribution expenses	61.08	46.27	44.96	153.50	206.39
Employee benefits expenses	132.57	125.17	117.18	387.01	481.27
Finance cost	16.47	17.10	42.94	73.70	149.05
Depreciation and amortization expense	8.08	5.81	22.01	25.23	65.13
Other expenses	72.50	75.31	84.22	218.60	276.64
Total expenses (IV)	609.49	392.62	591.07	1,461.18	2,584.69
V Profit/(loss) before exceptional items and tax (III-IV)	(92.41)	(159.94)	(137.78)	(371.90)	437.72
VI Exceptional items	-	-	-	-	-
VII Profit/(loss) before tax (V-VI)	(92.41)	(159.94)	(137.78)	(371.90)	437.72
VIII Tax expenses:					
1) Current tax	(2.93)	-	-	(2.93)	172.50
2) Deferred tax	(31.81)	(58.02)	(56.06)	(130.36)	(6.99)
IX Profit/(loss) for the period/year from continuing operations (VII-VIII)	(97.67)	(101.92)	(81.72)	(238.61)	272.21
X Profit/(loss) from discontinued operations	-	-	-	-	-
XI Tax expense of discontinued operations	-	-	-	-	-
XII Profit/(loss) from discontinued operations (after tax) (X-XI)	-	-	-	-	-
XIII Profit/(loss) for the period/year (after tax) (IX+XII)	(97.67)	(101.92)	(81.72)	(238.61)	272.21
XIV Other comprehensive income					
A. (i) Items that will not be reclassified to profit or loss					
Re-measurement (gains)/losses on defined benefit plans	(3.15)	0.43	1.99	(4.46)	(0.42)
(ii) Income tax related to items that will not be reclassified to profit or loss	1.09	(0.15)	(0.69)	1.54	0.15
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	-	-	-	-	-
XV Total comprehensive income for the period/year (XIII+XIV) (comprising profit/(loss) and other comprehensive income for the period/year)	(55.61)	(102.20)	(83.02)	(235.69)	272.48
XVI Paid-up equity share capital (face value of ₹ 5 each)	174.75	174.20	149.22	174.75	149.22
XVII Reserves (excluding revaluation reserves) of previous accounting year	-	-	-	-	4,870.75
XVIII Earnings/(loss) per equity share (in ₹) (for continuing operations)					
1) Basic	(1.63)	(2.95)	(2.74)	(6.98)	9.12
2) Diluted	(1.63)	(2.95)	(2.74)	(6.98)	9.10
XIX Earnings/(loss) per equity share (in ₹) (for discontinued operations)					
1) Basic	-	-	-	-	-
2) Diluted	-	-	-	-	-
XX Earnings/(loss) per equity share (in ₹) (for discontinued and continuing operations)					
1) Basic	(1.63)	(2.95)	(2.74)	(6.98)	9.12
2) Diluted	(1.63)	(2.95)	(2.74)	(6.98)	9.10

See accompanying notes to financial results.

S.R. Batliboi & Associates LLP, Gurgaon

for identification



Signature

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS PERIOD ENDED DECEMBER 31, 2017

Notes:

- The Company has completed the Initial Public Offer (IPO) of 10,573,982 equity shares of ₹ 5 each at an issue price of ₹ 670 per share consisting of fresh issue of 4,850,746 equity shares and an offer for sale of 6,023,236 equity shares by selling shareholders. The equity shares of the Company were listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) w.e.f. May 9, 2017. Accordingly, the unaudited standalone financial results for the quarter and nine months period ended December 31, 2017 is being prepared in accordance with the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").
- The above unaudited standalone financial results as reviewed by the Audit Committee have been approved by Board of Directors at its meeting held on February 9, 2018. A limited review of the results for the quarter and nine months period ended December 31, 2017 have been carried out by our statutory auditor. The standalone financial results and other financial information for the quarter and nine months period ended December 31, 2016 and for the year ended March 31, 2017 have not been audited or reviewed by our statutory auditor. However, the Management has exercised necessary due diligence to ensure that the unaudited standalone financial results provide a true and fair view of the Company's affairs.
- The Company has adopted Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. The date of transition to Ind AS is April 1, 2016 and accordingly, these unaudited standalone financial results have been prepared in accordance with the recognition and measurement principles in Ind AS 34 - "Interim Financial Reporting" and other accounting principles generally accepted in India. The impact of transition has been accounted for in the opening reserves and the comparative period figures have been restated accordingly.
- There is a possibility that these nine months period ended and quarterly results may require adjustment before constituting the final Ind AS financial statements as of and for the year ended March 31, 2018 due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by MCA or changes in the use of one or more optional exemptions from full retrospective application as committed under Ind AS 101.
- The details of utilization of IPO proceeds - ₹ 3,041.00 million (net of IPO related expenses) are as follows:

Particulars	As per Prospectus	Utilised upto	
		December 31, 2017	Unutilised amount as at December 31, 2017
Pre-payment of term loans availed by the Company and its subsidiaries	2,550.00	2,550.00	-
General corporate purposes	491.00	305.61	185.39
Total	3,041.00	2,855.61	185.39

Unutilized amounts of the IPO proceeds as at December 31, 2017 have been temporarily parked in fixed deposits with bank.

- The Company has estimated ₹ 445.47 million (inclusive of Service tax/GST) as IPO related expenses. Of such IPO related expenses, certain expenses (such as listing fees etc.) aggregating to ₹ 18.59 million and ₹ 0.81 million are directly attributable to the Company and selling shareholders respectively. Remaining IPO related expenses aggregating to ₹ 425.77 million, have been allocated between the Company (₹ 159.94 million) and the selling shareholders (₹ 235.83 million) in proportion to the equity shares allotted to the public as fresh issue by the Company and under offer for sale by selling shareholders. Till December 31, 2017, an amount of ₹ 404.33 million has been paid against IPO related expenses and the remaining amount of ₹ 40.64 million will be paid in due course. As at December 31, 2017, the total attributable amount to the Company (amount already incurred) has been adjusted towards securities premium.
- A reconciliation of the financial results to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarised as follows:

Particulars	Notes	Quarter ended		
		December 31, 2016	December 31, 2016	March 31, 2017
Profit / (loss) after tax as reported under previous GAAP		(81.14)	(300.40)	270.99
Impact of measuring investments at fair value through profit and loss (FVTPL)	8 (ii)	(4.89)	(0.10)	(0.48)
Impact of fair valuation of employee stock options plans	8 (iii)	0.86	(0.71)	(2.77)
Impact of financial assets measured at amortised cost	8 (iv)	(0.07)	(0.26)	(0.32)
Impact of reversal of amortisation of goodwill	8 (v)	1.89	5.64	7.49
Impact of expected credit loss on financial assets	8 (vi)	-	(9.62)	-
Reclassification of actuarial gains / losses, arising in respect of employee benefit schemes to other comprehensive income		1.98	0.88	(0.42)
Tax adjustments on above		(0.35)	(0.02)	(2.28)
Profit after tax as reported under Ind AS		(81.72)	(304.59)	272.21
Other comprehensive income (net of tax)		(1.30)	(0.58)	0.27
Total comprehensive income as reported under Ind AS		(83.02)	(305.17)	272.48

- A reconciliation of the equity to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarised as follows:

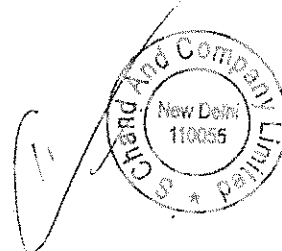
Particulars	Notes	As at	
		March 31, 2017	April 1, 2016
Equity as reported under previous GAAP		4,961.93	4,837.96
Impact of measuring investments at fair value through profit and loss (FVTPL)	8 (ii)	0.22	0.70
Impact of employee stock options plans granted to subsidiary companies	8 (iii)	3.61	1.17
Impact of financial assets measured at amortised cost	8 (iv)	(2.30)	(1.99)
Impact of reversal of amortisation of goodwill	8 (v)	7.49	-
Impact of expected credit loss on financial assets	8 (vi)	(149.14)	(149.14)
Tax adjustments on above		48.94	51.37
Equity as reported under Ind AS		4,870.75	4,740.07

- Exemption applied at transition

Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first time adopter. Ind AS 101 allows first time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the exemption in its financial results as below:

- Property, plant and equipment were carried at carrying amount in the statement of financial position under previous GAAP as at March 31, 2016. The Company has elected to regard such carrying amount as deemed cost at the date of transition i.e., April 1, 2016.

S.R. Bahlwal & Associates LLP, Gurgaon
for identification



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S CHAND AND COMPANY LIMITED
CIN:L22219DL1970PLC095400

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS PERIOD ENDED DECEMBER 31, 2017

- b. In respect of share based payments transactions, all grants of equity instruments that vested before the date of transition has not been considered for fair valuation.
- c. In respect of Business Combinations, the Company has elected not to apply Ind AS 103 retrospectively to past business combinations i.e. to (business combinations that occurred before the date of transition to Ind ASs).
- (ii). Under previous GAAP, current quoted equity investments and mutual funds were valued at lower of cost and fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition and fair value changes after the date of transition has been recognised in the statement of profit and loss.
- (iii). Under previous GAAP, the Company was accounting employee stock option plans as per intrinsic value method. Under Ind AS, these have been accounted for at fair value of option as per Ind AS 102. Further, compensation cost of options granted to employees of subsidiary companies have been capitalised with the cost of investments in such subsidiary companies under Ind AS 102.
- (iv). Under previous GAAP, security deposits given by the Company against lease agreements for office premises at various locations were measured at transaction value ignoring the time value of money. Under Ind AS, these deposits were considered as financial assets and has been valued at amortised cost.
- (v). Under previous GAAP, goodwill was amortized on straight line basis over a period of 10 years. Under Ind AS, Goodwill is required to be tested for impairment at each reporting date. Hence, amount of amortisation made for goodwill under IGAAP has been reversed in the statement of profit and loss.
- (vi). Under previous GAAP, provision was being made on financial assets on incurred loss model. Under Ind AS, provision on financial assets is required to be made as per expected credit loss model considering the expected cash shortfalls from such financial assets and delay in expected realization from such financial assets.
9. Based on the information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of performance, there are no reportable segments in accordance with the requirements of Ind AS 108 - "Operating Segment Reporting", notified under the Companies (Indian Accounting Standard) Rules, 2015.
10. The Company has filed Draft Composite Scheme of Arrangement on January 9, 2018, amongst Blackie & Sons (Calcutta) Private Limited, Nirja Publishers and Printers Private Limited, DS Digital Private Limited, Safari Digital Education Initiatives Private Limited and S Chand and Company Limited (Company) 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) and Circular no. CFD/DH.3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular). The Company shall file the Scheme with National Company Law Tribunal (NCLT), post approval from BSE and NSE.
11. The Company's financial results have, historically, been subject to seasonal trends between the last quarter and whole financial year.
Traditionally, the academic session beginning from April contributes to higher revenue in the last quarter of the financial year. 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.
12. Figures for the previous quarters / periods have been regrouped / reclassified, wherever necessary, to conform to current quarters / periods.

Place: New Delhi
Date: February 9, 2018

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

New Delhi
110055

Himanshu Gupta
(Managing Director)

S.R. Bahlbhai & Associates LLP, Gurgaon
for identification