



S Chand And Company Limited

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

Registered Office: Ravindra Mansion, Ram Nagar, New Delhi - 110055, India.

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

Date: March 31, 2018

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: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

Pursuant to Regulation 30 of the Listing Regulations, it is hereby informed that during the financial year 2007-08, the Company had made an investment of Rs. 4,10,00,000 (Rupees Four Crores and Ten Lakhs Only) in 410 (Four Hundred Ten) optionally convertible redeemable debentures of Rs. 100,000 (Rupees One Lakh Only) each of Walldorf Integration Solutions Limited (formerly known as Citixsys Technologies Limited) [“Walldorf”]. The said debentures were converted into 512,500 (Five Lakhs Twelve Thousand and Five Hundred) optionally convertible preference shares (“OCPS”) during the financial year 2008-09. The OCPS were due for redemption after a period of 27 (Twenty Seven) months i.e. in July 2011. The Company opted for redemption of OCPS but Walldorf failed to redeem the OCPS. Subsequently, on the request of Walldorf the Company extended the redemption period for another 27 (Twenty Seven) months. However, Walldorf again failed to redeem the OCPS when they became due for redemption in 2013.

In view of the aforesaid default, the Company had invoke the arbitration proceedings against the Company and its principle shareholders and sought redemption of OCPS. The said matter was pending before the Arbitral Tribunal for adjudication. The Arbitration Tribunal on March 28, 2018 pronounced its award and decided that Walldorf has defaulted in redemption of OCPS and the Company is entitled for specific performance. Further Arbitration Tribunal, considering that Walldorf would not be able to redeem the preference shares due to inadequacy of distributable profits, instead of directing OCPS has awarded the following damages to the Company to be paid by Walldorf and Mr. Kamal Karmakar (Principle Shareholder of Walldorf at the time of investment by the Company) jointly and severally:

- (i) A sum of Rs. 64,062,500 (Rupees Six Crores Forty Lakhs Sixty Two Thousand and Five Hundred Only) being redemption amount;

Wisham





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- (ii) Simple Interest @ 8% p.a. from 13.07.2011 being the date on which the OCPS became due for redemption as per the redemption notice issued by the Company till 10.01.2015 being the date of notice invoking arbitration;
- (iii) Simple pendent lite interest @ 8% p.a. from 11.01.2015 till the date of award on the sum of Rs. 64,062,500 (Rupees Six Crores Forty Lakhs Sixty Two Thousand and Five Hundred Only); and
- (iv) Simple interest @ 8% from the date of award till the date of payment on the total amount due Rs. 64,000,000 (Rupees Six Crores and Forty Lakhs Only).

Walldorf and Mr. Kamal Karmakar shall pay the above to the Company and the Company simultaneously shall handover the OCPS together with signed transfer forms to them.

The Company had made a Provision of Expected Credit Loss of Rs. 41,000,000 (Rupees Four Crores and Ten Lakhs Only) in the Opening Ind AS Financials of April 2016. The same would be reversed during the current financial year. Further, the Company would go ahead for execution of the Arbitration Award the value of which as on 31st March 2018 is Rs. 98,600,000 (Rupees Nine Crores and Eighty Six Lakhs Only) including the interest under (ii), (iii) and (iv) above. The accounting for the award and interest is being evaluated and would be disclosed in the financials for the period ending 31st March 2018.

Request you to kindly take note of the above.

For S Chand And Company Limited

Jagdeep Singh
Company Secretary & Compliance Officer
Membership No. A15028
Address: A-27, 2nd Floor,
Mohan Co-operative Industrial Estate,
New Delhi-110044

