'S CHAND - EMPLOYEE STOCK OPTION PLAN 2023'
SCHEME CUM DISCLOSURE DOCUMENT

PART A
STATEMENT OF RISKS

All investments in shares or options on Shares are subject to risk as the value of shares may go down or up. In addition, Employee stock options are subject to the following additional risks:

1. **Concentration**: The risk arising out of any fall in value of Shares is aggravated if the Employee's holding is concentrated in the Shares of a single Company.

2. **Leverage**: Any change in the value of the Share can lead to a significantly larger change in the value of the option.

3. **Illiquidity**: The options cannot be transferred to anybody, and therefore the Employees cannot mitigate their risks by selling the whole or part of their options/benefits before they are exercised.

4. **Vesting**: The options will lapse if the employment is terminated prior to vesting. Even after the options are vested, the unexercised options may be forfeited if the employment is terminated for gross misconduct.

PART B
INFORMATION ABOUT THE COMPANY

1. **Business of the Company:** A description of the main objects and present business of the Company.

History: -
The Company was incorporated under the Companies Act, 1956 on September 09, 1970. The shares of the Company got listed on BSE India Ltd. and National Stock Exchange of India Limited on May 09, 2017. The details about the Company's main objects as per Memorandum of Association, present business and financial information are as under:

Main objects: -

The main objects contained in our Memorandum of Association are as follows:

1. To purchase, acquire, takeover, the entire running business of M/s. S. Chand & Co., publishers and Booksellers along with its branches and together with its rights, liabilities ,properties, debtors, cash in hand, goodwill, tenancies, loans, assets, stock in trade, advances, etc, for consideration either by way of allotment of shares in the company or in

S Chand And Company Limited New Delhi

cash, or partly in one way and partly in the other; to make necessary amendments, modifications, requirements necessary and expedient for carrying on the pending agreements, tenancies, orders, etc, and to take steps to defend the rights of the business in pending laws suits, plaints, by or against the business acquired, purchased or taken over.

2. To carry on business of proprietors and publishers of books and other literary works.

3. To carry on all or any of the business of printers, publishers, stationers tin ,metal, cloth, rubber, parchment, celluloid, glass, bottles, tubes printers, type founders, stereotypes, electrotypers, photographic printers, photo lithographers, chromo- lithographers, engravers, die- sinkers, bookbinders, designers, draftsmen, name plates printers, toys printers, tin box printers, tin and metal sheet folders, block makers, rubber stamps manufacturers, Vandyke, collotype, photographer workers and printers, calendars, pictures and advertising novelties printers, transfer and labels manufacturers, account book manufacturers, machine rules, numerical printers, paper bag and account book makers, box makers, card board printers, ticket manufacturers, book- sellers, publishers.

4. To subscribe for, purchase, or otherwise acquire, hold, dispose of and deal in shares, stocks, securities, and evidences of indebtedness or of the right to participate in profit or assets or other similar documents and any option or right in respect thereof, and to buy and sell foreign exchange and generally to invest and deal with the monies of the company not immediately required in or upon such securities and in such manner as may from time to time be determined.

5. To erect upon the said land to be acquired as aforesaid and upon any other land and property which may hereafter be purchased or leased or acquired by the company such halls, buildings, houses and erections as may be required for carrying on the said business or businesses and to purchase and put into working orders such machinery and other accessories as may from time to time be required on the said business or businesses or any of them and to lease, hire, manage, or otherwise deal with all kinds of immovable property whether belonging to the Company or not.

6. To acquire the running business of hotels, motels and restaurants and/or to purchase land and erect hotel, motel and restaurant buildings with all the modern amenities and facilities including diesel filling pumps, camping grounds for tourists, garages for motorists, amusement halls, swimming pools and all other conveniences to the general public, tourists, delegates and study groups and missions visiting the country.

7. To carry on the business of leasing and hire-purchase financing and to provide on lease or on hire-purchase all types of industrial and office plants, equipment, machinery, vehicles and buildings.

S. Chand And Company Limited New Delhi

Present business: -

The Company is one of the leading education content companies delivering content across the length and breadth of the country. The Company provides content, solutions, and services across the education lifecycle through its presence in three business segments – Early Learning, K- 12 and Higher Education. The Company has a strong foothold in the CBSE/ICSE affiliated schools, WBSE affiliated schools with increasing presence in the state board affiliated schools across India. The Company develops and nurtures its relationships with customers by developing quality content and educational innovations, and in recent years have increased focus on investing and improving the digital product offerings in each of the business segments.

2. **Abridged financial information:** Abridged financial information, for the last five years for which audited financial information is available in respect of the Company and its subsidiaries.

Standalone Balance Sheet (Currency: Indian rupees) (in millions)					
	As at 31 March 2023	**As at 31 March 2022**	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Assets					
Non-current assets					
Property, plant and equipment	140.46	113.23	121.84	134.80	198.39
Right-of-use assets	136.52	139.45	198.22	238.88	-
Capital work-in-progress	10.11	4.14	1.18	0.69	1.51
Goodwill	-	23.83	23.83	23.83	23.83
Other intangible assets	163.08	105.82	123.95	142.95	158.38
Intangible assets under development	4.44	1.67	0.89	-	5.63
Financial assets					
- Investments	6,166.73	6,163.29	6,121.54	6,020.84	6,075.30
- Loans	150.45	150.38	137.86	339.69	577.85
- Other financial assets	6.00	9.52	1.23	10.84	4.86
Deferred tax assets (net)	247.87	249.92	284.25	296.87	235.85
Other non-current assets	19.69	35.28	32.64	124.24	104.22
Total non-current assets	**7,045.35**	**6,996.53**	**7,047.43**	**7,333.63**	**7,385.82**
Current assets					
Inventories	514.46	393.61	451.34	663.13	798.71
Financial assets					
- Investments	79.39	81.00	51.21	1.57	36.39
- Trade receivables	1,199.63	1,177.38	1,354.09	1,506.74	1,965.48
- Cash and cash equivalents	339.26	253.18	171.51	10.83	237.99
- Bank balances other than cash and cash equivalents	35.22	32.32	31.18	2.91	8.86

S Chand And Company Limited New Delhi

- Loans	216.63	290.99	316.76	291.40	94.66
- Other financial assets	139.68	178.36	165.96	10.35	8.24
Other current assets	36.49	35.64	33.21	41.35	59.01
Total current assets	**2,560.76**	**2,442.48**	**2,575.26**	**2,528.28**	**3,209.34**
Total assets	**9,606.11**	**9,439.01**	**9,622.69**	**9,861.91**	**10,595.16**
Equity and liabilities					
Equity					
Equity share capital	175.78	175.22	174.88	174.88	174.88
Other equity	7,932.91	7,788.33	7,682.65	7,652.61	8,053.30
Total equity	**8,108.69**	**7,963.55**	**7,857.53**	**7,827.49**	**8,228.18**
Non-current liabilities					
Financial liabilities					
- Borrowings	60.68	285.33	388.57	453.48	577.43
- Lease liabilities	13.93	8.52	63.06	85.96	-
Provisions	36.90	16.79	17.34	25.16	18.46
Total non-current liabilities	**111.51**	**310.64**	**468.97**	**564.60**	**595.89**
Current liabilities					
Financial liabilities					
- Borrowings	575.91	427.63	477.61	593.91	619.80
- Lease liabilities	20.46	26.62	39.62	53.91	-
- Trade payables					
total outstanding dues of micro enterprises and small enterprises	31.89	23.32	22.07	4.20	3.27
total outstanding dues of creditors other than micro enterprises and small enterprises	573.73	558.28	539.70	614.82	802.40
- Other financial liabilities	102.04	69.97	170.36	154.89	255.52
Other current liabilities	47.27	57.48	45.45	48.00	90.01
Provisions	2.35	1.52	1.38	0.09	0.09
Current tax liabilites (net)	32.26	-	-	-	-
Total current liabilities	**1,385.91**	**1,164.82**	**1,296.19**	**1,469.82**	**1,771.09**
Total equity and liabilities	**9,606.11**	**9,439.01**	**9,622.69**	**9,861.91**	**10,595.16**

S Chand And Company Limited
New Delhi

Standalone Statement of profit & loss (Currency: Indian rupees) (in millions)						
		For the year ended	**For the year ended**	**For the year ended**	**For the year ended**	**For the year ended**
		31 March 2023	**31 March 2022**	**31 March 2021**	**31 March 2020**	**31 March 2019**
I	**Income**					
II	Revenue from operations	2,235.23	1,699.66	1,430.39	1,510.61	1,944.00
III	Other income	343.99	190.08	216.20	156.32	232.60
IV	**Total Income**	**2,579.22**	**1,889.74**	**1,646.59**	**1,666.93**	**2,176.60**
V	**Expenses**					
	Cost of published goods / material consumed	1,001.09	548.62	399.58	534.40	973.72
	Purchase of stock-in-trade	49.07	38.86	63.18	26.95	46.18
	(Increase)/ decrease in inventories of finished goods and stock-in-trade	-79.21	115.50	143.97	113.56	-201.66
	Employee benefits expense	505.41	407.74	340.67	447.30	572.65
	Finance costs	89.74	121.61	156.98	154.42	106.34
	Depreciation and amortisation expense	86.77	81.12	88.66	90.94	36.64
	Other expenses	562.35	459.03	416.55	653.37	919.05
	Total expenses	**2,215.22**	**1,772.48**	**1,609.59**	**2,020.94**	**2,452.92**
VI	**Profit before exceptional item and tax (IV-V)**	**364.00**	**117.26**	**37.00**	**-354.01**	**-276.32**
	Exceptional items	152.84	-	5.00	102.62	225.57
VII	**Profit before tax**	**211.16**	**117.26**	**32.00**	**-456.63**	**-501.89**
VIII	**Tax expenses:**					
	Current tax	60.03	5.51	-	-	-
	Tax relating to earlier years	-1.00	-10.00	-	-	-7.19
	Deferred tax	6.96	33.05	9.76	-59.35	-184.46
	Total tax expenses	65.99	28.56	9.76	-59.35	-191.65
IX	**Profit for the year (VII - VIII)**	**145.17**	**88.70**	**22.24**	**-397.28**	**-310.93**

S Chand And Company Limited
New Delhi

X	Other comprehensive income					
	Items that will not be reclassified to profit or (loss)					
	Re-measurement gains or (loss) on defined benefit plans	-16.85	4.40	9.80	-5.75	1.06
	Income tax effect	4.91	-1.28	-2.85	1.67	-0.37
XI	**Total comprehensive income for the year (IX+X)**	**133.23**	**91.82**	**29.19**	**-401.36**	**-310.93**
XII	Earnings per equity share:					
	(1) Basic	4.14	2.53	0.64	-11.36	-8.87
	(2) Diluted	4.13	2.53	0.64	-11.36	-8.87

Consolidated Balance Sheet
(Currency: Indian rupees) (in millions)

	As at 31 March 2023	**As at 31 March 2022**	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Assets					
Non-current assets					
Property, plant and equipment	809.36	793.85	869.33	959.48	1,151.58
Right-of-use assets	385.80	380.24	480.52	623.09	-
Capital work-in-progress	10.11	4.13	2.70	1.25	2.87
Goodwill	3,357.24	3,381.07	3,381.00	3,383.36	3,373.12
Other intangible assets	905.58	1,133.77	1,248.71	917.88	829.77
Intangible assets under development	9.53	8.71	22.09	24.65	107.25
Investments accounted for using the equity method	-	31.34	22.03	183.51	187.54
Financial assets					
- Investments	152.52	59.21	37.50	39.85	54.44
- Other financial assets	83.49	44.03	58.15	69.91	108.13
Deferred tax assets (net)	913.93	844.80	674.08	540.94	592.82
Other non-current assets	46.26	64.66	76.38	300.98	287.18
Total non-current assets	**6,673.82**	**6,745.81**	**6,872.49**	**7,044.90**	**6,694.70**
Current assets					
Inventories	1,561.99	1,275.61	1,377.44	2,013.56	2,047.84
Financial assets					
- Investments	344.53	152.65	258.41	167.02	215.58
- Trade receivables	2,652.85	2,921.14	3,220.88	3,348.65	4,446.03
- Cash and cash equivalents	768.53	608.91	419.17	98.10	603.96

S. Chand And Company Limited New Delhi

- Bank balances other than cash and cash equivalents	38.45	66.23	65.68	7.22	5.68
- Other financial assets	41.77	26.65	45.60	81.65	151.90
Other current assets	119.07	112.84	99.17	146.95	151.95
Total current assets	5,527.19	5,164.03	5,486.35	5,863.15	7,622.94
Asset held for sale	-	23.06	-	-	-
Total assets	**12,201.01**	**11,932.90**	**12,358.84**	**12,908.05**	**14,317.64**
Equity and liabilities					
Equity					
Equity share capital	175.78	175.22	174.88	174.88	174.88
Other equity	8,780.38	8,139.20	8,008.00	8,009.64	9,129.02
Non- controlling interests	83.55	158.64	188.58	28.48	29.08
Total equity	**9,039.71**	**8,473.06**	**8,371.46**	**8,213.00**	**9,332.98**
Non-current liabilities					
Financial liabilities					
- Borrowings	255.09	673.89	760.49	608.17	727.27
- Lease liabilities	167.08	145.15	248.73	365.92	-
- Trade payables	-	-	-	-	6.82
Provisions	94.45	66.05	64.57	69.28	67.11
Total non-current liabilities	**516.62**	**885.09**	**1,073.79**	**1,043.37**	**801.20**
Current liabilities					
Financial liabilities					
- Borrowings	1,012.94	897.88	1,056.78	1,114.39	1,408.87
- Lease liabilities	80.43	104.21	102.49	125.93	-
- Trade payables					
total outstanding dues of micro enterprises and small enterprises	213.91	189.24	223.27	172.59	117.24
total outstanding dues of creditors other than micro enterprises and small enterprises	864.11	1,025.90	955.59	1,409.88	1,826.48
- Other financial liabilities	185.19	141.52	368.98	640.35	589.72
Other current liabilities	130.96	124.55	116.61	146.48	196.05
Provisions	38.69	42.49	43.07	42.06	45.10
Current tax liabilities (net)	118.45	48.96	46.80	-	
Total current liabilities	**2,644.68**	**2,574.75**	**2,913.59**	**3,651.68**	**4,183.46**
Total equity and liabilities	**12,201.01**	**11,932.90**	**12,358.84**	**12,908.05**	**14,317.64**

S Chand And Company Limited New Delhi

Consolidated Statement of profit & loss (Currency: Indian rupees) (in millions)						
		For the year ended	**For the year ended**	**For the year ended**	**For the year ended**	**For the year ended**
		31 March 2023	**31 March 2022**	**31 March 2021**	**31 March 2020**	**31 March 2019**
I	Revenue from operations	6,103.24	4,809.30	4,252.23	4,293.71	5,220.24
II	Other income	329.11	143.47	201.25	94.38	116.19
III	**Total income**	**6,432.35**	**4,952.77**	**4,453.48**	**4,388.09**	**5,336.43**
IV	**Expenses**					
	Cost of published goods/material consumed	2,331.53	1,342.30	999.90	1,460.31	2,093.56
	Purchase of stock-in-trade	13.28	146.34	85.57	88.53	153.65
	Decrease/(increase) in inventories of finished goods, work-in-progress and stock-in-trade	-137.64	239.92	485.64	49.42	-440.02
	Employee benefits expense	1,364.44	1,172.76	992.66	1,259.65	1,511.44
	Finance costs	206.71	273.59	323.14	347.93	272.07
	Depreciation and amortization expense	463.60	420.62	416.21	407.69	237.32
	Other expenses	1,568.93	1,294.26	1,141.50	1,655.69	2,213.11
	Total expenses	**5,810.85**	**4,889.79**	**4,444.62**	**5,269.22**	**6,041.13**
V	**Profit before exceptional item and share of loss of an associate**	**621.50**	**62.98**	**8.86**	**-881.13**	**-704.70**
VI	Share of loss in associates	-1.11	-5.26	-6.65	-4.03	-14.43
VII	**Profit before exceptional items and tax**	**620.39**	**57.72**	**2.21**	**-881.13**	**-704.70**
VIII	Exceptional items	156.28	-12.08	-2.43	-101.67	-233.39
IX	**Profit before tax**	**776.67**	**45.64**	**-0.22**	**-986.83**	**-952.52**
X	**Tax expense:**					
	Current tax	293.73	131.38	122.51	43.92	99.31
	Tax related to earlier years	-31.92	7.09	-	30.33	0.39

S Chand And Company Limited New Delhi

	Deferred tax	-61.06	-173.23	-57.80	53.60	-383.02
XI	**Profit for the year**	**575.92**	**80.40**	**-64.93**	**-1,114.68**	**-669.20**
XII	**Other comprehensive income**					
	Items that will not be reclassified to profit or loss					
	Re-measurement (losses)/gains on defined benefit plans	-29.24	9.40	21.55	-7.70	34.66
	Income tax effect	8.07	-2.51	-4.44	1.69	-10.04
XIII	**Total comprehensive income for the year**	**554.75**	**87.29**	**-47.82**	**-1,120.69**	**-644.58**
XVII	**Earnings per equity share**					
	Basic	16.42	2.29	-1.86	-31.87	-19.13
	Diluted	16.40	2.29	-1.86	-31.87	-19.13

Standalone Cash Flow Statement
(Currency: Indian rupees) (in millions)

	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	31 March 2023	**31 March 2022**	**31 March 2021**	**31 March 2020**	**31 March 2019**
A. Cash flow from operating activities					
Profit / (loss) before tax	**211.16**	**117.26**	**32.00**	**-456.63**	**-501.89**
Adjustment to reconcile profit before tax to net cash flows					
Depreciation and amortisation expense	86.77	81.12	88.66	90.94	36.64
Unrealised foreign exchange loss/ (gain) (net)	-5.24	2.73	-3.69	-1.30	-
Net gain on sale of investments	-32.74	-2.46	-1.00	-2.49	-5.39
Loss on sale of property, plant and equipment (net)	1.77	0.64	0.90	-0.84	-0.31
Provision for expected credit loss, advances and bad debts written-off	4.64	10.68	-8.09	71.84	89.23
Finance costs	89.74	121.61	156.98	152.66	98.95
Interest income	-65.08	-76.41	-70.77	-68.69	-131.68
Fair value loss/ (gain) on financial instruments at fair value through profit or loss	0.83	-2.32	-1.14	0.76	-15.00

S. Chand And Company Limited New Delhi

Fair value gain on investment at fair value through profit or loss	-127.34	-			
Provision for diminution in value of investments	152.84	-	5.00	70.00	50.00
Provision for inventory	-	-	-	32.62	-
Interest income on securities measured at amortised cost	-0.67	-0.64	-0.80	-1.99	-1.27
Unwinding financial guarantee obligation	-1.01	-2.32	-1.88	-2.26	-
Rent concession and gain on de-recognition of lease liability	-	-0.86	-2.69	-	-
Interest income on financial liability	-	-	-5.73	-	-
Reversal of financial liability	-	-	-30.00	-	-
Reversal of financial guarantee given on loans for subsidiary	-6.75	-	-	-	-
Miscellaneous balances written back	-1.25	-3.15	-2.07	-9.45	-
Assets written off	23.83	-	-	-	-
Employee stock option expense	1.55	4.46	0.85	0.67	1.64
Operating profit before working capital changes	**333.05**	**250.34**	**156.53**	**-124.17**	**-379.08**
Adjustments for movement in:					
Trade payables	24.01	19.83	-56.26	-180.95	-449.99
Other assets	-2.50	-56.13	-20.30	-2.38	-4.59
Other liabilities	23.78	-13.77	-29.62	-55.84	-17.39
Provisions	10.99	4.54	0.94	12.97	3.34
Inventories	-120.85	57.73	211.79	102.97	-272.71
Trade receivables	-19.64	163.29	166.00	395.65	972.16
Loans and advances	-	-0.88	4.97	35.07	-37.60
Cash generated from operations	**248.84**	**424.95**	**434.05**	**183.32**	**-185.86**
Direct taxes paid (net of refunds)	-12.32	10.43	89.15	-21.92	-38.75
Net cash generated form operating activities (A)	**236.52**	**435.38**	**523.20**	**161.40**	**-224.61**
B. Cash flows from investing activities					
Purchase of property, plant and equipment including intangible assets and capital work-in-progress	-107.73	-33.48	-16.79	-89.62	-167.85
Purchase of non-current investments	-	-24.86	-	-2.26	-608.22
Proceeds from non-current investments	92.16	-	-	-	-
Purchase of current investments	-76.45	-122.32	-95.05	31.57	72.72
Proceeds from sale of current investments	82.68	95.00	47.55	2.49	5.39

S Chand And Company Limited New Delhi

Proceeds from sale of property, plant and equipment	1.55	12.28	3.88	12.66	2.37
Interest received	51.68	56.04	32.71	59.63	131.85
Investment in bank deposits	-3.35	-	-	-	-
Loans to related parties (net)	-6.03	36.27	-27.10	23.27	32.16
Net cash (used in) / generated from investing activities (B)	**34.51**	**18.93**	**-54.80**	**37.74**	**-531.58**
C. Cash flows from financing activities					
Dividend paid on equity shares	-	-	-	-	-52.46
Tax on equity dividend paid	-	-	-	-	-10.78
Proceeds from issue of equity shares	9.06	5.45	-	-	-
Proceed from non-current borrowings	13.50	103.50	3.50	-	655.34
Repayment of non-current borrowings	-238.56	-246.23	-3.18	-208.90	-
Proceeds/(repayment) of current borrowings (net)	148.69	-79.83	-116.30	-25.89	112.18
Payment for principal portion of lease liabilities	-27.76	-34.14	-39.58	-32.52	-
Payment for interest portion of lease liabilities	-3.75	-7.43	-12.62	-12.13	-
Interest paid on borrowings	-86.13	-113.96	-139.54	-146.86	-99.40
Net cash used in financing activities (C)	**-184.95**	**-372.64**	**-307.72**	**-426.30**	**604.88**
Net increase in cash and cash equivalents (A + B + C)	**86.08**	**81.67**	**160.68**	**-227.16**	**-151.31**
Cash and cash equivalents at the beginning of the year	253.18	171.51	10.83	237.99	389.30
Cash and cash equivalents at the end of the year	**339.26**	**253.18**	**171.51**	**10.83**	**237.99**
Components of cash and cash equivalents					
Balances with banks:					
-On current accounts	275.98	205.80	51.77	7.62	65.31
-Cheques in hand	12.65	46.11	118.21	2.98	171.35
-Deposits with original maturity of less than three months	50.00	0.84	-	-	0.66
Cash in hand	0.63	0.43	1.53	0.23	0.67
Total cash and cash equivalents	**339.26**	**253.18**	**171.51**	**10.83**	**237.99**

Chand And Company Limited New Delhi

Consolidated Cash Flow Statement (Currency: Indian rupees) (in millions)					
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	31 March 2023	31 March 2022	31 March 2021	31 March 2020	31 March 2019
A. Cash flow from operating activities					
Profit/(loss) before tax	**776.67**	**45.64**	**-0.22**	**-986.83**	**-952.52**
Adjustment to reconcile profit before tax to net cash flows					
Depreciation and amortisation expenses	463.60	420.62	416.21	407.69	237.32
Loss/(gain) on sale of property, plant and equipment (net)	9.33	12.52	1.99	-0.61	3.30
Finance costs	206.71	273.59	312.50	337.55	255.88
Interest income	-7.70	-26.36	-10.04	-10.11	-23.31
Interest income on financial liability	-	-	-5.73	-	-
Interest income on securities measured at amortised cos	-	-	-2.51	-	-
Reversal of financial liability	-	-	-30.00	-	-
Net income on deemed disposal of associate	-	-14.57	-7.85	-	-20.41
Amounts written back	-29.16	-1.64	-37.04	-40.59	-19.14
Fair value loss on financial instruments at fair value through profit or loss	2.37	3.67	-3.91	-	-
Fair value gain on investment at fair value through profit or loss	-126.93	-	-	-	-
Rent concession and gain on de-recognition of lease liability	-10.35	-0.86	-11.09	-	-
Net gain on sale of current investments	-81.97	-8.72	-8.23	-15.56	-18.88
Gain on disposal of non-current investment	-156.28	-	-	-	
Share of loss in associate	1.11	5.26	6.65	4.03	14.43
Unrealised foreign exchange (gain)/ loss (net)	-0.34	2.79	-3.69	-1.48	-3.75
Employee stock option expense	2.70	8.77	0.85	0.67	2.10
Provision for expected credit loss and advances	-11.20	48.19	71.00	115.78	161.19
Provision for slow moving titles	-	-	-	87.15	-
Provision for impairment on investment	-	-	2.43	14.51	-
Provision for advances	-	-	1.57	-	-
Loss on sale of investment	-	12.08	-	-	-
Assets written off	23.83	-	-	-	-
Bad debt written-off	42.89	68.84	48.66	53.49	27.31

S Chand And Company Limited New Delhi

Operating profit before working capital changes	**1,105.28**	**849.82**	**741.55**	**-34.31**	**-336.48**
Movement in working capital:					
Inventories	-286.38	101.83	636.79	-52.87	-485.60
Trade receivable	236.94	180.75	27.75	928.11	1,677.80
Loans and advances	-	18.35	27.46	46.60	-11.29
Other assets	0.83	-8.52	-12.02	89.87	-54.95
Provisions	-4.50	6.04	10.11	8.96	17.61
Trade payable	-107.96	36.28	-373.92	-320.66	-52.24
Other liabilities	49.52	-1.55	-79.98	-52.00	109.11
Cash generated from operations	**993.73**	**1,183.00**	**977.74**	**613.70**	**863.96**
Direct taxes paid (net of refunds)	-183.01	-117.48	98.75	-129.31	-477.72
Net cash generated from operating activities (A)	**810.72**	**1,065.52**	**1,076.49**	**484.39**	**386.24**
B. Cash flows from investing activities					
Purchase of property, plant and equipment including intangible assets and capital work-in-progress	-161.76	-159.42	-117.42	-280.69	-476.84
Acquisition of subsidiary, net of cash acquired	-	-	0.91	-	-642.00
Proceeds from sale of property, plant and equipment	3.80	27.30	9.60	21.70	11.22
Purchase of current investments	-582.93	-128.94	-126.80	-124.65	-177.79
Proceeds from sale of current investments	394.43	236.80	47.55	188.77	433.71
Purchase of non-current investments	-	-56.78	-1.50	-	-3.01
Disposal of non-current investments	319.41	25.94	-	0.08	
Investment in deposits with banks	-163.31	-	-	-	-
Investment in deposits redeemed	137.79	-	-	-	-
Interest received	8.45	27.44	11.54	17.63	15.90
Net cash used in investing activities (B)	**-44.12**	**-27.66**	**-176.12**	**-177.16**	**-838.81**
C. Cash flows from financing activities					
Proceed from issue of equity shares including securities premium	9.06	5.45	-	-	-
Dividend paid on equity shares	-	-	-	-	-52.46
Tax on equity dividend paid	-	-	-	-	-10.78
Amortization of ancillary borrowing cost	-	-	0.14	6.44	-4.94
Proceed from non-current borrowings	24.00	203.50	72.70	30.23	863.27
Repayment of non-current borrowings	-430.94	-391.37	-137.44	-62.62	-115.19

Chand And Company Limited
New Delhi

Proceeds/(repayment) of current borrowings (net)	103.20	-271.58	-91.48	-294.48	-38.65
Payment of lease liabilities for principal portion	-106.15	-122.43	-116.61	-96.87	-
Payment of lease liabilities for interest portion	-24.51	-33.58	-40.62	-50.20	-
Interest paid on borrowings	-181.64	-238.11	-265.99	-347.07	-253.28
Net cash used in financing activities (C)	**-606.98**	**-848.12**	**-579.30**	**-814.57**	**387.97**
Net increase in cash and cash equivalents (A+B+C)	**159.62**	**189.74**	**321.07**	**-507.34**	**-64.60**
Foreign exchange difference	-	-	-	1.48	3.75
Cash and cash equivalents at the beginning of the year	608.91	419.17	98.10	603.96	664.81
Cash and cash equivalents at the end of the year	**768.53**	**608.91**	**419.17**	**98.10**	**603.96**
Components of cash and cash equivalents					
Cash on hand	4.71	3.49	3.10	4.56	5.30
Balances with banks	-	-	-	-	-
With banks - On current accounts	568.61	498.54	282.21	54.73	321.08
Deposits with original maturity of less than three months	151.36	60.77	15.65	35.83	0.66
Cheques on hand	43.85	46.11	118.21	2.98	276.92
Total cash and cash equivalents	**768.53**	**608.91**	**419.17**	**98.10**	**603.96**

The Company shall disclose the full set of abridged financial information for the last 5 years for which audited financial information is available, as prescribed under provisions of Section 26(1) of the Companies Act, 2013 as amended or re-enacted from time to time, to the Option grantee/s at the time of each grant.

3. **Risk Factors and Management perception of the risk factors for the Company**:

(a) Our business is linked to the academic cycle, and is, therefore, seasonal. The high degree of seasonality of our K-12 business materially affects operating revenue, margins and cash flow from quarter to quarter. In the K-12 segment, our sales season has traditionally been in the fourth quarter of the financial year. In addition, the working capital cycle for print content in the CBSE/ICSE K-12 education industry tends to be unduly high at the fiscal year end on account of high sales in the last quarter, which then tapers down in subsequent quarters. Accordingly, as per our management estimates, our operating revenues and margins during the first three Fiscal quarters have typically been lower, compared to the fourth Fiscal quarter. There also are months when we operate at a net cash deficit from our activities. Our results of operations for each of the first three quarters of a financial year

S Chand And Company Limited New Delhi

and for the first nine months of a financial year typically have shown a loss. In addition, our quarter-on-quarter data regarding our operating revenue, margins and cash flows may not be comparable for any future Fiscal quarters. Further, we can make no assurance that our fourth quarter net sales in future fiscal years will continue to be sufficient to meet our obligations or that our fourth quarter net sales will be higher than net sales for our other quarters or that we will make a profit in the fourth quarter. These factors may make it difficult for us to prepare accurate internal financial forecasts. Lower than expected net sales in the fourth quarter of a given financial year could have a material adverse effect on our business, results of operations and financial condition.

(b) The Indian market for education content is highly competitive and fragmented. The Indian market is composed of multiple boards, including the state education boards, the Central Board of Secondary Education ("CBSE"), and the Indian Certificate of Secondary Education ("ICSE"), each of which is governed by a separate body with a separate syllabus. There are only a few large, established industry participants similar to us, as the market is characterized by smaller regional, state and local content providers as well as specialized content providers for particular subjects or course material. Content providers' expertise amongst certain boards often vary. For example, we have expertise in publishing education material predominantly used by schools affiliated with the CBSE/ICSE boards and regional state boards. Many of the content providers have strong brand recognition in their markets and long term relationships with schools, school authorities and educational authorities. Further, we also face competition from the National Council of Educational Research and Training ("NCERT") and the State Council of Educational Research and Training ("SCERT"), which publish books for the K-12 market at subsidized costs. The multitude of players, brands and various sizes of competitors makes it difficult to build national brands and requires a dedicated local sales team to compete effectively. Additionally, intense competition may require us to price our products competitively and provide purchasing incentives to our customers. Failure to do so may result in the reduction of our market share and sales. Our future success depends on our ability to compete effectively, including by distinguishing our products, content or services from our competitors, by expanding our brands and titles, by providing higher quality content, expanding our distribution, sales and marketing forces, or by expanding our portfolio of digital products and educational services. We cannot assure you that we will be able to sufficiently and promptly respond to changes in customer preferences and other competitive pressures in the future, nor can we assure you that we will be able to maintain or increase our existing market share.

(c) While we have an in-house content development team, a significant portion of our revenues are derived from our top twenty authors. This concentration of revenues could potentially place us at a disadvantage with respect to negotiations regarding payment of royalties and other terms. In addition, this concentration increases the risk that the loss of, or problems with, a single author could have significant effect on our sales and profitability. The loss of such authors could adversely affect our business, results of operation, cash flows and financial condition.

S. Chand And Company Limited New Delhi

(d) The performance and growth of our businesses depend in part on the financial position of the schools that we provide our content, which could be adversely affected by general economic conditions internationally and domestically and other factors outside of our control. In response to general economic conditions or budget shortfalls, private schools and school organisations may reduce educational spending to protect against existing or expected economic conditions or seek cost savings to mitigate budget deficits. As such, there can be no assurances that schools and institutions will have sufficient funding to purchase our products and services, that we will win their business or that schools that have historically purchased our products and services will do so again in the future. Similarly, changes in the procurement process for print content, supplemental materials and test preparation and competitive materials could also affect our markets and sales.

(e) Our business, results of operations and financial condition may be materially adversely affected by changes in syllabi and curricula of schools including, but not limited to, delays in our ability to adopt particular curricula, changes in curricula and changes in student testing processes in a timely manner. These changes may adversely affect our inventory of books as we may be left with print content which is no longer viable. In the event there are significant changes in the curricula and we are unable to update or re-align its materials to such changes in a timely and cost-efficient manner, or if it is required to discontinue certain titles, our business, results of operations and financial condition could be materially adversely affected.

(f) Printing of our content and other products are decided based on management estimates of demand using historical sales data which is used to extrapolate future sales pattern and we start printing before the preparation of an order book. If we fail to accurately forecast customer demand, we may experience excessive inventory levels or a shortage of products available for sale. There can be no assurance that we will be able to successfully manage our inventory at a level appropriate for future customer demand.

(g) We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.
The Company shall disclose the same to the Option Grantee/s at the time of each grant.

4. **Continuing disclosure requirement:** The Option Grantee shall be provided copies of all documents that are sent to the members of the Company. This shall include the annual accounts of the Company as well as notices of meetings and the accompanying explanatory statements.

S Chand And Company Limited New Delhi

PART C
SALIENT FEATURES OF THE SCHEME

Table of Contents

1. NAME, OBJECTIVE AND TERM OF THE SCHEME

1.1 This Scheme shall be called 'S Chand - Employee Stock Option Plan 2023' (**"ESOP 2023"**).

1.2 The objective of ESOP 2023 is to reward the eligible and potential Employees who are in the employment of the Company and/or its Subsidiary Company(ies), Group Company(ies), Associate Company(ies), holding company (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time, whether working in India or out of India and to the Directors of the Company and/or its Subsidiary Company(ies), Group Company(ies), Associate Company(ies), holding company for their performance and to motivate them to contribute to the growth and

S Chand And Company Limited New Delhi

profitability of the Company. The Company also intends to use this Scheme to attract and retain talents in the organization. The Company views Employee Stock Options as a means that would enable the Employees to get a Share in the value they create for the Company in future.

1.3 ESOP 2023 will be effective on approval by the shareholders by the way of special resolution passed at the Annual General meeting held on September 26, 2023 and shall continue to be in force until (i) its termination by the Board, or by duly constituted Nomination and Remuneration Committee from time to time by whatever name called, in accordance with Companies Act, and rules made thereunder and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, (ii) the date on which all of the Employee Stock Options available for issuance under the ESOP 2023 have been issued and exercised, whichever is earlier.

1.4 The Board of Directors or the Committee as authorized may subject to compliance with Applicable Laws, at any time amend, suspend or terminate ESOP 2023.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

I. "**Act**" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);

II. "**Applicable Law**" means every law relating to Employee Stock Options, to the extent applicable, including the Companies Act, the Securities and Exchange Board of India Act, 1992, the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and all relevant tax, securities, exchange control or corporate laws of India, or amendments thereof or of any relevant jurisdiction or of any recognised Stock Exchange on which the Shares are listed or quoted;

III. "**Associate Company**" means a Company (present or future) which shall have the same meaning as defined under section 2(6) of the Companies Act;

IV. "**Board**" means the Board of Directors of the Company;

V. "**Cause**" means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the offer or terms of employment amounting to misconduct or breach of terms of employment as determined by the Board after giving the Employee an opportunity of being heard:

(i) dishonest statements or acts of an Employee, with respect to the Company;
(ii) a felony or any misdemeanor involving moral turpitude, deceit, dishonesty or fraud committed by the Employee;

S Chand And Company Limited New Delhi

(iii) gross negligence, misconduct or insubordination of the Employee in connection with the performance of his duties and obligations towards the Company;

(iv) breach by the Employee of any terms of his employment agreement or the Company's policies or other documents or directions of Company including the reasons of non-performance;

(v) participating or abetting a strike in contravention of any law for the time being in force;

(vi) Misconduct as provided under the labour laws after following the principles of natural justice;

VI. **"Committee"** means the Nomination and Remuneration Committee of the Board as constituted from time to time in accordance with Companies Act as amended from time to time read with rules made thereunder and shall also constitute and act as the Compensation Committee for the purposes of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

VII. **Companies Act**" means the Companies Act, 2013 and rules made thereunder and include any statutory modifications or re-enactments thereof;

VIII. **"Company"** means 'S Chand And Company Limited, incorporated under the Companies Act, 1956 having its registered office at A-27, 2nd Floor, Mohan Co-operative Industrial Estate, New Delhi – 110044, India registered vide CIN L22219DL1970PLC005400;

IX. **"Company Policies/Terms of Employment"** means the Company's policies for the Employees and the terms of employment as contained in the employment letter issued to the Employee at time of joining the employment and the Company's Employee handbook, which includes provisions requiring a desired level of performance, securing confidentiality, non-compete and non-poaching of other Employees and customers.

X. **"Control"** shall have the same meaning as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

XI. "**Director**" shall have the same meaning as defined under section 2(34) of the Companies Act;

XII. "**Employee**" means —

(i) an employee as designated by the Company, who is exclusively working in India or outside India; or

S Chand And Company Limited New Delhi

(ii) a Director of the Company, whether a whole time Director or not, including a non-executive Director who is not a Promoter or member of the Promoter Group, but excluding an independent Director; or

(iii) an employee as defined in sub-clauses (i) or (ii), of a Group Company including Subsidiary or its Associate Company, in India or outside India, or of a Holding Company of the Company, but does not include—

(a) an Employee who is a Promoter or a person belonging to the Promoter group; or

(b) a Director who, either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten per cent of the outstanding equity Shares of the Company;

XIII. "**Employee Stock Option" or "Stock Option" or "Option"** means the option granted to an eligible Employee which gives such an Employee a right to purchase or subscribe at a future date, the Shares offered by the Company, directly or indirectly at a pre-determined price;

XIV. "**Employee Stock Option Plan" or "Employee Stock Option Scheme" or "ESOP**" or **"ESOS"** means a Scheme or Plan under which a Company grants Employee stock options to Employees directly or through a trust;

XV. "**Eligibility Criteria**" means the criteria as may be determined from time to time by the Committee for granting the Employee Stock Options to the Employees;

XVI. "**ESOP 2023**" means S Chand- Employee Stock Option Plan, 2023 under which the Company is authorized to grant Employee Stock Options to the Employees.

XVII. **"Equity Shares"** means fully paid-up Equity Shares of the Company of face value of Re. 5/- (Rupees Five) each;

XVIII. "**Exercise**" means making of an application by an eligible Employee to the Company for issue of Shares against vested Options in pursuance of the Scheme;

XIX. "**Exercise Period**" means the time period after vesting within which an Employee can exercise his / her right to apply for Shares against the vested option in pursuance of the Scheme;

XX. "**Exercise Price**" means the price, if any, payable by an Employee for exercising the option granted to such an Employee in pursuance of the Scheme;

S. Chand And Company Limited
New Delhi

XXI. **"Fair Value of the Option"** means the value computed in respect of the Options granted based on the date of grant by use of mathematical/ statistical model such as Black Scholes;

XXII. **"General Meeting"** means an Annual General Meeting or an Extra-ordinary General Meeting held by the Company in compliance with the Companies Act;

XXIII. **"Grant"** means the process by which the Company issues options, Shares under **ESOP 2023;**

XXIV. **"Grant Date"** means the date on which the Committee approves the grant. For accounting purposes, the grant date will be determined in accordance with applicable accounting standards;

XXV. **"Grantee"** means an Employee who receives an offer of Options from the Committee under the Scheme;

XXVI. **"Group"** means two or more companies (present or future) which, directly or indirectly, are in a position to—

(i) exercise twenty-six per cent. or more of the voting rights in the other Company; or

(ii) appoint more than fifty per cent. of the members of the Board of Directors in the other Company; or

(iii) control the management or affairs of the other Company;

XXVII. **"Holding Company"** means a holding Company (present or future) as defined in clause (46) of section 2 of the Companies Act;

XXVIII. **"ICAI"** means the Institute of Chartered Accountants of India;

XXIX. **"Insider"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;

XXX. **"Independent Director"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

XXXI. **"Key Managerial Personnel"** shall have the same meaning as defined under section 2(51) of the Companies Act;

XXXII. **"Long Leave"** means a sanctioned leave in excess of 60 days without break;

S. Chand And Company Limited New Delhi

XXXIII. "**Market Price**" means the latest available closing price, immediately prior to the date of grant of Options by the Committee, on the recognized Stock Exchange on which the Shares of the Company are listed. In case Shares are listed on more than one Stock Exchange, then the closing price on the Stock Exchange where the highest trading volume on the said date shall be considered;

XXXIV. "**Merchant Banker**" means a merchant banker as defined under Regulation 2(1)(cb) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, which is registered under Section 12 of the Act;

XXXV. "**Option**" means Employee Stock Option within the meaning of this Scheme;

XXXVI. "**Option Grantee**" means an Employee having a right but not an obligation to exercise an option in pursuance of **ESOP 2023**;

XXXVII. "**Permanent Disability or Permanent Incapacity**" means any incapacity of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Board/ Committee based on a certificate of a medical expert identified by the Company;

XXXVIII. "**Promoter**" shall have the same meaning as assigned to it under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;

XXXIX. "**Promoter Group**" shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;

XL. "**Recognized Stock Exchange or Stock Exchange**" means a stock exchange which has been granted recognition under section 4 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);

XLI. "**Relative**" shall have the same meaning as defined under section 2(77) of the Companies Act;

XLII. "**Relevant Date**" means -

a. in the case of grant, the date of the meeting of the Committee on which the grant is made; or
b. in the case of exercise, the date on which the notice of exercise is given to the Company by the Employee;

S Chand And Company Limited New Delhi

XLIII. "**Retirement**" means retirement as per the rules of the Company;

XLIV. **"Scheme" / "Plan"** means S Chand - Employee Stock Option Plan 2023;

XLV. **"Securities"** means securities as defined in section 2(h) of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);

XLVI. **"Secretarial Auditor"** means a Company secretary in practice appointed by a Company under rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit, pursuant to applicable provisions of rules made thereunder and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

XLVII. "**SEBI**" means the Securities and Exchange Board of India constituted under the Act;

XLVIII. **"SEBI (SBEB and Sweat Equity) Regulations"** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended and re-enacted from time to time and includes any clarifications or circulars issued thereunder;

XLIX. "**Shares**" means Equity Shares of the Company within the meaning of this Scheme;

L. **"Subsidiary"** means a Subsidiary of the Company (present or future) as per the definition under Section 2 (87) of the Companies Act;

LI. "**Unvested Option**" means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to exercise the Option;

LII. **"Vesting"** means the process by which the Employee becomes entitled to receive the benefit of a grant made to him / her under any of the Scheme;

LIII. **"Vesting Condition"** means any condition subject to which the Options granted would vest in an Option Grantee;

LIV. "**Vesting Period**" means the period during which the vesting of option granted under any of the Schemes takes place;

LV. **"Vested Option"** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to exercise the Option.

S Chand And Company Limited New Delhi

2.2 Interpretation

In this Scheme, unless the contrary intention appears:

a) the clause headings are for ease of reference only and shall not be relevant to interpretation;

b) a reference to a clause number is a reference to its sub-clauses;

c) words in singular number include the plural and vice-versa;

d) words importing a gender include any other gender; and

e) reference to Company shall refer to the Company and / or Holding Company, Group Company, Associate Company or its Subsidiary Company where the contexts so requires, in case Options are granted to the Employees of Holding Company, Group Companies, Associate Companies or its Subsidiary Companies in future.

Words and expressions used and not defined herein but defined in the Act, the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Companies Act, and any statutory modification or re-enactment thereto, or the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or SEBI (SBEB and Sweat Equity) Regulations shall have the meanings respectively assigned to them in those legislations.

3. AUTHORITY

3.1 The Board of the Company through resolution dated August 11, 2023 and the Shareholders of the Company through special resolution dated September 26, 2023, authorized the Company to issue to the Employees under ESOP 2023, not exceeding 3,00,000 (Three Lakh Only) Employee Stock Options convertible into not more than 3,00,000 (Three Lakh Only) Shares of face value of Rs. 5/- (Rupees Five) each fully paid-up, with each such Option conferring a right upon the Employee to be issued one Share of the Company, in accordance with the terms and conditions of such issue. Further, the maximum number of Options to be granted per Employee per grant and in aggregate shall not exceed 10 (Ten) percent of the total Stock Options in ESOP 2023.

3.2 The maximum number of Options that shall be granted to the specific identified Employees in any one year and in aggregate under ESOP 2023 shall not be equal to or exceeding 1% of the issued Capital (excluding outstanding warrants and conversions) of the Company, if the prior specific approval from members of the Company through a special resolution to this effect is not obtained. The appraisal process for determining the eligibility of the Employees will be decided by the Committee from time to time.

3.3 If an Employee Stock Option expires, lapses, cancelled, surrendered or becomes un-exercisable due to any reason/s, it shall be brought back to the Employee Stock Options pool and shall become available for future grants, subject to compliance with the provisions of the Applicable Laws.

S Chand And Company Limited New Delhi

3.4 Where Shares are allotted consequent upon Exercise of an Employee Stock Option under the ESOP 2023, the maximum number of Shares that can be allotted under ESOP 2023 as referred to in Sub-clause 3.1 above shall stand reduced to the extent of such Shares allotted.

3.5 In case of a Share split, merger, demerger, Scheme of arrangement, amalgamation, sale of division, consolidation, rights issues, bonus issues and other corporate actions, if the revised face value of an Equity Share is less or more, as the case may be, than the current face value as prevailing on the date of coming into force of this Scheme, the maximum number of Shares available under ESOP 2023 as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (number of Shares x face value per Share) prior to such split or consolidation remains unchanged after such split or consolidation.

4. ADMINISTRATION

4.1 ESOP 2023 shall be administered by the Committee. All questions of interpretation of ESOP 2023 shall be determined by the Board/ Committee and such determination shall be final and binding upon all persons having an interest in ESOP 2023, in compliance with Applicable Laws.

4.2 The Committee shall in accordance with this Scheme and Applicable Laws determine the following:

a. the quantum of Options per Employee and in aggregate under the Scheme;
b. the conditions under which Options may vest in Employees and may lapse in case of termination of employment for misconduct;
c. The schedule for Vesting of the Options granted to Employees;
d. The price at which the Options are to be granted from time to time (which will be the Exercise Price for the Options at a future date).
e. the exercise period within which the Employee can exercise the Options and that Options would lapse on failure to exercise the same within the exercise period;
f. the specified time period within which the Employee shall exercise the vested Options in the event of termination or resignation;
g. the right of an Employee to exercise all the Options, as the case may be, vested in him at one time or at various points of time within the exercise period;
h. the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of Options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, inter alia, be taken into consideration by the Board / Committee:
    i. the number and price of Options shall be adjusted in a manner such that total value to the Employee of the Options remains the same after the corporate action;
    ii. the vesting period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Employee(s) who is granted such Options;
i. the grant, vesting and exercise Options or in case of Employees who are on long leave;

j. eligibility to avail benefits under this Scheme in case of Employees who are on long leave;
k. the procedure for funding the exercise of Options;
l. the procedure for buy-back of specified securities issued under SEBI SBEB and Sweat Equity Regulations, if to be undertaken at any time by the Company and the applicable terms and conditions, including:
    i. permissible sources of financing for buy-back;
    ii. any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
    iii. limits upon quantum of specified securities that the Company may buy-back in financial year.

For the purpose of this Clause, specified securities means as defined under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

m. Amend any terms and conditions of any Options granted under the Scheme to the extent it is not inconsistent with the terms of the Scheme and not prejudicial to the interest of the Option Grantee.

4.3 Post grant of options to the employees and before the exercise of such options (whether vested or unvested), if in the opinion of Board / Committee any of the option grantee/s act against the business interest of the Company, then the Board / Committee shall have exclusive power to cancel the options granted to such option grantee/s.

4.4 Post grant of options to the employees and before the exercise of such options (whether vested or unvested), if in the opinion of Board / Committee the performance of any of the option grantee/s is not satisfactory / acceptable, then the Board / Committee shall have exclusive power to cancel the options granted to such option grantee/s.

4.5 Post grant of options to the employees and before the exercise of such options (whether vested or unvested), if in the opinion of Board / Committee the performance of any of the option grantee/s is not satisfactory / acceptable and that such option grantee is given notice to improve his / her performance within specific time period and in the interim in case of death or permanent incapacitance of such option grantee/s, the provisions under point 5 and 6 of Clause 7.2 (b) of this Scheme shall not apply.

4.6 Approve forms, documents, deeds, writings and/or agreements for use in pursuance of the ESOP 2023. The Board / Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 by the Company and its Employees, as may be applicable.

S Chand And Company Limited New Delhi

5. ELIGIBILITY AND APPLICABILITY

5.1 Only Employees within the meaning of this Scheme are eligible for being granted Stock Options under ESOP 2023. The specific Employees to whom the Stock Options would be granted, and their Eligibility Criteria would be determined by the Committee.

5.2 Before offering ESOP 2023 to the eligible Employees of the Company, the ESOP 2023 shall be approved by the Shareholders by way of passing a Special Resolution, as per provisions of the Applicable Laws.

5.3 In case of any Grant of Option to the Employees of group company, subsidiary(ies), associate(s) or holding company, prior approval of the Shareholders shall be obtained, by the way of passing a separate Special Resolution, as per provisions of the Applicable Laws.

5.4 Further, where such Employee is a Director nominated by an institution as its representative on the Board of Directors of the Company –

(i) the contract or agreement entered into between the institution nominating its Employee as the Director of a Company and the Director so appointed shall, *inter alia*, specify the following: -

a. whether the grants by the Company under its Scheme(s) can be accepted by the said Employee in his capacity as Director of the Company;
b. that grant if made to the Director, shall not be renounced in favour of the nominating institution; and
c. the conditions subject to which fees, commissions, other incentives, etc. can be accepted by the Director of the Company.

(ii) the institution nominating its Employee as a Director of the Company shall file a copy of the contract or agreement with the said Company, which shall, in turn file the copy with all the recognized stock exchanges on which its Shares are listed.

(iii) the Director so appointed shall furnish a copy of the contract or agreement at the first Board meeting of the Company attended by him after his nomination.

6. VESTING SCHEDULE AND VESTING CONDITIONS

6.1 The Options granted shall vest so long as an Employee continues to be in the employment of the Company or the Holding Company, Associate Company, Group Company or its Subsidiary Company, as the case may be. The Committee may, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such vesting, and the proportion in which Options granted would vest subject to the minimum vesting period of 1 (One) year.

S Chand And Company Limited New Delhi

Provided further that in the event of Death or Permanent Incapacity of an Employee, the minimum Vesting Period shall not be applicable and in such instances, all the unvested Options shall vest with effect from date of the Death or Permanent Incapacity.

6.2 The vesting dates in respect of the Options granted under the Scheme may vary from Employee to Employee or any class thereof and/or in respect of the number or percentage of Options granted to an Employee.

6.3 Options shall vest essentially based on continuation of employment and apart from that the Committee may prescribe other performance / other condition(s) for vesting. The vesting may occur in tranches or otherwise.

6.4 Options granted under ESOP 2023 would vest subject to maximum period of 5 (Five) years from the date of respective grant of such Options.

6.5 The specific vesting schedule and conditions subject to which vesting would take place would be outlined in the document(s) given to the Option Grantee at the time of grant of Options.

6.6 The period of Long Leave shall not be considered in determining the Vesting Period in the event the Employee is on a sabbatical. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Board / Committee.

6.7 The Committee, shall have, subject to the applicable law (and subject to a minimum vesting period of 1 year) the right, to vest all or part of the Unvested Options in an accelerated manner from out of the options granted and outstanding to the employees.

7. EXERCISE

7.1 Exercise Price:

(a) The Exercise Price shall be as may be decided by the Committee as per the provisions of the Companies Act, and SEBI (SBEB and Sweat Equity) Regulations., which in any case will not be lower than the face value of the equity Shares of the Company on the date of such grant. Further the Exercise Price can be different for different set of Employees for Options granted on same / different dates.

(b) Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Committee may decide.

(c) No amount shall be payable by the Option Grantee at the time of grant.

S Chand And Company Limited New Delhi

(d) Notwithstanding anything contained hereinabove, amount paid / payable, if any, by the Employee at the time of the grant, vesting or exercise of the Options will be forfeited if the Employee does not exercise the same within the exercise period.

7.2 Exercise Period:

(a) **While in employment:**

(i) The Exercise period shall not be more than 3 (Three) years from the date of respective vesting of Options. The Options vested may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.

(ii) The Vested Options shall be exercisable by the Employees by a written application (or by electronic means through a software) to the Company expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Committee, from time to time. The Options shall lapse, if not exercised within the specified exercise period.

(b) **Exercise Period in case of separations**:

Options can be exercised as per provisions outlined below*:

Sr. No.	Separations	Vested Options	Unvested Options
1	**Resignation**	Subject to the terms and conditions, all Vested Options as on date of submission of resignation may be exercised by the Option Grantee on or before his last working day with the Company or before the expiry of the Exercise period, whichever is earlier.	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.
2	**Termination (With cause like fraud, misconduct etc.)**	All Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	**Termination (Without cause)**	All Vested Options which were not exercised at the time of such termination may be exercised by the Option Grantee on or before his last	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.

Sr. No.	Separations	Vested Options	Unvested Options
		working day with the Company or before the expiry of the Exercise period, whichever is earlier.	
4	**Retirement or early Retirement approved by Company**	All vested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercise period.	All Unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercise period.
5	**Death**	All Vested Options, granted under ESOP 2023 to him/her till his/her death shall vest, with effect from the date of his/her death, in the legal heirs or nominees of the deceased Employee, as the case may be and such Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 12 months from the date of Option Grantee's Death	All Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir/s within 12 months from the date of Option Grantee's Death.
6	**Permanent Disability**	All Vested Options, granted to him/her under ESOP 2023 as on the date of permanent incapacitation shall vest in him/her on that day and such Options may be exercised by the Option Grantee or, if the Option Grantee is himself/herself, unable to exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than 12 months from the date of such disability.	All Unvested Options as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself/herself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 12 months from the date of such disability.

S Chand And Company Limited New Delhi

Sr. No.	Separations	Vested Options	Unvested Options
7	**Abandonment****	All the Vested Options shall stand cancelled.	All the Unvested Options shall stand cancelled.
8	**Any other reason not specified above**	The Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

* *In case of any regulatory changes warranting any change in vesting schedule/conditions/exercise period in any of the above separation conditions, the provision of such change shall apply.*

** *The Board / Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned. Provided that, in accordance with Applicable Laws, notwithstanding anything to the contrary contained herein, the Company shall not vary the terms of ESOP 2023, in any manner which may be detrimental to the interests of the Employees.*

7.3 In the event that an Employee, who has been granted benefits under a Scheme, is transferred or deputed to a subsidiary or holding or Associate Company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed Employee even after the transfer or deputation.

7.4 In the event that an Employee who has been granted benefits under a Scheme, is transferred pursuant to Scheme of arrangement, amalgamation, merger or demerger or continued in the existing Company, prior to the vesting or exercise, the treatment of Options in such case shall be specified in such Scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the Employee.

7.5 The Options not exercised within the Exercise Period shall lapse and the Employee shall have no right over such lapsed or cancelled Options.

8. COMPLIANCES AND CONDITIONS

8.1 For listing of shares issued pursuant to ESOP 2023, the Company shall obtain the in-principle approval of the recognized stock exchanges where it proposes to list the said shares prior to the grant of options.

S Chand And Company Limited New Delhi

9. LOCK-IN

The Shares issued upon exercise of Options shall be freely transferable and shall not be subject to any lock-in period restriction after such exercise. However, the Committee may, in some cases, provide for lock-in of Shares issued upon the exercise of Options, which shall be mentioned in grant letter issued to the Option Grantee.

Provided that the transferability of the Shares shall be subject to the restriction for such period in terms of the Securities Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended from time to time or for such other period as may be stipulated from time to time in terms of Company's Code of Conduct for Prevention of Insider Trading.

10. VARIATION OF TERMS OF THE SCHEMES

10.1 The Company may by special resolution of its shareholders vary the terms of the Scheme offered pursuant to an earlier resolution of the general body but not yet exercised by the Employees, if such variation is not prejudicial to the interests of the Employees.

Notwithstanding the provisions of Clause (10.1), the Company shall be entitled to vary the terms of the Scheme to meet any regulatory requirement without seeking shareholders' approval by special resolution.

10.2 The notice for passing a special resolution for variation of terms of the Scheme shall disclose full details of the variation, the rationale therefore, and the details of the Employees who are beneficiaries of such variation.

10.3 A Company may reprice the Options, which are not exercised, whether or not they have been vested, if the Schemes were rendered unattractive due to fall in the price of the Shares in the stock market:

Provided that the Company ensures that such repricing is not detrimental to the interests of the Employees and approval of the shareholders by a special resolution has been obtained for such repricing.

11. SURRENDER OF OPTIONS

An Employee may surrender his / her vested / unvested Options at any time during / post his employment with the Company. Any Employee willing to surrender his / her Options shall communicate the same to the Board or Committee in writing. Thereafter, the surrendered Options shall be brought back to the Employee Stock Options pool and shall become available for future grants.

S Chand And Company Limited New Delhi

12. METHOD OF VALUATION

The Company will follow IFRS/ IND AS/ any other requirements for accounting of the Stock Options as are applicable to the Company for the same.

13. OTHER TERMS AND CONDITIONS

13.1 The Employee shall not have a right to receive any dividend or to vote or in any manner or enjoy the benefits of a Shareholder in respect of Employee Stock Options granted, till Shares underlying such Employee Stock Options are allotted by the Company on exercise of such Employee Stock Option.

13.2 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a Shareholder of the Company (for example, bonus Shares, rights Shares, dividend, voting, etc.) in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Employee Stock Option and becomes a registered holder of the Shares of the Company.

13.3 The Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

13.4 If the Company issues bonus Shares or rights Shares, the Option Grantee shall not be eligible for the bonus or rights Shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with clause 4.2 of ESOP 2023.

13.5 Employee Stock Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case provisions in table under Sub-clause 7.2(b) would apply.

13.6 No person other than the Employee to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Option except in the event of the death of the Option Grantee, in which provisions in table under Sub-clause 7.2 (b) would apply.

Provided that, subject to Applicable Laws, the Company may fund or permit the empaneled stock brokers to make suitable arrangements to fund the Employee for payment of exercise price, the amount necessary to meet his / her tax obligations and other related expenses pursuant to exercise of Options granted under ESOP 2023 and such amount shall be adjusted against the sale proceeds of some or all the Shares of such Employee.

Subject to the provisions of Applicable Law, including the Companies Act, the Company may at its sole discretion provide financial assistance to the Employees of such amounts and on such terms as may be deemed fit, to enable them to Exercise the Options.

S. Chand And Company Limited New Delhi

13.7 If the Company gets its Shares de-listed from all the recognized Stock Exchange/s, then the Board shall have the powers to set out terms and conditions for the treatment of Vested Options and Unvested Options in due compliance of the Applicable Laws.

14. TAXATION

14.1 The liability of paying taxes, if any, in respect of Employee Stock Options granted pursuant to this Scheme and the Shares issued pursuant to exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued there under and/or Income Tax Laws of respective countries as applicable to eligible Employees of Company working outside India, if any.

14.2 The Company shall have the right to deduct from the Employee's salary or recover any tax that is required to be deducted or recovered under the Applicable Laws. In case of non–continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.

14.3 The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

15. AUTHORITY TO VARY TERMS

The Board / Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate ESOP 2023, subject to compliance with the Applicable Laws and Regulations.

Further, the Committee shall be entitled to vary the terms of the ESOP 2023 to meet any regulatory requirement without seeking Shareholder's approval by special resolution in terms of regulation 7 of SEBI (SBEB and Sweat Equity) Regulations.

16. MISCELLANEOUS

16.1 Government Regulations

ESOP 2023 shall be subject to all Applicable Laws to the extent applicable. The Grant of Options and allotment of Shares to the Employees under ESOP 2023 shall be subject to the Company requiring the Employees to comply with all Applicable Laws. Further, the Company will comply with all the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendment made thereof.

16.2 Inability to obtain authority

The inability of the Company to obtain authority from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful allotment and

S Chand And Company Limited New Delhi

issuance of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of such inability.

16.3 Neither the existence of this Scheme nor the fact that an individual has on any occasion been granted an Employee Stock Option shall give such individual any right, entitlement or expectation that he has or shall in future have any such right, entitlement or expectation to participate in this Scheme by being granted an Employee Stock Option on any other occasion.

16.4 The rights granted to an Option Grantee upon the grant of an Employee Stock Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

16.5 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Employee Stock Option in whole or in part.

16.6 Participation in ESOP 2023 shall not be construed as any guarantee of return on equity investment. Any loss due to fluctuations in the market price of the Shares and the risks associated with the investments are that of the Employee alone.

17. INSIDER TRADING ETC.

The Employee shall ensure that there is no violation of:

a. SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time; and
b. SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003; and
c. Any other regulations to prevent fraudulent or harmful practices relating to the Securities Market.

The Employee shall keep the Company, the Board / the Committee fully indemnified in respect of any liability arising for violation of the above provisions.

18. ACCOUNTING AND DISCLOSURES

18.1 The Company shall follow the laws / regulations applicable to accounting and disclosure related to Employee Stock Options, including but not limited to SEBI (SBEB and Sweat Equity) Regulations as well as section 133 of the Companies Act, the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards

Anand And Company Limited New Delhi

as may be prescribed by the Regulatory authorities from time to time, including the disclosure requirements prescribed therein.

18.2 The Company shall make disclosures to the prospective Option Grantees containing statement of risks, information about the Company and salient features / Scheme document of ESOP 2023 in a format as prescribed under SEBI (SBEB and Sweat Equity) Regulations.

18.3 The Company shall disclose details of Grant, Vest, Exercise and lapse of the Employee Stock Options in the Directors' Report or in an annexure thereof as prescribed under SEBI (SBEB and Sweat Equity) Regulations or any other Applicable Laws as in force.

19. CERTIFICATE FROM SECRETARIAL AUDITORS

The Board of Directors shall at each Annual General Meeting place before the shareholders, a certificate from the secretarial auditors of the Company that the Scheme has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the Company in the general meeting.

20. GOVERNING LAWS

20.1 The terms and conditions of ESOP 2023 shall be governed by and construed in accordance with the Applicable Laws including the Foreign Exchange Laws mentioned below.

20.2 Foreign Exchange Laws

In case any Employee Stock Options are granted to any Employee being resident outside India belonging to the Company working outside India, the provisions of the Foreign Exchange Management Act, 1999 and Rules or Regulations made thereunder as amended and enacted from time to time shall be applicable and the Company has to comply with such requirements as prescribed from time to time in connection with Grant, Vest, Exercise of Employee Stock Options and allotment of Equity Shares thereof.

21. NOTICES

21.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP 2023 shall be in writing or electronic mode. The communications shall be made by the Company in any one or more of the following ways:

(i) Sending communication(s) to the address of the Option Grantee available in the records of the Company; or
(ii) Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or

Chand And Company Limited New Delhi

(iii) Emailing the communication(s) to the Option Grantee at the official email address provided, if any, by the Company to the prospective /existing Option Grantee during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

21.2 Any communication to be given by an Option Grantee to the Company in respect of ESOP 2023 shall be sent to the person at the address mentioned below or e - mailed at:

Name	**: Jagdeep Singh**
Designation	**: Company Secretary & Compliance Officer**
Address	**: A-27, 2nd Floor, Mohan Co-operative Industrial Estate, New Delhi-110044**
Email	**: jsingh.del@schandgroup.com**

22. JURISDICTION

22.1 The Courts / National Company Law Tribunal, as the case may be, in Delhi, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2023.

22.2 Nothing in this Clause shall however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP 2023:
(i) in any other court of competent jurisdiction; or
(ii) Concurrently in more than one jurisdiction.

23. SEVERABILITY

In the event any one or more of the provisions contained in this Scheme shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Scheme in which case the Scheme shall be construed as if such invalid, illegal, or unenforceable provisions had never been set forth herein, and the Scheme shall be carried out as nearly as possible according to its original intent and terms.

24. CONFIDENTIALITY

24.1 An Option Grantee must keep the details of ESOP 2023 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or Associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this Clause on confidentiality, all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this Clause on confidentiality shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this Clause, the Board shall have the authority to deal with such cases as it may deem fit.

S Chand And Company Limited New Delhi

24.2 On acceptance of the grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the Scheme or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need to know basis.

For S Chand and Company Limited

S Chand and Company Limited
New Delhi

Jagdeep Singh
Company Secretary and Compliance Officer
Membership No. A15028

Place: New Delhi
Date: October 03, 2023