



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.

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Date: February 16, 2018

To

Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G, Bandra Kurla Complex,
Bandra (E), Mumbai, Maharashtra 400051

Dear Sir,

Re: Response to your clarification dated February 15, 2018

This is to bring to your kind notice that we are in receipt of your email dated February 15, 2018 seeking clarifications regarding the Outcome of Board meeting submitted by the Company on February 09, 2018. Kindly find our submissions against your queries as below:

(i) Impact of such guarantees or indemnity or surety on listed entity;

New Saraswati House Private Limited ("New Saraswati") is a wholly owned subsidiary of the Company. New Saraswati to further its business is raising working capital loans from RBL Bank Limited ("RBL Bank") and the Company is giving Corporate Guarantee in favour of RBL Bank against the working capital facilities sanctioned to New Saraswati. Financials of New Saraswati are consolidated with the financials of the Company therefore, on a consolidated basis there is no impact on the Company.

(ii) Brief details of such guarantee or indemnity or becoming a surety viz. brief details of agreement entered (if any) including significant terms and conditions, including amount of guarantee;

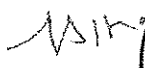
The draft version of the Corporate Guarantee is attached herewith for your consideration. The same is in the process of being executed.

(iii) Whether the promoter/ promoter group/ group companies have any interest in this transaction? If yes, nature of interest and details thereof and whether the same is done at arm's length;

Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala are common Directors in the Company and New Saraswati. However, none of the promoter/promoter group/group companies are interested personally or financially in the said transaction. This corporate guarantee is catered to meet the working capital requirements of its wholly owned subsidiary.

Request you to kindly take note of the above response. Should you require any clarifications, please let us know.

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



Encl: as above



DEED OF GUARANTEE

THIS DEED OF GUARANTEE is made at _____ on this _____ day of _____ 2018 ("Deed"/"Guarantee")

BY

The Guarantor(s), details whereof is/are more particularly as described in Schedule 1 appended to this Deed and (which expression shall, unless repugnant to the context or meaning thereof, be deemed to include, where the Guarantor (s) is / are a company, its successors and permitted assigns;)

In favour of **RBL Bank Limited**, a company incorporated under the Indian Companies Act, 1913 and deemed to exist within the purview of the Companies Act, 2013 and having its registered office at "Shahupuri", Kolhapur – 416 001, Maharashtra and a branch office as more particularly as described in Schedule attached hereto (hereinafter referred to as "the **Bank**" which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors in interest, assigns, holding or subsidiary company and/or associates).

WHEREAS in terms of the sanction letter bearing reference no. CAD/DEL/0330/2017-18 dated 01.02.2018 and agreement dated _____ (hereinafter referred to as "**Loan Agreement**", which expression shall include any amendments, modifications, supplementals, and addendums thereto from time to time) accepted/entered into by **NEW SARASWATI HOUSE INDIA PRIVATE LIMITED** (hereinafter referred to as "**the Borrower**", which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors and permitted assigns) with the Bank, the Bank has agreed to finance the Borrower for the purpose of Working Capital / Capex ("**Purpose**") and agreed to grant facilities as may be agreed upon from time to time between Bank and Borrower for sums not exceeding in the aggregate of **Rs. 25,00,00,000/- (Rupees Twenty Five Crore Only)** (hereinafter referred to as "**Loan**") on the terms and conditions specified and contained therein.

AND WHEREAS one of the conditions specified and contained in the Loan Agreement is that the Borrower shall procure and furnish to Bank a guarantee from the Guarantor/s guaranteeing due repayment by the Borrower of the said sum of **Rs. 25,00,00,000/- (Rupees Twenty Five Crore Only)** (hereinafter for the sake of brevity referred to as "**the Guaranteed Sum**") together with interest, costs charges, expenses and/or other monies due to Bank in respect of or under the aforesaid Loan or any of them on demand by Bank.

AND WHEREAS the Guarantor/s at the request of the Borrower and in consideration of Bank having agreed to grant or granted at the request of the Guarantor/s the aforesaid Loan to the Borrower, have agreed to execute this Guarantee in favour of Bank on the terms and in the manner hereinafter appearing.

NOW THIS DEED WITNESSETH that in consideration of the above premises it is hereby covenanted and agreed (all the Guarantor/s covenanting and agreeing jointly and severally) as follows;

1 INTERPRETATION

- 1.1 Capitalised words/terms used but not defined in this Agreement shall have the same meaning as assigned to them under the Loan Agreements.
 - 1.2 In this Agreement, singular shall include plural and vice versa.
 - 1.3 Words importing a particular gender shall include all gender.
 - 1.4 Any expressions not defined herein, if defined within the General Clauses Act, 1897, shall carry the same meaning as assigned to it under the said Act.
 - 1.5 The headings herein are for convenience only and shall not affect interpretation, except to the extent that the context otherwise requires.
 - 1.6 Unless mentioned otherwise, any reference to article, clause or schedule shall be deemed to be a reference to an article, clause or Schedule of this Deed.
 - 1.7 Any reference to any enactment or statutory provision is a reference to it as it may have been, or may from time to time be, amended, modified, consolidated or re-enacted.
 - 1.8 The arrangement of clauses in this Deed shall have no bearing on their interpretation.
 - 1.9 The words "herein", "hereto" and "hereunder" refer to this Deed as a whole and not to the particular section in which such word may be used.
 - 1.10 All references to agreements, documents or other instruments include a reference to that agreement, document or instrument as amended, supplemented, substituted, novated or assigned from time to time.
 - 1.11 The words "other", "or otherwise" and "whatsoever" shall not be construed ejusdem generis or as any limitation upon the generality of any preceding words or matters specifically referred to.
 - 1.12 All references to "month" shall mean English calendar month. All references to a quarter shall mean a period of three months commencing on 1st January, 1st April, 1st July and 1st October.
 - 1.13 All references to approval, consent, permission, authorization, concurrence, satisfaction, waiver etc. of the Bank shall be valid only if given in writing and before any action or omission that is stipulated to have it.
 - 1.14 Wherever the Guarantor and the Borrower are the same entities, the terms "Guarantor" and "Borrower" may be used interchangeably, if the context so permits.
- 2 If at any time default shall be made by the Borrower in repayment of the Guaranteed Sum together with interest, costs, charges, expenses and/or other monies for the time being due to Bank in respect of/or under the Loan, the Guarantor/s shall forthwith on demand, without any demur or protest, irrevocably and unconditionally without any reference to the Borrowers, and without raising any objection or issue whatsoever and irrespective of or notwithstanding any dispute or difference in respect of the said amounts falling due to the Bank, pay to Bank the whole of such Guaranteed Sum together with interest, costs, charges, expenses and/or any other monies as may be then due to Bank in respect of the Loan and shall indemnify and keep indemnified Bank against all losses of the said Guaranteed Sum, interest or other monies due and all costs charges and expenses whatsoever which Bank may incur by reason of any default on the part of the Borrower. This is a guarantee of payment and not of collection.

- 3 The Guarantor/s agrees and confirms that interest shall be charged on the outstanding amount of the Loan at such rate(s) as may be determined by Bank from time to time. Interest shall be calculated on the daily balance of the account(s) maintained by Bank and be debited thereto on the last working day of the month. Bank shall also be entitled to charge at its own discretion such enhanced rates of interest on the account(s) either on the entire outstanding or on a portion thereof as it may fix for any irregularity and the charging of such enhanced rate of interest shall be without prejudice to Bank's other rights and remedies.
- 4 Bank shall have the fullest liberty without affecting this Guarantee to vary the amounts of the individual limits of the Loan as may be agreed upon from time to time between Bank and the Borrower subject to the aggregate thereof not exceeding the Guaranteed Sum together with interest and other monies due and payable by the Borrower under the Loan Agreement and/or to postpone for any time or from time to time enforce or forbear to enforce any remedies of securities available to Bank at its liberty with reference to the matters aforesaid or any of them or by reason of time being given to the Borrower or of any other forbearance act or omission on the part of the Bank or any other indulgence by the Bank to the Borrower or by any other matters or things whatsoever which under the law relating to sureties would but for this provision have the effect of so releasing the Guarantees.
- 5 As the Loan may have been further secured in any manner whatsoever including but not limited to by hypothecation and/or pledge and/or mortgage under separate security documents executed with the Bank, the Guarantors agree that no failure in requiring or obtaining such security or in the observance or performance of any of the stipulations or terms of the said security documents and no act, omission, delay or default of the Bank in requiring or enforcing the observance or performance of any of the said stipulations or terms of the security documents shall have the effect of releasing or discharging or in any manner affecting the liability of the Guarantors under this Deed.
- 6 Bank shall be at liberty to take in addition to the subsisting securities any other securities for the Loan or any of them or any part thereof and to release or forbear to enforce all or any of the remedies upon or under such securities and any collateral security or securities now held by Bank and that no such release or forbearance as aforesaid shall have the effect of releasing or discharging or in any manner affecting the liability of the Guarantor/s under the Guarantee and that the Guarantor/s shall have no right to the benefit of the said security that may be held by Bank until the claims of Bank against the Borrower in respect of the Loan and of all other claims (if any) are fully satisfied and then in so far only as such security shall not have been exhausted for the purpose of realising the amount of Bank's claims and rateably only with other Guarantor/s or other persons (if any) entitled to the benefit of such securities respectively.
- 7 All payments to be made by, the Guarantor/s, shall be made without any deduction or withholding for or on account of tax (a "**Tax Deduction**"), unless such Tax Deduction is required by law. If a Tax Deduction is required by law to be made, the amount of the payment due from the Guarantor/s shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal

to the payment which would have been due if no Tax Deduction had been required. The Bank reserves the right to ask for any such documentation or proof as may be deemed necessary by the Bank from the Guarantor/s to evidence payment of taxes by the Guarantor/s. Notwithstanding anything mentioned above, in the event the Bank makes payment towards any Tax Deduction or any other tax liability attributable to the Guarantor/s, the Guarantor/s shall forthwith without any demur or protest reimburse all such amounts to the Bank.

- 8 The Guarantee herein contained shall be enforceable against the Guarantor/s notwithstanding the securities aforesaid or any of them or any other collateral securities that Bank may have obtained or may obtain from the Borrower or any other person shall at the time when proceedings are taken against the Guarantor/s hereunder be outstanding and/or not enforced and/or remain unrealised.
- 9 The Guarantor/s hereby confirm, declare and affirm that their liability under the Guarantee herein contained, shall be joint and several and co-extensive with the liability of the Borrower and Bank shall be entitled to act as if the Guarantor/s was/were principal debtor/s to Bank for all the payments guaranteed by them as aforesaid to Bank.
- 10 The Guarantee herein contained is a continuing one for all amounts advanced by Bank to the Borrower in respect of the Loan or under the Loan Agreement as also for all interest costs and other monies which may from time to time become due and remain unpaid to Bank thereunder and shall not be determined or in any way be affected by any account or accounts opened or to be opened in a bank approved by Bank becoming nil or coming into credit at any time or from time to time or by reason of the said account or accounts being closed and fresh account or accounts being opened with the bank approved by Bank in respect of fresh facilities being granted within the overall limit sanctioned to the Borrower.
- 11 Notwithstanding the discontinuance of this Guarantee as to one or more of the guarantors, this Guarantee is to remain a continuing guarantee as to the other or others.
- 12 Notwithstanding Bank 's rights under any security which Bank may have obtained or may obtain, Bank shall have the fullest liberty to call upon the Guarantor/s to pay the Guaranteed Sum together with interest as well as costs charges and expenses and/or other monies for the time being due to Bank in respect of the Loan or under the Loan Agreement, or any of them without requiring Bank to realise from the Borrower the amount due to Bank in respect of the Loan and/or requiring Bank to enforce any remedies or securities available to Bank.
- 13 The Guarantee herein contained shall not be determined or in any way prejudiced by any absorption of or by Bank or by any amalgamation thereof or therewith but shall inure and be available for and by the absorbing or amalgamated Bank or concern.
- 14 The Guarantee shall be irrevocable and enforceable against the Guarantor/s notwithstanding any dispute between Bank and the Borrower.

- 15 The Guarantor/s hereby confirm and declare that notwithstanding anything herein contained, the Guarantor/s have agreed that as between the Bank and Guarantor/s, the Guarantor/s shall be considered as principal debtors and none of the Guarantor/s or their respective heirs, executors or administrators shall be discharged or exonerated; (a) by any variance made without our consent in the terms of any contract or transaction between the Bank and the Borrower or (b) by any contract made between the Bank and the Borrower by which the Borrower be released, or (c) by any act or omission of the Bank, the legal consequence of which may be the discharge of the Borrower/s or (d) by the Bank making a composition with, or promising to give time to or not to sue the Borrowers without our previous assent thereto or (e) by any other act, omission, dealings or arrangement between the Borrower/s their successors and assigns and their respective heirs, executors, administrators and assigns and the Bank, its successors and assigns, whereby the Guarantor/s as sureties for the Borrowers would have been so discharged or exonerated except for the provisions of this clause.
- 16 The Guarantor/s affirms and confirms and declare that any balance confirmation and/or acknowledgment of debt and/or admission of liability given or promise or part payment made by the Borrower or the authorised agents of the Borrower to Bank shall be deemed to have been made and/or given by or on behalf of the Guarantor/s themselves and shall be binding upon each of them.
- 17 The Guarantor/s shall forthwith on demand made by Bank deposit with Bank such sum or security as Bank may from time to time specify for the due fulfillment of their obligations under this Guarantee and any security deposited with Bank may be sold by Bank and the said sum or the proceeds of sale of the securities may be appropriated by Bank in or towards satisfaction of the Guaranteed Sum together with interest and other monies due and payable by the Borrower under the Loan Agreement and any liability arising out of non-fulfillment thereof by the Guarantor/s.
- 18 The Guarantor/s hereby agrees that notwithstanding any variation made in the terms and conditions of the Loan Agreement and/or any of the said security documents including reallocation / interchange of the individual limits within the Guaranteed Sum, variation in the rate of interest, extension of the date for payment of the installments, if any, composition made between Bank and the Borrower to give time to or not to sue the Borrower, or Bank parting with any of the securities given by the Borrower, the Guarantor/s shall not be released or discharged of their obligation under this Guarantee provided that in the event of any such variation or composition or agreement the liability of the Guarantor/s shall notwithstanding anything herein contained be deemed to have accrued and the Guarantor/s shall be deemed to have become liable hereunder on the date or dates on which the Borrower shall become liable to pay the amount/amounts due under the Loan Agreement and/or any of the said security documents as a result of such variation or composition or arrangement.
- 19 The Guarantor/s hereby agrees and confirms that Bank shall be entitled to adjust or set-off all monies held by Bank to the credit of or for the benefit of the Guarantor/s on any account or otherwise howsoever towards the discharge and satisfaction of the liability of the Guarantor/s under these presents.

- 20 Without prejudice to the liability to pay the Guaranteed Sum together with interest and other monies due to Bank as aforesaid, the Guarantor/s hereby declares that Bank shall be at liberty to sue the Borrower and the Guarantor/s jointly and/or severally or Bank shall be entitled to proceed against the Borrower and/or Guarantor/s in the first instance. The Guarantor/s hereby bind(s) themselves / himself to pay on the first demand, the amount due with costs thereon.
- 21 Bank may recover against the Guarantors to the extent of the Guaranteed Sum notwithstanding that the Borrower or his agents, partners, directors or officers may have exceeded his or their powers or that the arrangements with Bank may have been ultravires and without being bound to enforce its claim against the Borrower or any other person or other security held by Bank. Bank shall not be bound to inquire into powers of the Borrower or his agents or partners, directors or officers purporting to act on behalf of the Borrower and all moneys dues or liabilities incurred shall be deemed to form part of the present Guarantee notwithstanding that the principal or his agents, partners, directors and officers may have exceeded his or their power or the arrangement with Bank may have been ultra vires.
- 22 The Guarantor/s agrees that notwithstanding the Bank for any reason whatsoever losing and/or parting with any of the securities given by the Borrower, the Guarantor/s shall not be released or discharged of their obligations under this Guarantee and in the event of Bank so losing or parting with the security the Guarantor/s shall be deemed to have consented to or acquiesced in the same.
- 23 The Guarantor/s agrees that if the Borrower being an individual becomes an insolvent or being a company goes into liquidation or winding up (whether compulsory or voluntary) or if there is change in the corporate structure or ownership or legal status of the Borrower or if the management of the undertaking of the Borrower is taken over under any law or if the Borrower and/or the undertaking of the Borrower is nationalised under any law or make any arrangement or composition with creditors, Bank may (notwithstanding payment to Bank by the Guarantor/s or any other person of the whole or any part of the amount hereby secured) rank as creditor and prove against the estate of the Borrower for the full amount of Bank's claim against the Borrower or agrees to and accepts any composition in respect thereof and Bank may receive and retain the whole of the dividends composition or other payments thereon to the exclusion of all the rights of the Guarantor/s in competition with Bank until all, Bank's claims are fully satisfied and the Guarantor/s will not be paying off the amounts payable by them or otherwise prove or claim against the estate of the Borrower till such time the whole of Bank's claims against the Borrower have been satisfied and Bank may enforce and recover payment from the Guarantor/s of the full amount payable by the Guarantor/s notwithstanding any such proof or composition as aforesaid. On the happening of any of the aforesaid events, the Guarantor/s shall forthwith inform Bank in writing of the same.
- 24 The Guarantee hereby given is independent and distinct from any security that Bank has taken or may take in any manner whatsoever whether it be by way of hypothecation, pledge and/or mortgage and of any other charge over goods, movables or other assets and/or any other property movable or immovable and the Guarantor/s have not given this guarantee upon any understanding, faith or

belief that Bank has taken and/or may hereafter take any or other such security and that notwithstanding the provisions of Sections 140 and 141 of the Indian Contract Act, 1872 or other section of that Act or any other law the Guarantor/s will not claim to be discharged to any extent because of Bank's failure to take any or other such security or in requiring or obtaining any such or other security or losing for any reason whatsoever including reasons attributable to its default, negligence, benefit of any or other such security or any of rights to any or other such security that have been or could have been taken.

- 25 This Deed shall be governed by and construed in all respects with the Indian Laws and the Guarantor hereto agrees that any matter or issues arising hereunder or any dispute hereunder shall be subject to the exclusive jurisdiction of the Courts of the City of **New Delhi** in India. Notwithstanding anything mentioned herein, the Bank reserves the right to initiate/file proceedings in any jurisdiction as it may deem fit.
- 26 The Guarantor hereby declares and confirms that the Guarantee complies and is in accordance with all extant laws and regulations. Further, the Guarantor hereby confirms that this Guarantee is being issued in its/their own volition and the Guarantor has not been paid any commission, brokerage etc for issuing this Guarantee.
- 26.1 Where the Guarantor is a company, the Guarantor hereby declares, confirms and represents that this Guarantee does not breach the provisions of Companies Act, 1956/Companies Act, 2013 (as applicable).
- 27 The Guarantor hereby gives consent to the Bank to disclose information and data relating to the Guarantor, obligations assumed or to be assumed by the Guarantor in relation to the Loan to any third party including but not limited to credit reference agencies, RBI, Income Tax Authorities, credit bureau, credit rating agencies, databanks, other banks, financial institutions or any other Government or Regulatory Authorities, statutory authorities, quasi-judicial authorities.
- 28 The Guarantor hereby further agrees as a pre-condition of the Loan, in case the Guarantor or the Borrower commits default in the repayment of the Loan or in the repayment of Interest thereon or any of the agreed installment of the Loan on due date(s), the Bank and/or the RBI will have an unqualified right to disclose or publish the Guarantor's name or the name of its director/s or partner/s or the name/s of the guarantor/s as defaulter/s in such manner and through such medium as the Bank or RBI in their absolute discretion may think fit.
- 29 The Bank may disclose to a potential assignee or to any person who has entered or may enter into contractual relations with the Bank in relation to this Deed or otherwise, such information about the Guarantor, as the Bank may deem appropriate.
- 30 The Guarantor/s agrees that any admission or acknowledgment made in writing signed by the Borrower of the liability or indebtedness of the Borrower or otherwise in relation to the Loan and/or any part payment as may be made by the Borrower towards the principal sum hereby guaranteed or any judgment, award or order obtained by Bank against the Borrower shall be binding on the Guarantor/s and the Guarantor/s accepts the correctness of any statement of

account that may be served on the Borrower and the same shall be binding and conclusive as against the Guarantor/s also and the Guarantor/s further agrees that in the Borrower making an acknowledgment or making a payment the Borrower shall in addition to his personal capacity be deemed to act as the Guarantor's duly authorised agent in that behalf for the purpose of but not limited to Sections 18 and 19 of the Limitation Act of 1963.

- 31 The Guarantor/s shall not assign or transfer any of their rights and/or obligations under this Deed. No delay in exercising or omission to exercise any right, power or remedy accruing/available to Bank upon any default or otherwise hereunder or any other security documents/letters of guarantee shall impair or prejudice any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence therein and any single or partial exercise of any right, power or remedy hereunder shall not preclude the further exercise thereof and every right and remedy of Bank shall continue in full force and effect until such right, power or remedy is specifically waived by an instrument in writing executed by Bank.
- 32 However Bank shall be entitled to, without issuing any notice or obtaining any consent from the Guarantor/s, sell or assign this Deed with or without any other security in favour of Bank (including all guarantee/s, if any) to any person ("**Intending Assignee**") of Bank's choice in whole or in part and in such manner and on such terms and conditions as Bank shall decide. Any such sale, assignment, securitization or transfer shall conclusively bind the Guarantor/s and all other related persons.
- 33 The Guarantor/s agrees that the amount due under the Loan Agreement and hereby guaranteed shall be payable to Bank on Bank serving the Guarantor/s with a notice requiring payment of the amount and such notice shall be deemed to have been served on the Guarantor/s by actual delivery thereof to the Guarantor/s or by dispatch thereof by Registered Post or by courier or telex or facsimile or other written or recorded form of electronic communication or by any other means to the Guarantor's address herein given or any other address in India to which, the Guarantor/s may by written intimation give Bank or request that communication addressed to the Guarantor's be dispatched. Any notice dispatched by Bank by Registered Post or by courier to the address to which it is required to be dispatched under this clause shall be deemed to have been duly served on the Guarantor/s four days after the date thereof, and shall be sufficient if it is established that such notice, communication or demand was properly addressed and sent.
- 34 A certificate by an officer of the Bank that the notice or demand was posted or served, as the case may be, shall be final, conclusive and binding on the Guarantor.
- 35 Unless otherwise advised in writing by the Bank to the Guarantor, any notice to be given by the Guarantor to the Bank shall be effective and deemed to have been duly and sufficiently served on the Bank if delivered at its branch address herein stated and a copy of every such notice shall also be delivered at Bank's office address at _____.
- 36 This Deed shall be enforceable notwithstanding any change in the name or constitution of Bank and it shall inure for the benefit of company/entity with which

Bank may become amalgamated or to which Bank shall assign / novate / transfer / securitise.

IN WITNESS WHEREOF the Guarantor/s (abovementioned) have executed these presents the day and year first hereinabove written.

SIGNED AND DELIVERED
by the within named Guarantor(s)

For **S. Chand and Company Limited**

(Authorised Signatory)

Common Seal of **S. Chand and Company Limited** is hereunto affixed pursuant to the resolution passed in a duly convened meeting of its Board of Directors held on _____ and in presence of its Director(s)/ Secretary of the company as below who have set their respective hands hereto in witness thereof.