S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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Independent Auditor's Report on the Employees Stock Option Scheme 2012, as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

The Board of Directors
S Chand And Company Limited
A – 27, Mohan Co-operative Industrial Area,
New Delhi – 110044

1. This Report is issued in accordance with the terms of our service scope letter dated August 24, 2020 and master engagement agreement November 25, 2017 as amended on September 27, 2018 and May 25, 2020 with S Chand And Company Limited (hereinafter the "Company").

2. As requested, we have examined the Employees Stock Option Scheme 2012 (hereinafter referred as the "Scheme") of **S Chand And Company Limited** (the "Company"), which was approved by the Board of Directors of the Company on June 30, 2012 and amended by the shareholders in their Annual General Meeting held on September 25,2017 , to determine whether the Schemes is in compliance with the relevant provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SEBI Regulations") read with SEBI circular CIR/CFD/Policy Cell/2/2015 dated June 16, 2015 and amended as mentioned in Securities and Exchange Board of India (Share based employee benefits (Share based employee benefits (amendments)) Regulation, 2015 ("the SEBI circular"). We understand that pursuant to Regulation 13 of the SEBI Regulations this certificate is required to be placed by the Company before its shareholders at its ensuing Annual General Meeting to be held on September 29, 2020.

Management's Responsibility

3. Management is responsible for:
   i. Maintaining the information and documents, which are required to be kept and maintained under the relevant laws and regulations
   ii. Implementing the Scheme in accordance with the SEBI Guidelines and the resolutions passed at the general meeting of the Company
   iii. Establishing and maintaining effective internal control for properly recording the information related to the scheme in the records maintained by the Company.

Auditor's Responsibility

4. Pursuant to this, our responsibility is to express reasonable assurance in the form of an opinion whether the Company has implemented the Scheme in accordance with the provisions of the SEBI Regulations.

5. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate audit evidence on the reporting criteria. In this connection, we have performed the following procedures:

   i. Read the copy of the Scheme, provided to us by the Company, to examine the compliance by the Company with the provisions of the SEBI Regulations.
   ii. Read the shareholders' resolution passed in the Extra-Ordinary General Meeting of the Company held on June 30, 2012 noting the approval accorded to management to issue employee stock options to the employees and directors of the Company.
   iii. Read the shareholders' resolution passed in the Annual General Meeting of the Company held on September 25, 2017 noting the amendments made in the Scheme.
   iv. Read the resolution passed by Nomination and Remuneration Committee of the Board of Directors of the Company dated July 25, 2017 and January 30, 2018 and resolution passed by the Board of Directors dated November 17, 2017 in terms whereof, Nil options were granted and exercised during the financial year ended March 31, 2020 by the eligible employees of the Company and its subsidiaries and Nil options were vested in the eligible employees of the Company and its subsidiaries.
   v. Obtained necessary representations from management.

S.R. Batliboi & Associates LLP
Gurugram

6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination and procedures performed as referred to in paragraph 5 above, in our opinion, the Company has implemented the Scheme in accordance with the provisions of the SEBI Regulations, to the extent applicable.

Restriction on use

9. This report is intended solely for your information and in connection with the purpose mentioned above, and is not to be used or referred to for any other purpose or distributed to anyone except placing this before the shareholders in the ensuing Annual General Meeting of the Company. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates LLP * Gurugram *

per Sanjay Bachchani
Partner
Membership Number: 400419

UDIN: 20400419AAAAEJ2297

Place of Signature: Gurugram
Date: September 15, 2020