



## S Chand And Company Limited

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

P: +91 11 4973 1800 | F: +91 11 4973 1801 | E: info@schandgroup.com | [www.schandgroup.com](http://www.schandgroup.com)

Date: June 22, 2021

To Listing Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai, Maharashtra 400001	To Listing Department, National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai, Maharashtra 400051
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Dear Sir,

**Re: Investors Presentation-Financial Results-quarter and year ended March 31, 2021-pursuant to Regulation 30 of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The presentation for the analysts and investors for the conference call scheduled to be held on Wednesday, June 23, 2021 at 1:00 P.M. to discuss the financial results for the quarter and year ended March 31, 2021 is attached herewith.

The Company shall also disseminate the above information on the website of the Company i.e. [www.schandgroup.com](http://www.schandgroup.com).

Request you to kindly take note of the same.

Thanking You.

Yours Sincerely,

For S Chand And Company Limited

Jagdeep Singh

Company Secretary

Membership No: A15028

Address: A-27, 2<sup>nd</sup> Floor,

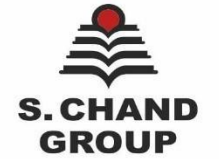
Mohan Co-operative Industrial Estate,

New Delhi-110044

Encl: as above

**S. Chand and Company Limited**

**Q4 – FY2020-21  
Investor Update  
22<sup>nd</sup> June 2021**



1.

Turnaround complete, Poised for growth

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2.

FY21 – The Year That Was

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3.

Digital Business

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4.

Looking Ahead

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5.

S. Chand Ed-Tech Initiatives - Annexure

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1.

Turnaround complete, Poised  
for growth

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**Rs1,076m**

Operating Cash flows (OCF) more than doubled on a YoY basis (FY20: Rs484m)

**Rs748m**

Returns to positive EBITDA after FY18

**Rs707m**

Net Debt reduced to Rs1,284m (vs. Rs1,991m Q3FY21). Lowest level since Sept, 2018.

**Rs321m**

Returns to positive Free Cash Flow after FY18. (FY20: Negative Rs507m) An improvement of Rs828m over last year.

**28%/46%**

Reduction in FY21 Operating Expenses over FY20/FY19

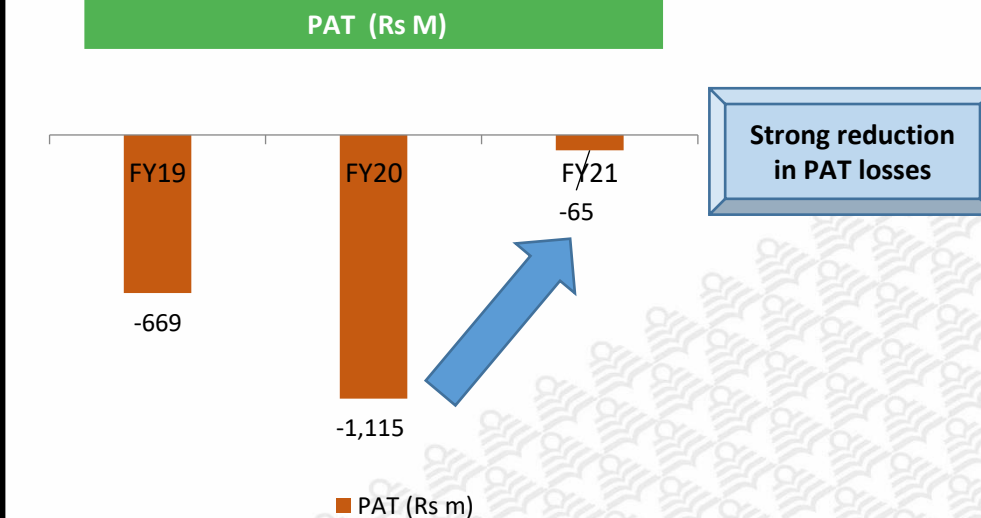
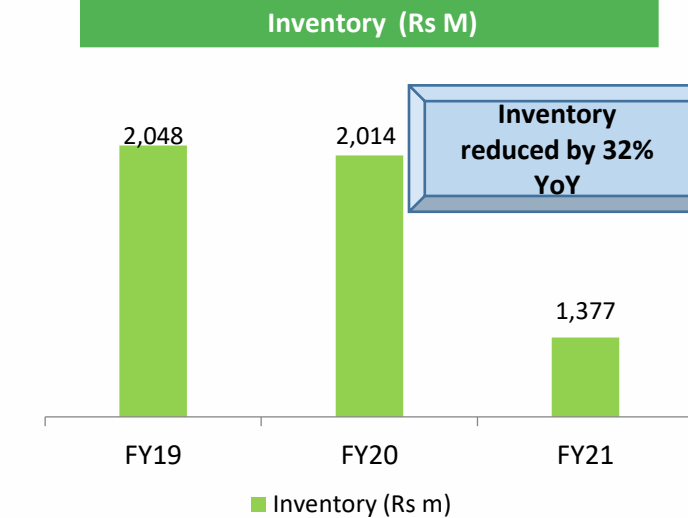
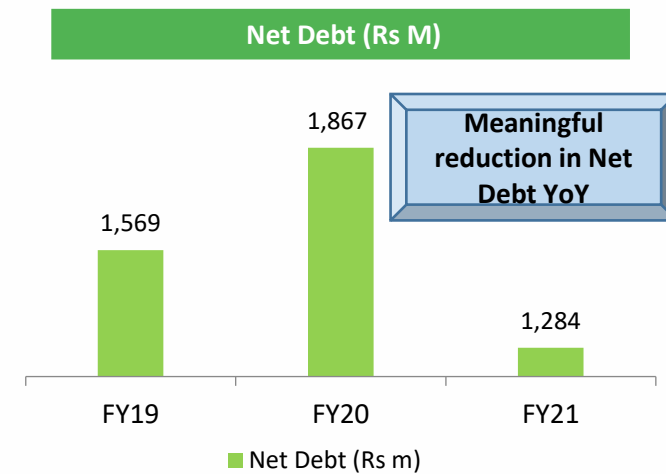
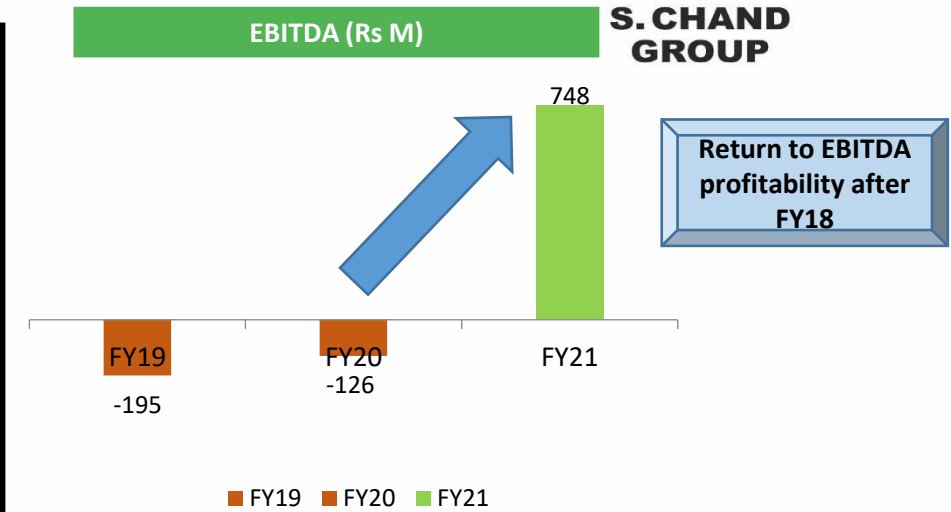
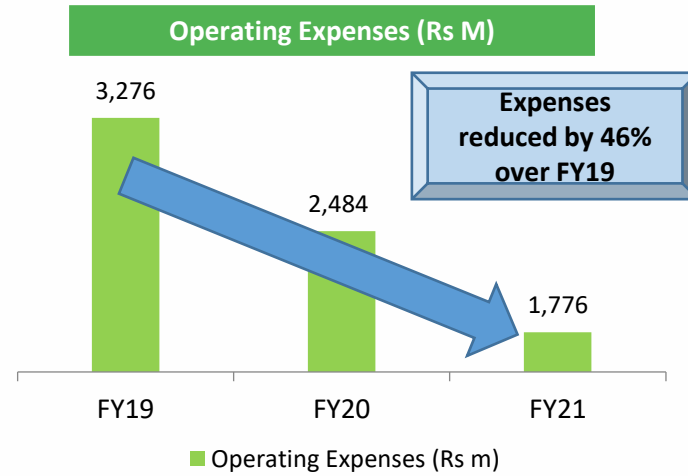
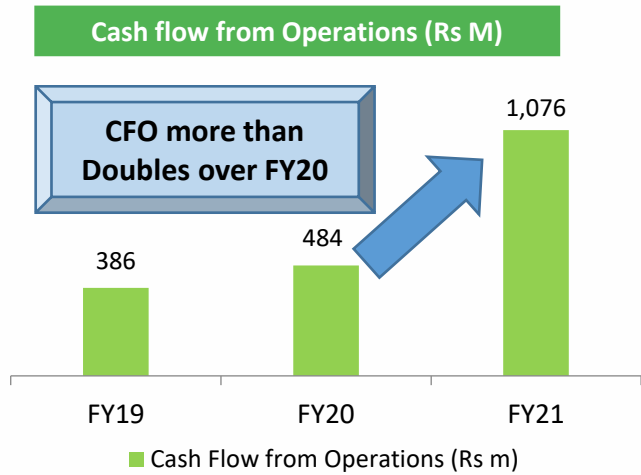
**Digital – Taking Strong Strides**

- Learnflix - 230K+ downloads & 21K paying subs (May, 21).
- Ecommerce Sales – ~10% of company revenues.
- E-Book Sales – Double YoY.

# TURNAROUND COMPLETED – POISED FOR GROWTH



**S. CHAND GROUP**



**FY21 seeing full benefits from S Chand 3.0 implementation.**



## STRONG IMPROVEMENT IN CASH FLOW METRICS – OCF & FCF

- **More than Doubling of Operating Cash Flows (OCF) on a YoY basis.** Our strategy of focusing on the cash flows has yielded results with Net cash generated from operations of Rs1,076m in FY21 (vs. Rs484m in FY20 and Rs386m in FY19). This is in spite of collections being affected by the onset of Covid Wave 2 in March.
- **Turn Free Cash Flow positive in FY21.** On an overall basis, we turn Free Cash Flow (FCF) positive after FY18. **This represents a Rs828m improvement in cash generated over last year in spite of the pandemic times.**

(In Rs m)	FY19	FY20	FY21
Profit/(Loss) before tax	-953	-987	-0
Operating Profit/(Loss) before working capital changes	-336	-33	742
Net cash generated from operating activities (A)	386	484	1,076
Net cash used in investing activities (B)	-839	-177	-176
Net cash used in/generated from financing activities (C)	388	-815	-579
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	-65	-507	321

- Strong cost control leads to lowered expenses – Operating expenses lower by 28% in comparison to FY20 and 46% lower in comparison to FY19.
  - Majority of the cost benefits are permanent in nature.
  - Expect culture of strong cost control to continue going ahead.

(In Rs m)	FY19	FY20	FY21	FY21 Vs.FY20 (%)	FY21 Vs.FY19 (%)
Revenue from Operations	5,220	4,294	4,252	-1%	-19%
Selling & Distribution costs	884	592	296	-50%	-67%
Employee Costs	1,511	1,260	993	-21%	-34%
Other expenses	881	632	488	-23%	-45%
<b>Total Operating Expenses</b>	<b>3,276</b>	<b>2,484</b>	<b>1,776</b>	<b>-28%</b>	<b>-46%</b>
<b>PAT</b>	<b>-669</b>	<b>-1,115</b>	<b>-65</b>	<b>-94%</b>	<b>-90%</b>

Full benefit of S Chand 3.0 plan visible.



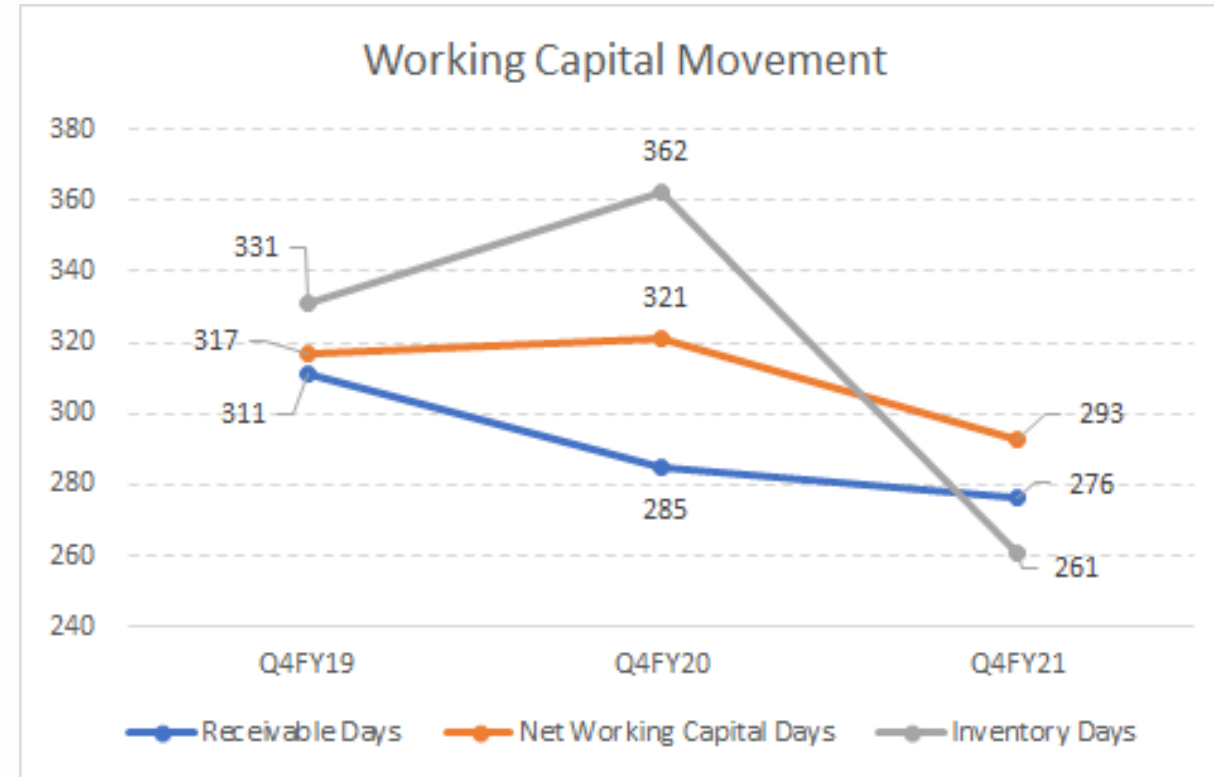
- **Lowest Inventory levels in 5 years: We ended FY21 with inventory of Rs1,377m (vs Q4FY20: Rs2,014m), Down 32% on a YoY basis.** This improvement in inventory is driven by various steps that we took in controlling print runs, optimizing book titles, selective focus on existing stock sales etc. Additionally, this inventory level also includes raw material paper inventory of Rs133m (vs Q4FY20 : Rs295m).
  - Inventory days has reduced by 101 days to 261 days in 4QFY21 (vs. 362 days in FY20)

Lowest Inventory in past 5 years							
	FY17	FY18	FY19	FY20	FY21	FY21 Vs.FY20 (%)	FY21 Vs.FY19 (%)
<b>(In Rs m)</b>							
Inventory	1,702	1,562	2,048	2,014	1,377	-32%	-33%

- **Net Debt: Rs1,284m (vs. Rs1,867 in Q4FY20) and Gross Debt: Rs2,031m (vs. Rs2,152m in Q4FY20)**
  - Net Debt has reduced by Rs707m on a QoQ basis (vs. Rs1,991m in Q3FY21). This is the lowest Net Debt level since **September, 2018**.
  - We are at a comfortable Debt to Equity ratio and we expect debt levels to reduce going ahead on back of higher free cash flow generation from business.

- Working Capital Metrics.**

- **Receivables:** Rs3,221m (vs. FY20: Rs3,349m)
- **Receivable days:** 276 days (vs. FY20: 285 days). This is the lowest Q4 receivable days since FY18.
- **Inventory:** We ended FY21 with inventory of Rs1,377m (vs Q4FY20: Rs2,014m), Down 32% on a YoY basis.
- **Inventory days:** Reduced by 101 days to 261 days in 4QFY21 (vs. 362 days in FY20).
- **Net Working Capital reduced** to 293 days (vs. 321 days in Q4FY20) which is a reduction of 29 days during FY21 driven by strong improvement in inventory levels.



- **Print Business returns to profitability in FY21.** We wanted to highlight that our print businesses have turned the corner in FY21. A deeper dive of our Print and Digital businesses would throw the following breakup of revenues and profitability.

(Rs m)	FY20	FY21
<b>Revenue from Operations</b>		
- Publishing	4,009	4,005
- Digital	285	247
<b>Total</b>	<b>4,294</b>	<b>4,252</b>
<b>EBITDA (Excluding OI)</b>		
- Publishing	-145	619
- Digital	-75	-72
<b>EBITDA (Excluding OI) %</b>		
- Publishing	-4%	15%
- Digital	-26%	-29%
<b>PBT before share of loss in associates, exceptional items and tax</b>		
- Publishing	-692	239
- Digital	-189	-230
<b>Total</b>	<b>-881</b>	<b>9</b>

Increase of Rs764m on a YoY basis

Increase of Rs931m on a YoY basis

2.

FY21 – The Year That Was

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## Q1 FY21

- India wide lockdown in force during April and May.
- Process of reopening starts from June onwards.
- Schools and Colleges remain firmly closed
- Examinations Delayed.

## Q2 FY21

- Process of reopening gathers steam across the country.
- Covid cases are on an upwards trajectory - Wave 1 peaks during September.
- Schools remain physically closed albeit online classes start where possible.
- Remaining Board Examinations cancelled.
- College Admissions delayed to Q3 / JEE and NEET Examinations held.

## Q3 FY21

- Covid cases from Wave 1 coming down.
- Schools still wary of physically opening. Online classes continue.
- College Session Starts – First Semester.
- Syllabus for Academic Year for Schools cut by 20%-40%

## Q4 FY21

- Schools across India reopened from Jan./Feb. onwards for Class 9-12.
- In Feb, Company all set for a normal sales season until March when the covid cases start rising again in Maharashtra/Kerala leading to schools/colleges taking steps to close physical premises. This impacted our sales season as well.
- College Second Semester compressed.
- Board Examinations Delayed.



## HEAT MAP OF THE STATUS OF PHYSICAL OPENING OF EDUCATION INSTITUTIONS ACROSS INDIA DURING OUR PEAK SALES SEASON

Sr no.	Break up of Education Institutions across the country	Jan, 21	Feb, 21	March,21 - 1st Half	March,21 - 2nd Half	April,21	May, 21	June, 21
1	K1- K5	Red	Red	Red	Red	Red	Red	Red
2	K6-K8	Green	Green	Green	Red	Red	Red	Red
3	K9-K12	Green	Green	Green	Red	Red	Red	Red
4	Higher Education	Green	Green	Green	Red	Red	Red	Red

- Most schools across India had started physically opening in January for K9-K12 and in February for K6-K8.
- Our sales season got impacted during March when rising covid cases from Wave 2 started leading to institute closures across the country. Do keep in mind that March accounts for 30%-40% of our annual sales.
- As the Wave 2 gathered momentum, educational institutes across India first announced closures in March\* and then early summer holidays during April. Some states like Maharashtra & Kerala\*\* announced school closures much earlier than other states which impacted sales in those areas for FY21.
- Higher Education segment also got impacted since sale of books pertaining to the 2<sup>nd</sup> semester of the academic year got shifted by Wave 2 because colleges last year had started much later In October/November vs. the usual start dates of July/August.

### Sources

\* <https://www.hindustantimes.com/india-news/covid19-2nd-peak-these-states-are-shutting-schools-once-again-as-cases-rise-101616206015134.html>

\* <https://english.jagran.com/education/amid-second-wave-of-covid19-schools-and-colleges-closed-again-in-several-states-check-full-list-here-10024627>

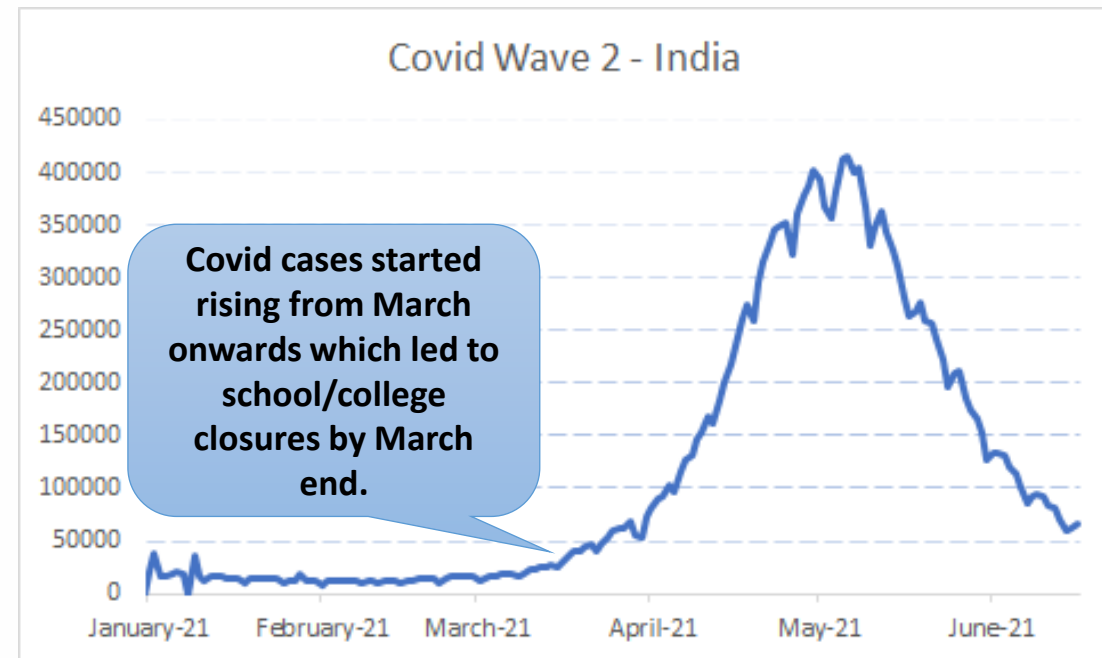
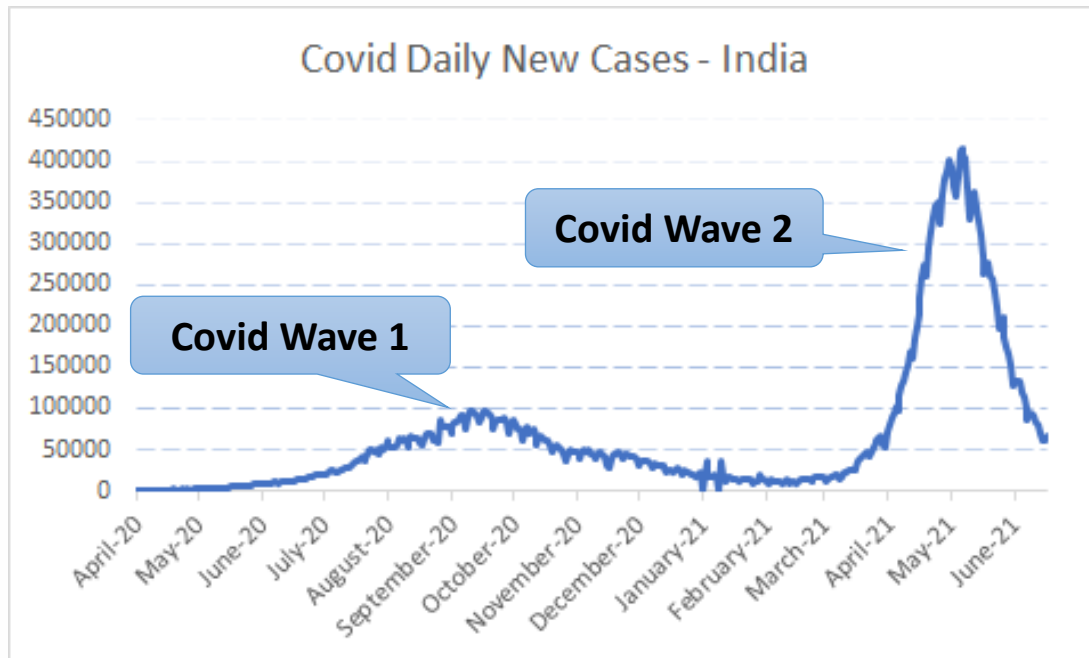
\* <https://www.edexlive.com/news/2021/mar/24/odisha-set-to-stop-physical-classes-as-covid-cases-rise-what-are-the-other-states-doing-19248.html>

\*\* <https://www.india.com/maharashtra/coronavirus-schools-colleges-coaching-institutes-to-remain-shut-till-march-31-in-maharashtras-jalna-4446261/>



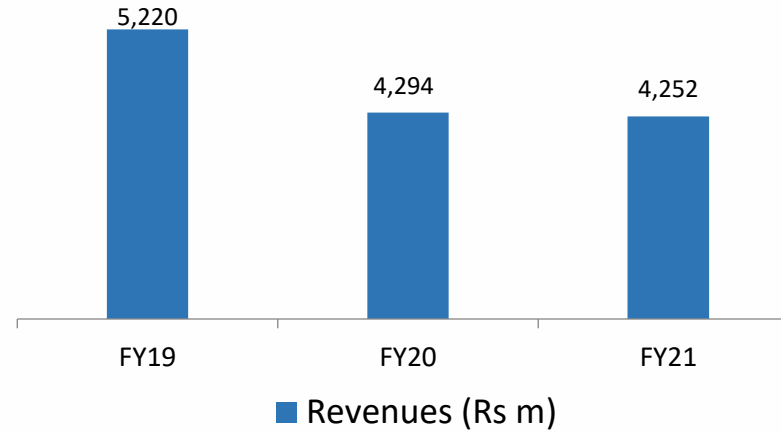
- **Current Status:**

- Schools and colleges remain physically shut across the country during April – June, 21.
- Online classes have resumed in certain cases in June. We expect school openings to gather steam during Q2 as covid cases keep on receding.
- However, the risk remains of wave 3 in the country, though increasing speed of vaccinations do provide some comfort.
- **Higher Education** - This segment will again be faced with a challenge in starting the academic year for the second year running from its usual start of July/August since class 12<sup>th</sup> exams have already been cancelled, though results have not been announced. This should also impact entrance exams and move them well into Q2 (dates to be announced) and start of academic classes in Q2/Q3.

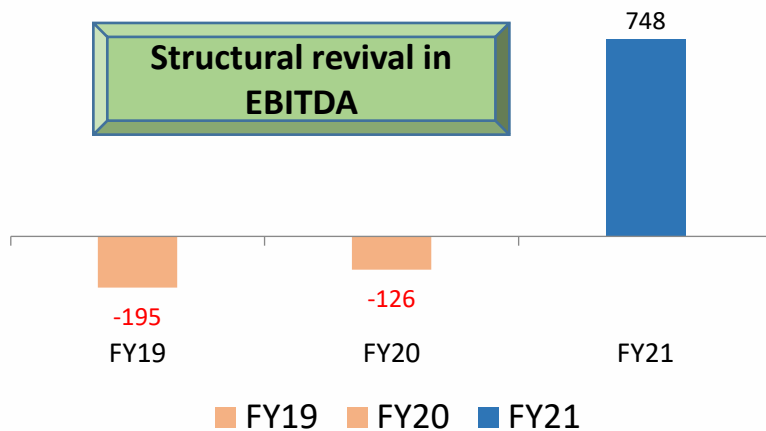




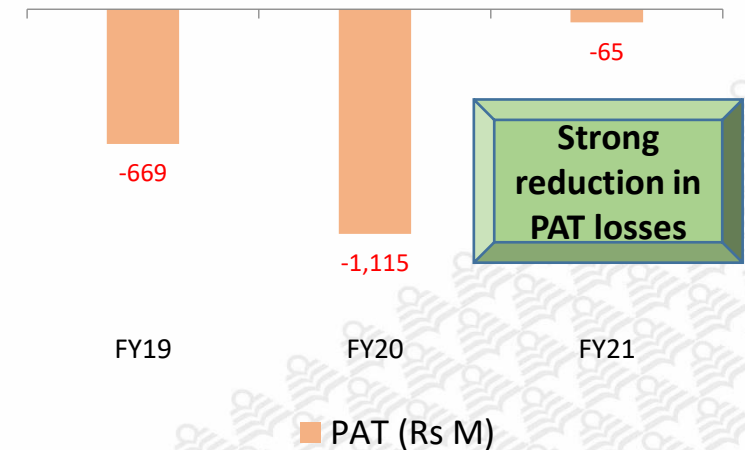
## Revenues from Operations (Rs M)



## EBITDA (Rs M)



## PAT (Rs M)



**FY21**

**SUBSTANTIAL REDUCTION IN LOSSES – FY21 seeing full benefits from S Chand 3.0 implementation.**

# CONSOLIDATED FINANCIAL PERFORMANCE

(Rs m)	Q4FY20	Q4FY21	Q4FY21 vs. Q4 FY20	FY20	FY21	FY21 vs.FY20
Revenue from Operations	3,318	2,827	-15%	4,294	4,252	-1%
Other income	54	97	79%	94	201	113%
<b>Total income</b>	<b>3,373</b>	<b>2,924</b>	<b>-13%</b>	<b>4,388</b>	<b>4,453</b>	<b>1%</b>
<b>Expenses</b>						
Cost of published goods/materials consumed	749	605	-19%	1,460	1,000	-32%
Purchases of traded goods	10	50	na	89	86	-3%
(Increase)/decrease in inventories of finished goods and work in progress	223	268	20%	49	486	883%
Publication expenses	239	220	-8%	432	358	-17%
<b>Gross Margin</b>	<b>2,152</b>	<b>1,782</b>	<b>-17%</b>	<b>2,358</b>	<b>2,524</b>	<b>7%</b>
<b>Gross Margin (%)</b>	<b>64%</b>	<b>61%</b>		<b>54%</b>	<b>57%</b>	
Selling and distribution expenses	203	137	-33%	592	296	-50%
Employee benefits expenses	312	271	-13%	1,260	993	-21%
Other expenses	36	33	-8%	632	488	-23%
<b>EBITDA</b>	<b>1,601</b>	<b>1,341</b>	<b>-16%</b>	<b>-126</b>	<b>748</b>	<b>na</b>
<b>EBITDA Margin (%)</b>	<b>47%</b>	<b>46%</b>		<b>-3%</b>	<b>17%</b>	
Finance cost	90	80	-11%	348	323	-7%
Depreciation and amortization expense	137	129	-6%	408	416	2%
<b>Profit/(Loss) before share of loss in associates, exceptional items and tax</b>	<b>1,374</b>	<b>1,131</b>	<b>-18%</b>	<b>-881</b>	<b>9</b>	<b>na</b>
Share of gain/(loss) in associates	16	-5	-129%	-4	-7	65%
Exceptional gain/(Loss)	-102	-2		-102	-2	
<b>Profit/(Loss) before tax</b>	<b>1,289</b>	<b>1,124</b>	<b>-13%</b>	<b>-987</b>	<b>-0</b>	<b>-100%</b>
<b>Tax expenses:</b>						
1) Current tax	51	95	86%	74	123	65%
2) Deferred tax	623	53	-92%	54	-58	na
<b>Profit/(Loss) for the period/ year</b>	<b>615</b>	<b>977</b>	<b>59%</b>	<b>-1,115</b>	<b>-65</b>	<b>-94%</b>
<b>Profit/(Loss) per equity share (in ₹)</b>						
1) Basic	17.58	27.93	59%	-31.87	-1.86	-94%
2) Diluted	17.55	27.93		-31.87	-1.86	

## FY21

**Operating expenses:  
Down 28%  
YoY**

**Returns to  
positive  
EBITDA after  
FY18**

**PAT Loss:  
Down by 94%**

# CONSOLIDATED FINANCIAL PERFORMANCE

Particulars (Rs m)	FY20	FY21
	Audited	Audited
<b>Non-current assets</b>		
Property, plant and equipment	959	869
Capital work-in-progress	1	3
Goodwill	3,383	3,381
Other Intangible assets	918	1,249
Intangible assets under development	25	22
Right to use asset	623	481
Investments accounted for using the equity method	184	22
Financial assets		
- Investments	40	38
- Loans	56	45
- Other financial assets	14	13
Deferred tax assets (net)	614	674
Other non-current assets	230	76
<b>Total non-current assets (A)</b>	<b>7,047</b>	<b>6,872</b>
<b>Current assets</b>		
Inventories	2,014	1,377
Financial assets		
- Investments	167	258
- Trade receivables	3,349	3,221
- Cash and cash equivalents	98	419
- Bank balances other than cash and cash equivalents	7	66
- Loans	60	41
- Other financial assets	13	4
Other current assets	154	99
<b>Total current assets (B)</b>	<b>5,861</b>	<b>5,486</b>
<b>Total assets (A+B)</b>	<b>12,908</b>	<b>12,359</b>

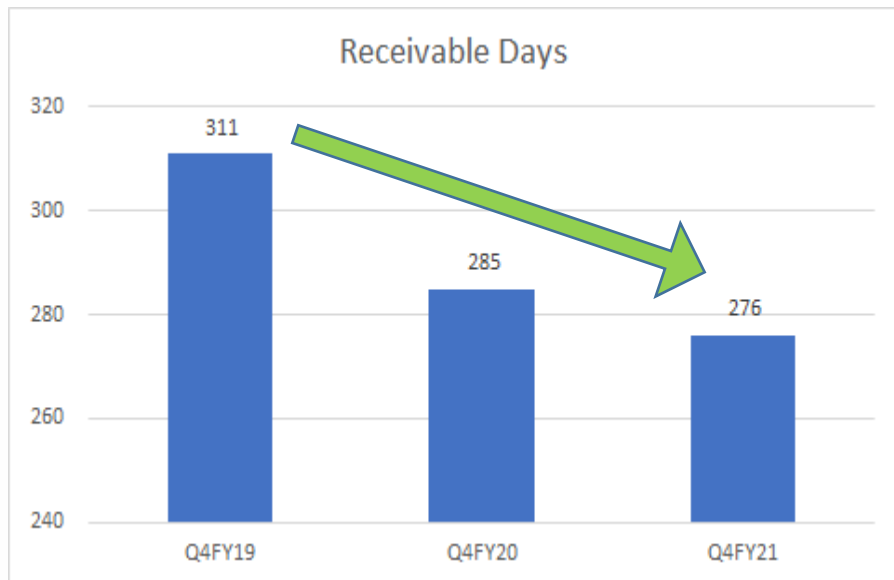
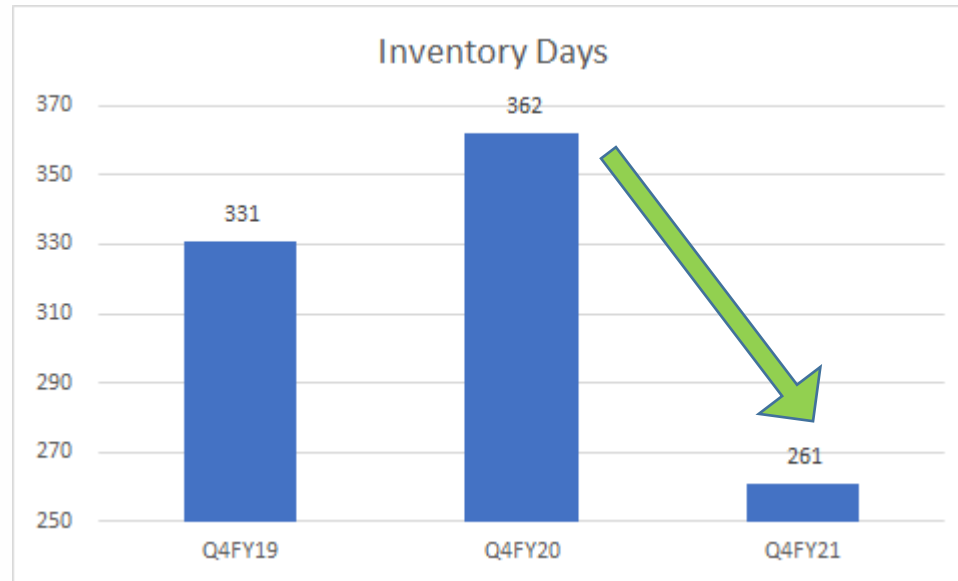
Particulars (Rs m)	FY20	FY21
	Audited	Audited
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity share capital	175	175
Other equity		
- Retained earnings	1,519	1,455
- Other reserves	6,491	6,553
Non controlling interests	28	189
<b>Total equity (C )</b>	<b>8,213</b>	<b>8,371</b>
<b>Non-current liabilities</b>		
Financial liabilities		
- Borrowings	608	760
- Lease Liability	366	249
- Other financial liabilities	-	0
Net employee defined benefit liabilities	67	65
Other non-current liabilities	-	-
<b>Total non current liabilities (D)</b>	<b>1,041</b>	<b>1,074</b>
<b>Current liabilities</b>		
Financial liabilities		
- Borrowings	1,114	1,057
- Lease Liability	126	102
- Trade payables		
- micro and small enterprises	173	223
- other than micro & small enterprises	1,410	956
- Other financial liabilities	643	369
Other current liabilities	147	117
Net employee defined benefit liabilities	-	-
Other provisions	41	90
<b>Total current liabilities (E)</b>	<b>3,654</b>	<b>2,914</b>
<b>Total equity and liabilities (C+D+E)</b>	<b>12,908</b>	<b>12,359</b>



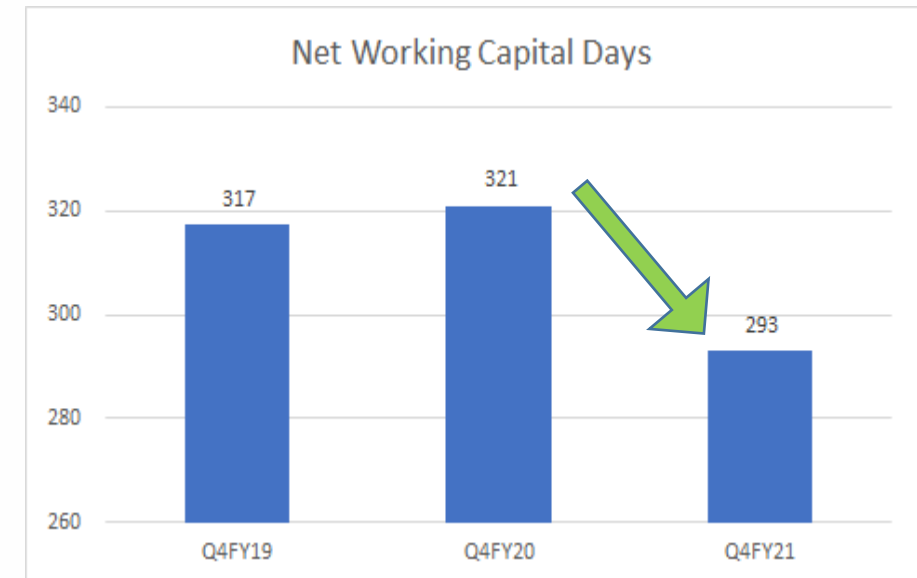
# CONSOLIDATED FINANCIAL PERFORMANCE

Particulars (Rs m)	FY20	FY21	Particulars (Rs m)	FY20	FY21
<b>A. Cash flow from operating activities</b>			<b>B. Cash flows from investing activities</b>		
Loss before tax	(987)	(0)	Purchase of property, plant and equipment including intangible assets, capital work-in-progress, capital advances and capital	(281)	(117)
<b>Adjustment to reconcile loss before tax to net cash flows</b>			Acquisition of subsidiary, net of cash acquired	-	1
Depreciation and amortisation expenses	408	416	(Purchase)/sale of non current investments (including investments acquired on acquisition)	0	(2)
Loss/ (gain) on sale of property, plant and equipment (net)	(1)	2	Purchase of current investments	(125)	(127)
Interest income	(4)	(10)	Proceed from sale of current investments	189	48
Miscellaneous amount written back	(41)	(37)	Proceed from sale of property, plant and equipment	22	10
Interest income on financial liability	-	(6)	Interest received	18	12
Reversal of financial liability	-	(30)	<b>Net cash used in investing activities (B)</b>	<b>(177)</b>	<b>(176)</b>
Net income on deemed disposal of associate	-	(8)			
Fair value gain on financial instruments at fair value through profit or loss (net)	-	(4)	<b>C. Cash flows from financing activities</b>		
Interest income on securities measured at amortised cost	(5)	(3)	Interest paid on borrowings	(347)	(266)
Rent concession and gain on de-recognition of lease liability	-	(11)	Amortization of ancillary borrowing cost	6	0
Net gain on sale of current investments	(16)	(8)	Repayment of long-term borrowings (net)	(32)	(65)
Share of loss in associate	4	7	Repayment of short term borrowings (net)	(294)	(91)
Interest paid on borrowings	338	313	Lease rental payment	(147)	(157)
Unrealised foreign exchange gain (net)	(1)	(4)	<b>Net cash used in financing activities (C)</b>	<b>(815)</b>	<b>(579)</b>
Employee stock option expense	1	1			
Provision for slow moving titles	87	-	<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(507)</b>	<b>321</b>
Provision for impairment on investment	15	2			
Provision for expected credit loss and advances	116	71	Foreign exchange difference	1	-
Provision for advances	-	2	Cash and cash equivalents at the beginning of the year	604	98
<b>Operating profit/(loss) before working capital changes</b>	<b>(33)</b>	<b>742</b>	<b>Cash and cash equivalents at the end of the year</b>	<b>98</b>	<b>419</b>
<b>Movement in working capital:</b>					
Decrease/ (increase) in inventories	(53)	637			
Decrease in trade receivable	928	28			
Decrease in loans and advances	47	27			
(Increase)/ decrease in other assets	88	(12)			
Increase in provisions	9	10			
Decrease in trade payable	(321)	(374)			
(Increase) in other liabilities	(52)	(80)			
<b>Cash generated from operations</b>	<b>614</b>	<b>978</b>			
Direct taxes paid (net of refunds)	(129)	99			
<b>Net cash generated from operating activities (A)</b>	<b>484</b>	<b>1,076</b>			

- **More than Doubling of Operating Cash Flows on a YoY basis.** Our strategy of focusing on the cash flows has yielded results with doubling of Net cash generated from operations to Rs1,076m in FY21 (vs. Rs484m in FY20 and Rs386m in FY19). This is despite collections being affected by the onset of Covid Wave 2 in March.
- **Turn Free Cash Flow positive in FY21.** On an overall basis, we turn free cash flow positive after FY18. **This represents a Rs828m improvement in cash generated over last year in spite of the pandemic times.**



- **Inventory days - Down 101 days (YoY).**
- **Receivable days - Down 9 days (YoY).**
- **Net Working capital days – Down 28 days (YoY).**

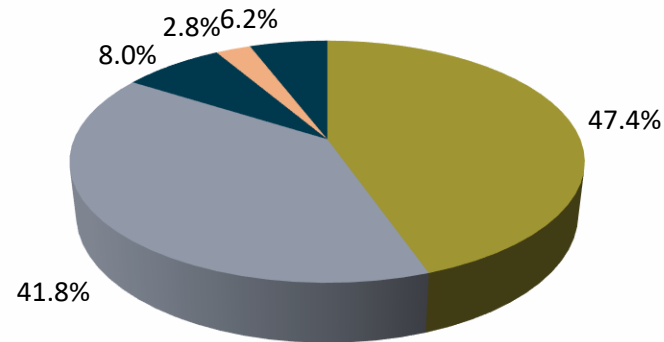




- **Working Capital Metrics**
  - **Trade Receivables reduced** to Rs3,221m during Q4FY21 vs. Rs3,349m as of Q4FY20. In terms of receivable days, it stood at 276 days (vs. 285 days in Q4FY20), a reduction of 9 days during FY21.
  - **Inventory reduced** to Rs1,377m (vs Q4FY20: Rs2,014m), **Down 32% on a YoY basis**. This improvement in inventory is driven by various steps that we took in controlling print runs and optimizing book titles. Additionally, this inventory level includes raw material paper inventory of Rs133m (vs Q4FY20 : Rs295m).
    - In terms of inventory days, it stood at 261 days (vs. 362 days in Q4FY20), **a reduction of 101 days during FY21**.
  - **Net Working Capital reduced** to 293 days (vs. 321 days in Q4FY20) which is a reduction of 28 days during FY21.
- **Net Debt: Rs1,284m (vs. Rs1,867 in Q4FY20) and Gross Debt: Rs2,031m (vs. Rs2,152m in Q4FY20)**
  - **Net Debt has reduced by Rs707m on a QoQ basis (vs. Rs1,991m in Q3FY21). This is the lowest Net Debt level since September 2018.**
  - We are at a comfortable Debt to Equity ratio and we expect debt levels to reduce going ahead on back of higher free cash flow generation from business.

Market Data	As of 21st June, 2021
Market Capitalization (Rs Mn)	3,990
Price (Rs)	114
No. of shares outstanding (Mn)	34.95
Face Value (Rs.)	5.0

**Ownership as of March, 2020**



- Promoter
- FPI & Foreign Company
- AIF
- Others
- Mutual Funds

Key Institutional Investors - As of March 2021	% Holding
International Finance Corporation	8.0%
Trust Line Holdings	2.7%
HDFC Mutual Fund	2.6%
Volrado Venture Partners Fund	2.4%
Blue Diamond Properties	2.0%

*(Source: www.bseindia.com)*

Other Institutional Investors holding less than 1% - As of March 2021
Aadi Financial Advisors
VEC Investments
Sundaram Mutual Fund
Jhelum Investment Fund
Polaris Banyan Holding
Singularity Holdings



We cordially invite you to the Earnings Call with

## **S Chand and Company Ltd.**

Bloomberg Code: SCHAND IN | Reuters Code: SCHA.BO

to discuss the Q4FY21 Results

### **Represented by:**

*Mr. Himanshu Gupta – Managing Director*

*Mr. Saurabh Mittal – Chief Financial Officer*

*Mr. Atul Soni – Head – Investor Relations, Strategy and M&A*

Wednesday, June 23, 2021, at 13:00 hrs IST

15:30 hrs SGT & HK / 07:30 hrs GMT / 03:30 hrs EDT / 12:30 hrs PDT

### **Dial-In Numbers:**

Universal Access Number: +91-22- 6280 1360 / 7115 8261

Local Access Number: +91-7045671221

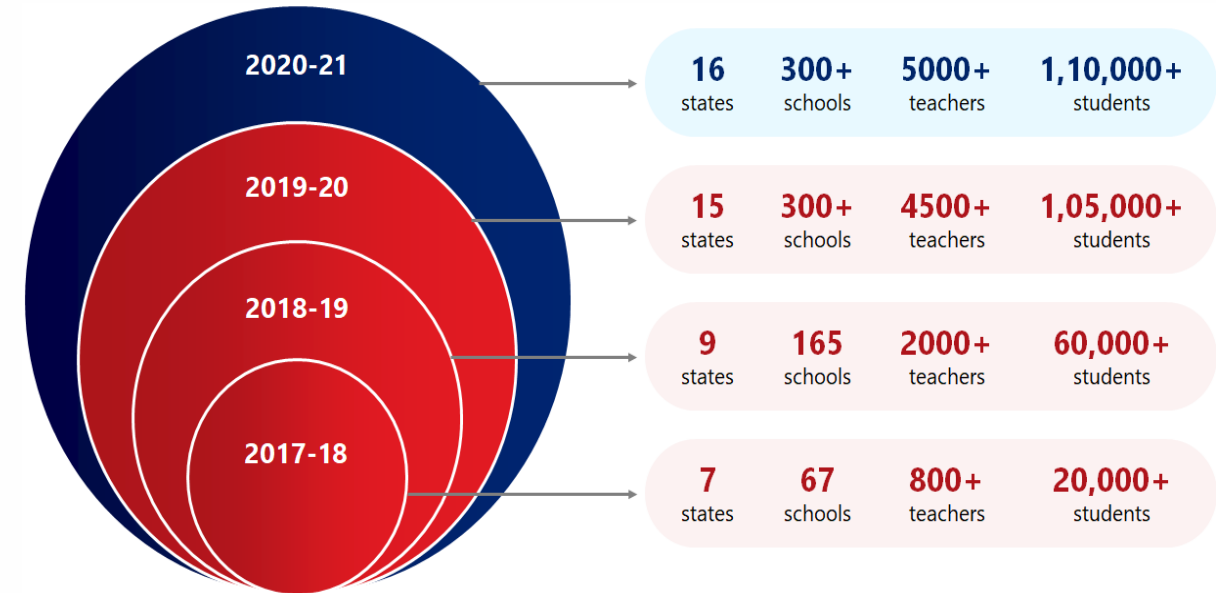
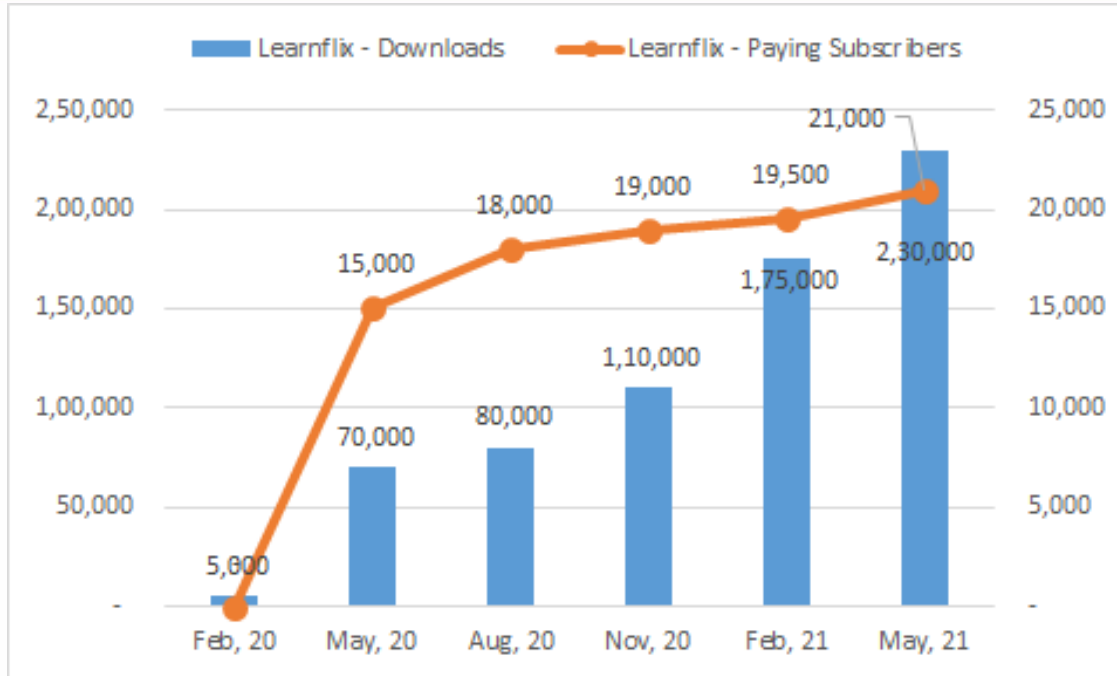
USA: 1 866 746 2133 | UK: 0 808 101 1573

Singapore: 800 101 2045 | Hong Kong: 800 964 448

3.

Digital Business

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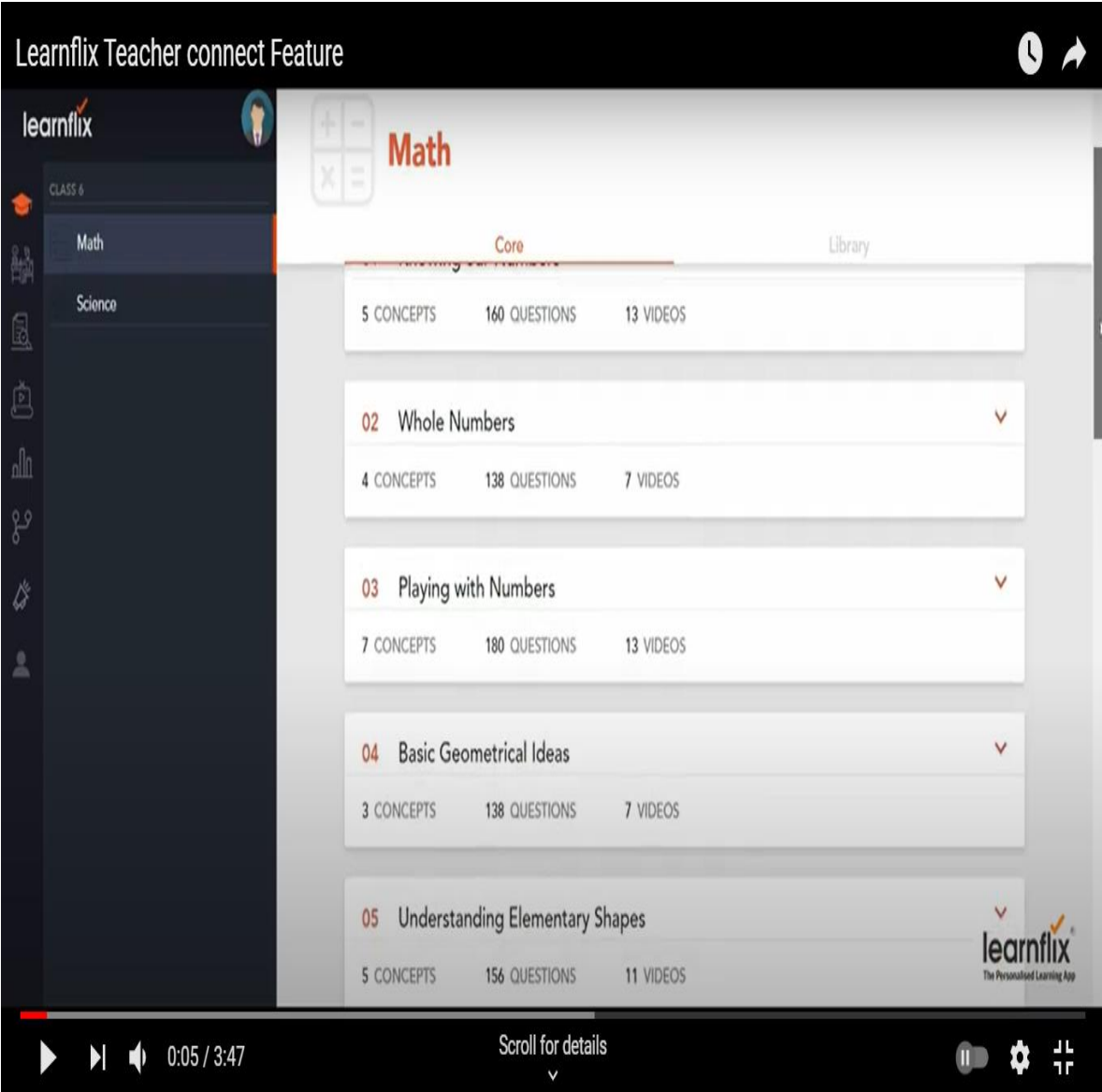


- **Learnflix App** (Affordable Personalised Student App) targeted to the Next Half Billion (NHB) audience has got strong response in past 12 months. The current product covers Maths and Science for classes 6<sup>th</sup> to 10<sup>th</sup>.
- **Future Outlook:**
  - Adding English and SST as a subject, Classes 11<sup>th</sup> & 12<sup>th</sup> and launching Learnflix Bangla by Q2FY22.
  - Schools provided with Free usage during Covid-19 would convert to paying customers in FY22.

- **Milestone:** Digitally enabled School Curriculum Solution for the K-8 segment is now ready to grow exponentially.
- **Future Outlook:**
  - Affordable Private Schools would be enabled with this one stop solution for all their curriculum, content, teacher trainings and assessment needs.
  - Enabling Schools with the Mylestone Teacher and Student App will increase the retention.
  - Expecting strong growth in FY22 on back of school openings and increased adoption of digitally enabled solutions by schools.



# MYLESTONE - TEACH AND LEARN

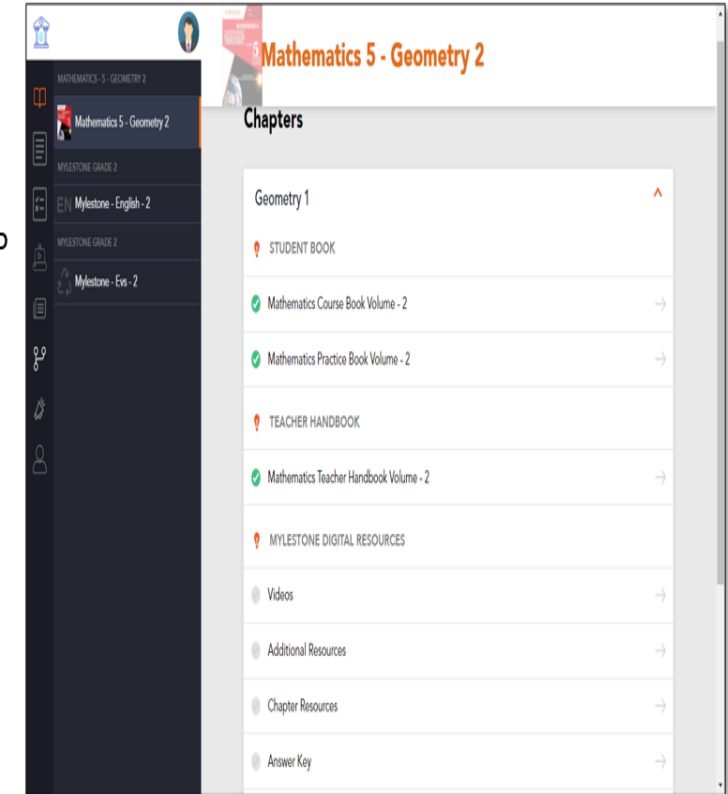


## TEACH - Teacher web portal

- PDF Teacher handbook
- PDF Course book and practice book
- Mylestone digital resources – Videos, Additional Resources, Chapter resources (LP completion) and Answer Keys
- Teacher resources – Audio/video, Documents, weblinks

## LEARN – Student app/Web Portal

- Videos
- Chapter Resources - Locked
- Teacher digital resources





- **Madhubun Educate360** is the newly conceived K-12 Blended learning solution for enabling schools to conduct online classes, student assessments, e-book support etc. as a response to the Covid-19 crisis. This product is NEP 2020 compliant supporting the recommended pedagogies.
- Won paid implementations in **15 schools** for FY22 post pilot phase.
- We had done pilots in over 50 schools on a pan India basis reaching out to over 7,000 students spread over 2 classes and covering 5 subjects during 2HFY21.
- **Outlook** - The schools have given very positive feedback and we are hopeful of a more conversions going ahead through the year.

## Product Package

-  Ease of Access
-  Digital Supplements
-  Teacher's Training
-  Teacher's Manual



-  E-book
-  Integrated Platform
-  Assessments
-  Concept Videos

## PRODUCT TESTIMONIALS

We are happy to take the pilot of Educate 360 in our school. It has helped us to take online classes without any difficulty. Thank-you Madhubun for coming up with such an innovative product during this difficult time.

– Ms Rajitha K, Educator,  
Don Bosco Senior Secondary School,  
Emakulam, Kerala

Educate 360 is easy teaching learning platform for the student and especially teachers. It allows children to ask questions and also think beyond the books. With the use of Educate360 the confidence level of the children have increased gradually. Educate 360 is a professional training partner of our school in the true sense.

– Ms Amuthavalli, Educator,  
UP Metric Hr.Sec.School, Tamil Nadu



## Our major investee companies raised capital and did well during these times as well



- Testbook was founded in 2014 with focus on online test preparation for government competitive exams like Civil services, Banks, Govt departments like railways, defense, police etc.
- We had invested approx. Rs 25m in 2016.
- Their last round of funding was done in January, 2020 at a valuation of Rs2,580m. S Chand holds ~8% stake in the company. There are media reports of additional funding rounds being announced soon\*.
- Testbook is one of our most promising investee companies. Other marquee investors include Matrix Partners, Iron Pillar etc.
- At per the last valuation round, our investment is valued at approx. Rs200m.



- Smartivity was founded in 2015 with focus on S.T.E.M. Learning and DIY Kits.
- We have Angel funded approx. Rs20 m in the company across various funding rounds.
- Their latest round of funding was done in April 2021 at a valuation of approx. Rs100cr. S Chand holds ~15% stake in the company.
- Other marquee investors include Ashish Kacholia (26% stake), Hemandra Kothari (8% Stake) in the company.
- At per the last valuation round, our investment is valued at approx. Rs150m.

\* Source: <https://www.thehindubusinessline.com/markets/stock-markets/s-chand-backed-testbook-plans-to-tap-pe-funds/article34792289.ece>



- Convergia to house Learnflix and Mylestone. Various formalities with regards to Convergia and business transfer should complete by July, 21. The company is meeting various investors to raise US\$8-10 Mn for the next leg of growth.
- Convergia to be a subsidiary of S Chand only to be diluted through capital raise or ESOP allotment.
- Additional Ed-Tech solutions may also be hived into this entity as and when they mature.
- Look forward to launching Learnflix Bangla by Q2FY22 in partnership with Chhaya.

DIGITALLY ENABLED LEARNING  
**DESTINATION  
SUCCESS**  
INSPIRES LEARN



### Other Inhouse Digital Offerings

- Destination Success – Enabling Digital classrooms (CBSE/ICSE/IB and State Board Schools).
- Smart K - Early Learning Curriculum solutions (Pre Schools) – B2C package to be launched.
- Test Coach – Focused on govt exams market. Has over 50K app installations. Would look to launch Vernacular versions to cover State examinations.
- Chhaya Learning App – Bengali/English Learning with books with over 500,000 app installations.
- VRX – Virtual Reality with books with over 100,000 + users.

### E-Book Sales

- Covid 19 led to a marked increase in subscription of E-Books on back of the lockdown as well as move to online learning. Our total E-Book sales across B2C platforms and B2B sales to Institutions has jumped over 100% on an YoY basis.

### eCommerce Channel

- Covid 19 led to a marked jump in ordering of books across eCommerce Platforms. As a channel, eCommerce now accounts for ~10% of Revenues during the year and continues to show traction month on month.
- The company continues to onboard additional SKUs onto this channel.



4.

Looking Ahead

---

*Twin Growth Drivers in place -: (1) NEP based new curriculum for print business, (2) Increased adoption of our Ed-Tech solutions in a post Covid world*

**FY22**

**Medium Term**

*Looking forward to a normal sales cycle for print business on back of increased vaccinations and school reopening's.*

**Strong adoption of Digital Offerings during FY22.**

**Relentless focus on cost control to continue.**

**Implement a price hike across portfolio on back of increased raw material cost.**

**Expect shifting of portion of Q1 revenues to Q2 due to Covid Wave 2.**

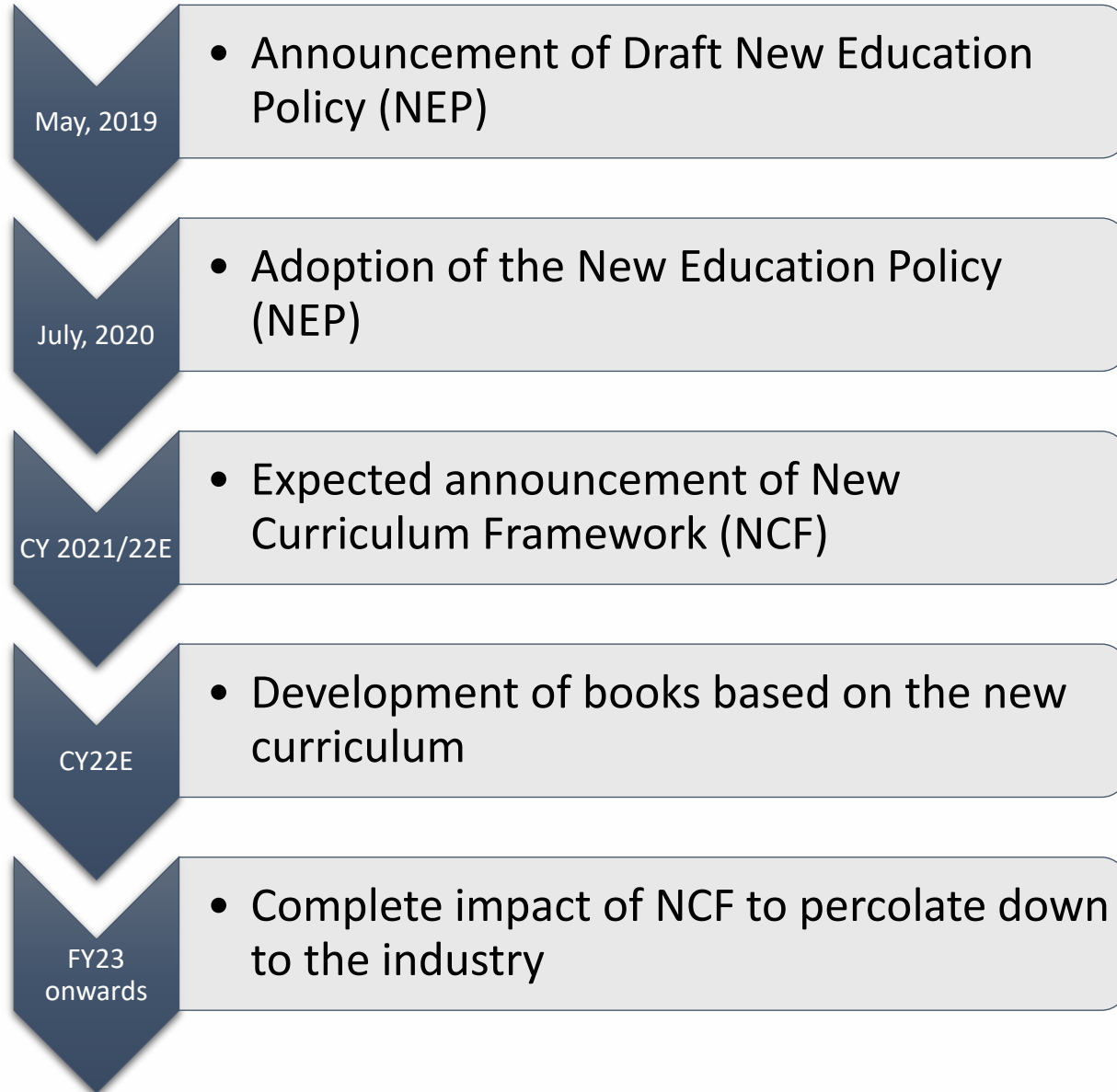
**Development of new content based on the National Curriculum Framework (NCF).**

**Debt free in 2 years through focus on free cash flows.**

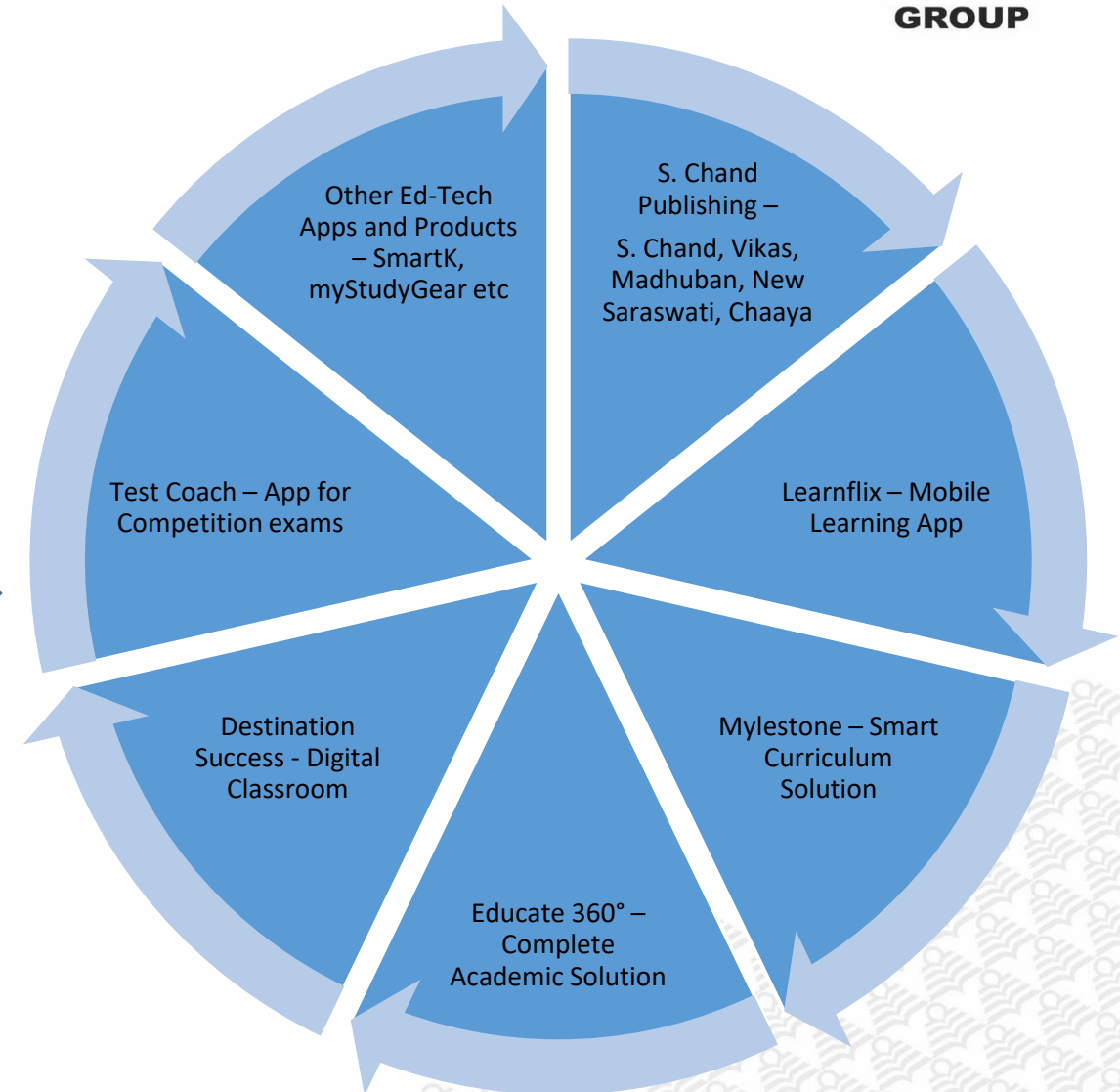
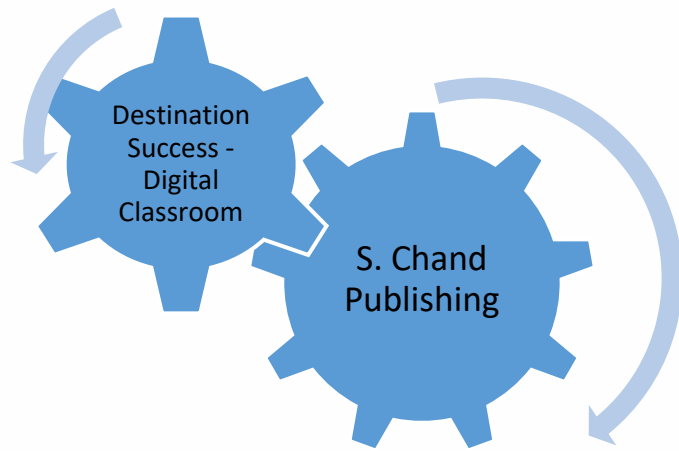
**Increasing the share of Ed-Tech revenues to 20-25% over the next 3 years.**

**Target over 5m users across S. Chand's Ed-Tech properties.**

**Monetization of S Chand's Ed-Tech Investments.**



- **The New Education Policy (NEP) was formally adopted by the Union Government in July, 2020.**
- Expected release of the New National Curriculum Framework (NCF) after taking inputs from all stakeholders during CY2021/22E.
- **Strong runway of growth for at least 2-3 years.** Since the New Curriculum is being developed after a gap of 15 years, it would eliminate sale of second-hand books and would lead to strong growth for at least 2-3 years.
- **Lessons from 2005 NEP/NCF roll out.** During the 2005 NCF announcement, the new syllabus was rolled out over a period of 3 years with 5 grades moving to the new syllabus in Year 1, another 5 grades moving to new syllabus in year 2 and 2 grades moving to new syllabus in year 3.
- Impact of NCF on the company financials dependent on the timing of the NCF announcement by the government.



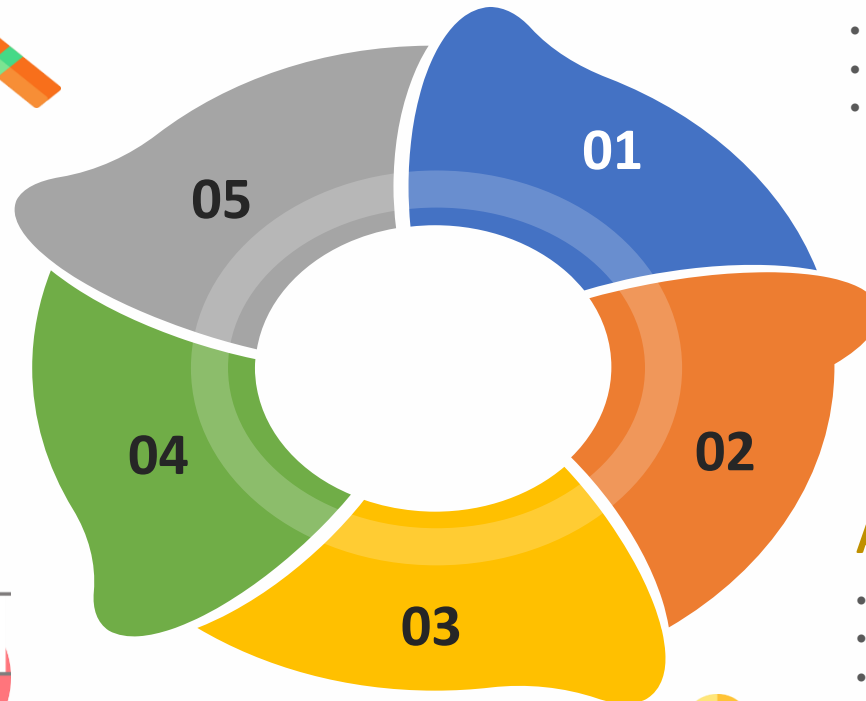


## Analytics and Insights

- Student
- Teacher
- School
- Parent

## Teacher Connect

- Teacher published content
- Notifications
- Doubts
- Teacher aids
- Lesson plans



## Digital Content

- Textbooks
- Multimedia
- Practice Tests

## Live Classes

- Video conferencing platform
- Calendar scheduling
- Recorded classes



## Assessments

- Homework
- Assignments
- Objective tests
- Subjective Tests



**S. Chand group's suite of products and solutions cater to the complete education paradigm across K-12, Higher Education and Competition.**

5.

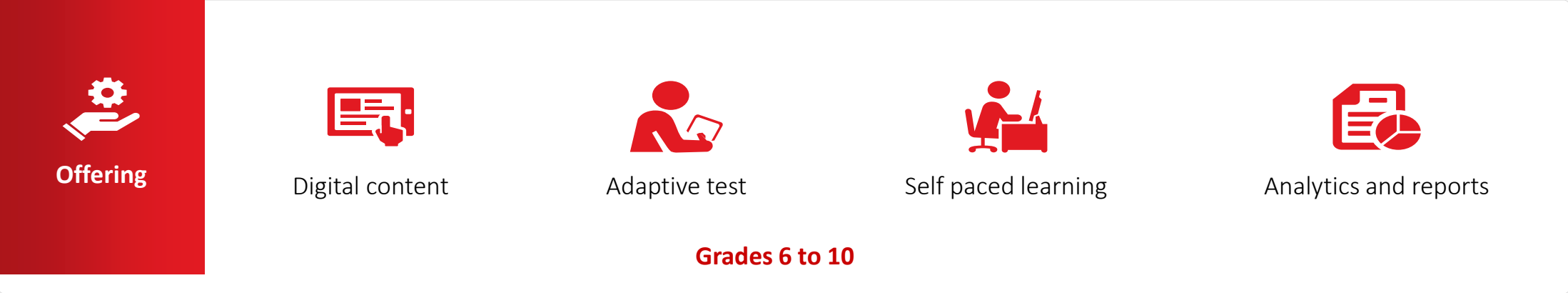
## Major Ed-Tech Initiatives - Annexure

2.1 Learnflix

2.2 Mylestone

2.3 Educate 360°

---



**Channel**

B2B2C: Distributing through schools and channel partners

B2C: Distributing directly to students



**Sales & Marketing**

- A strong sales team that connects with schools and channel partners to reach out to the students
- Lead generation through social media campaigns and other marketing activities
- Team of telecallers who convert the leads



**Support**

Tele-counselors team who prompt students to continue the usage and address their support issues



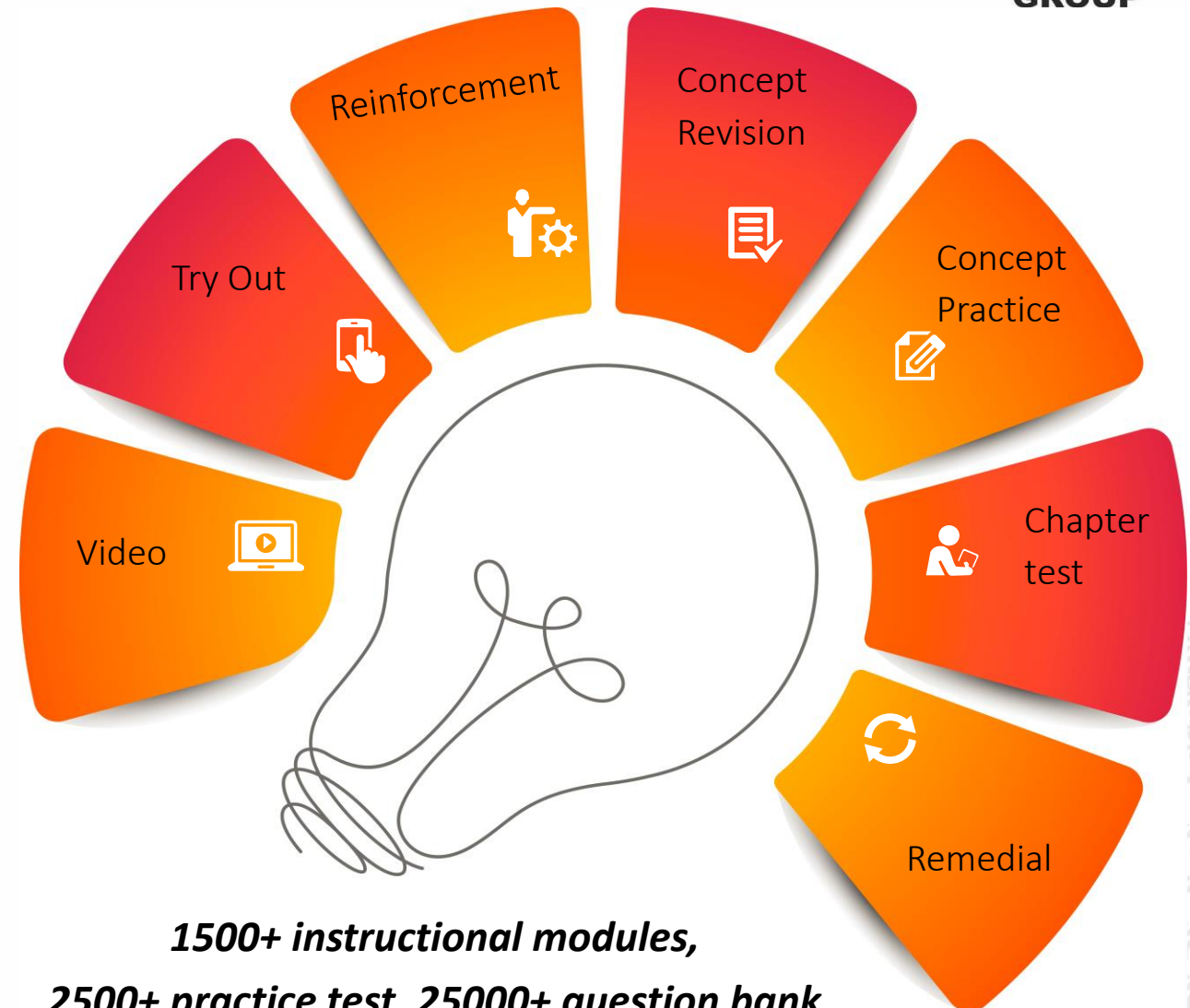
**Revenue model**

Annual subscription fee in the range of ~ RS2000



## Takes learning one step ahead by providing advanced individualized learning

- Currently available for grades 6th to 10th for maths and science subjects
- The Spiral Learning Pedagogy ensures all concepts are well learnt, revised, practiced and assessed
- One of its kind product with teacher analytics and report built in



**1500+ instructional modules,  
2500+ practice test, 25000+ question bank**

## Flexibility to choose the time, place and pace of learning



Reinforcement of previous learning at every step



Seek help from ebooks for concept clarity

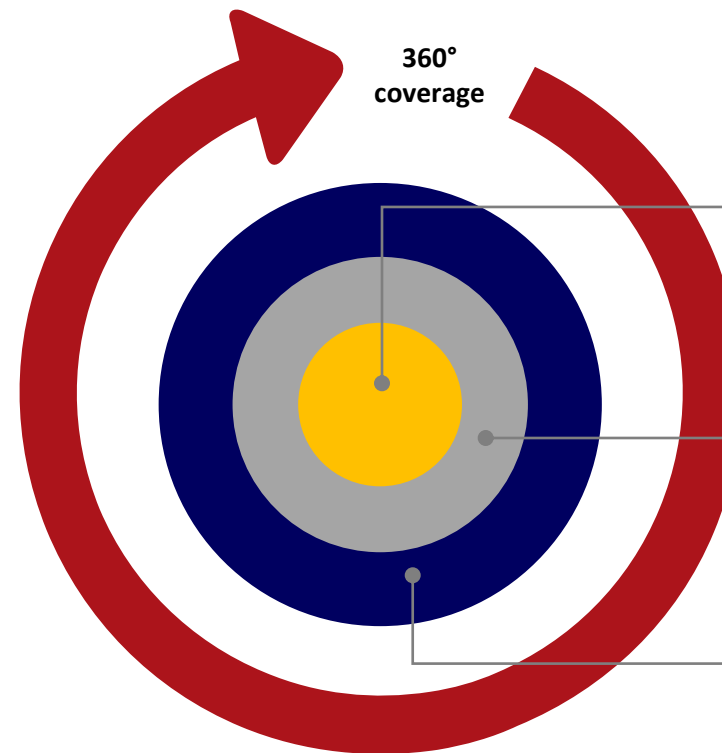


Practice through unlimited practice exercises and tests



Learn from to-the-point revision summaries

## Extremely focused and guided analytics to help students, teachers and parents to monitor performance



### Test level analytics

- Score, Accuracy, Questions, attempted, average time taken per question
- Review test
- Key focus areas with remedial to revisit the concept again

### Chapter level analytics

- Time spent on a chapter
- Concept wise coverage with information of incomplete concepts
- Chapter tests completed with information of unattempted tests
- Strong and weak concepts

### Subject level analytics

- Time spent on a subject
- Chapter wise coverage

**mylestone**  
Runway to the Future

**Offering**



**Channel**

B2B: Affordable private schools that needs holistic solution to manage academics



**Sales & Marketing**

- A strong sales team that works closely with schools to do their need assessment and pitch the solution to them.
- Existing network of more than 40,000 schools that is leveraged for the sale



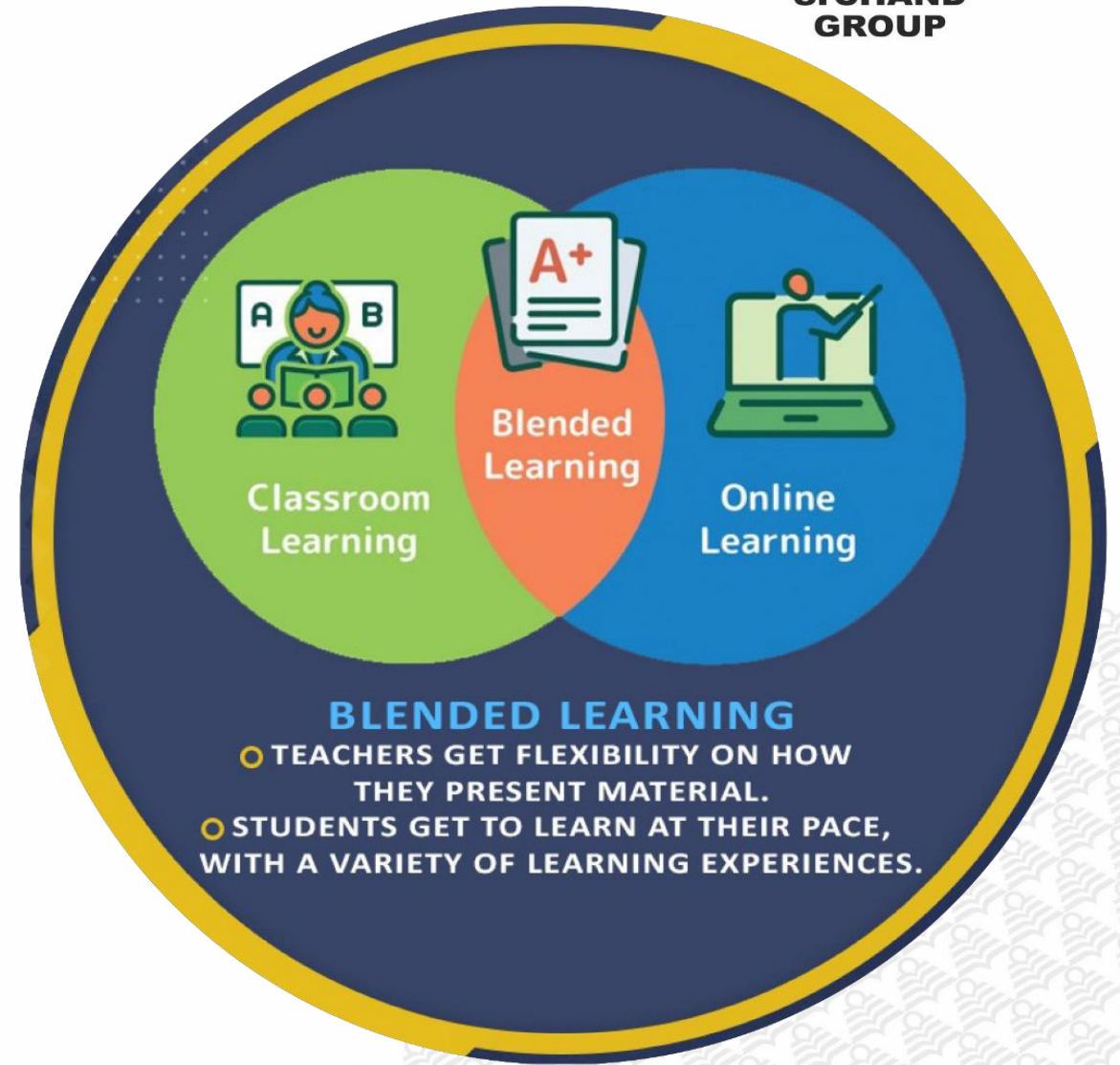
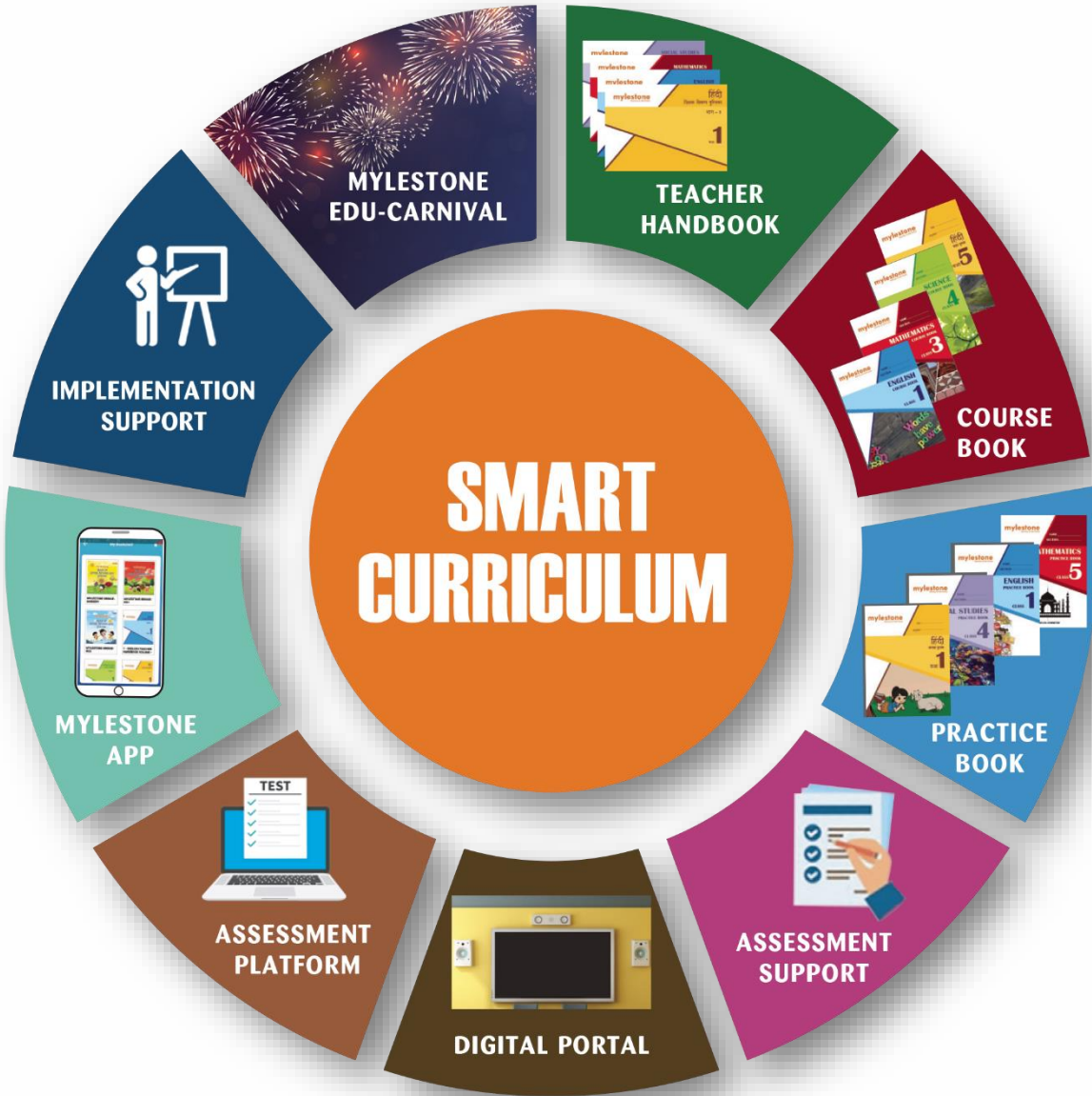
**Support**

A team of academic counselors that supports the school with implementation through year long interventions



**Revenue model**

Subscription fee that varies by grade level. The fee ranges from RS 800 to 5000 (PN to G12)





- Teacher Handbook
- Course Book
- Practice Book
- Mylestone Digital Resources

## LEARN/TEACH



- Quiz – MCQ based
- Assignment – Objective + Subjective question based

## HOMEWORK



- Online – MCQ based
- Pen and Paper – Objective and Subjective question based

## ASSESSMENT



Live Classes – Integrated with Zoom, MS teams, Google Meet, Other

## LIVE CLASSES



- Communication and alerts

## NOTIFICATION



- Students assessment and assignment reports
- Syllabus completion reports

## ANALYTICS



- Teacher created digital resources
- PDF
- MP3/MP4
- Web links

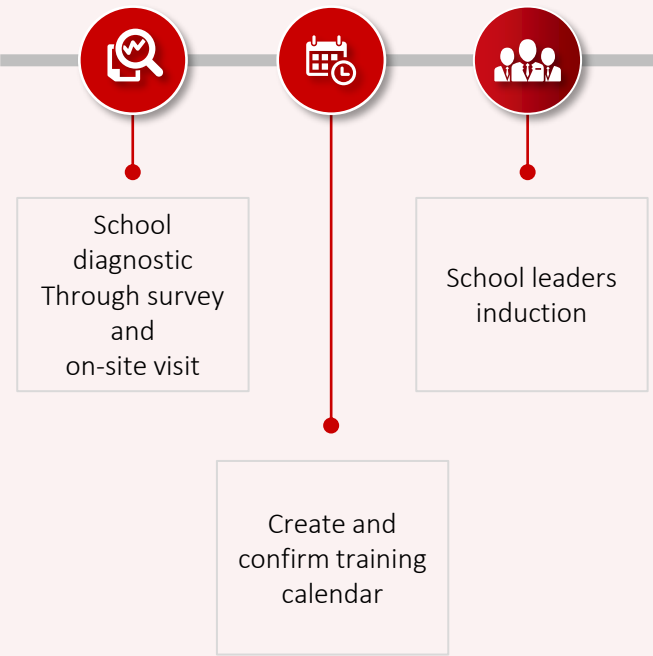
## DIGITAL RESOURCES



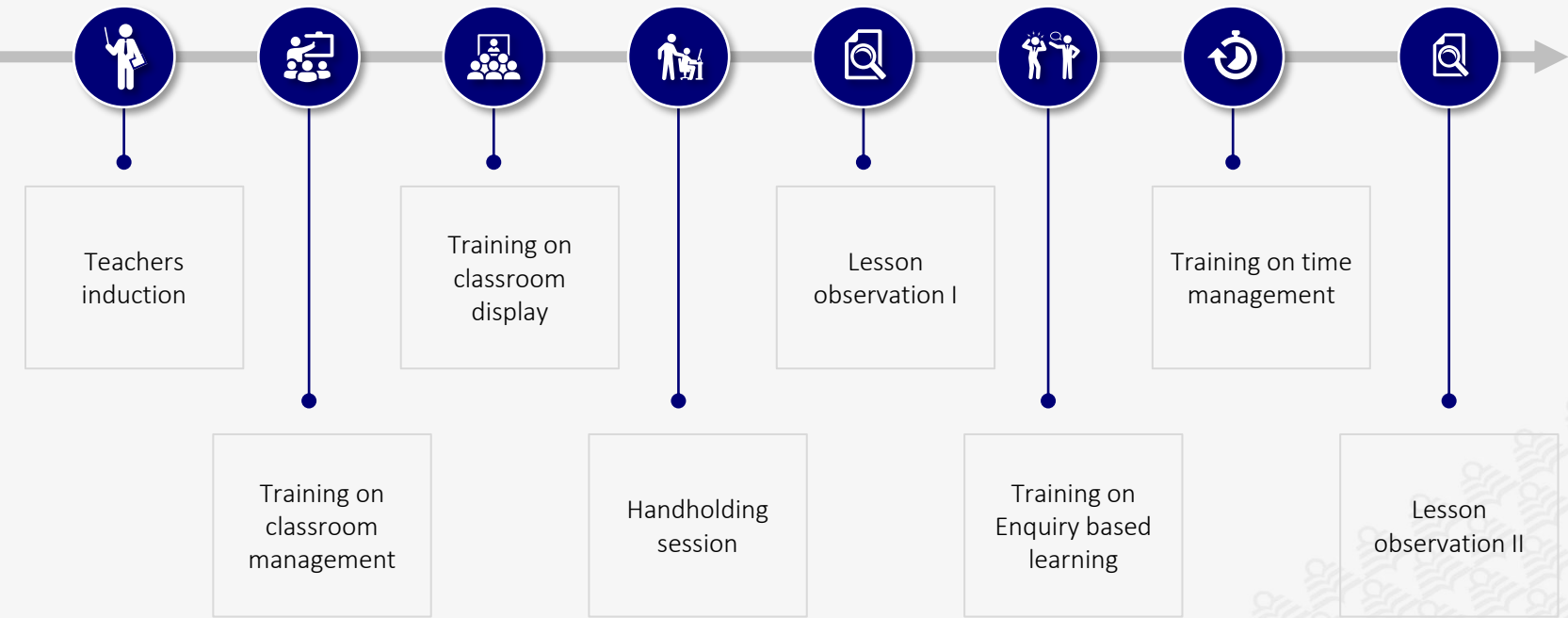
# MYLESTONE – STRONG PROCESS IN PLACE TO ASSIST THE SCHOOL WITH IMPLEMENTATION



## Pre-implementation



## Post-implementation



**\*Additionally multiple webinars hosted during the year that the school can opt in form**

**1 academic counselor for 20 schools**

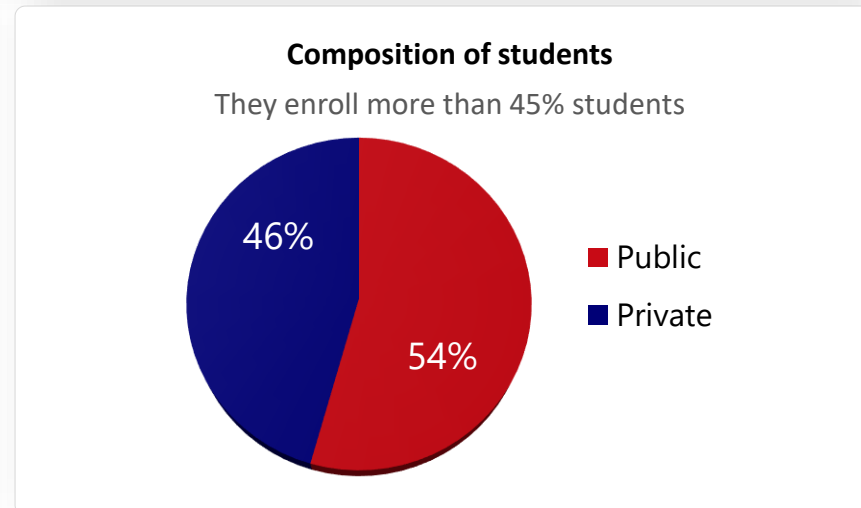
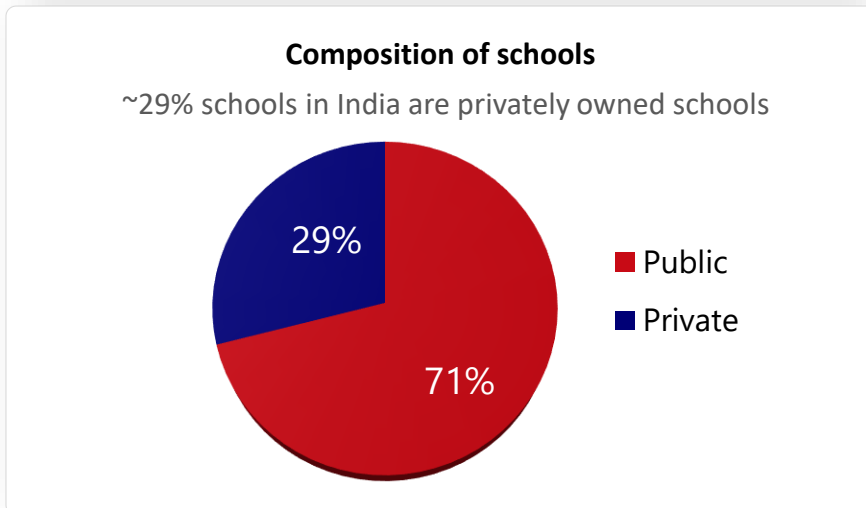
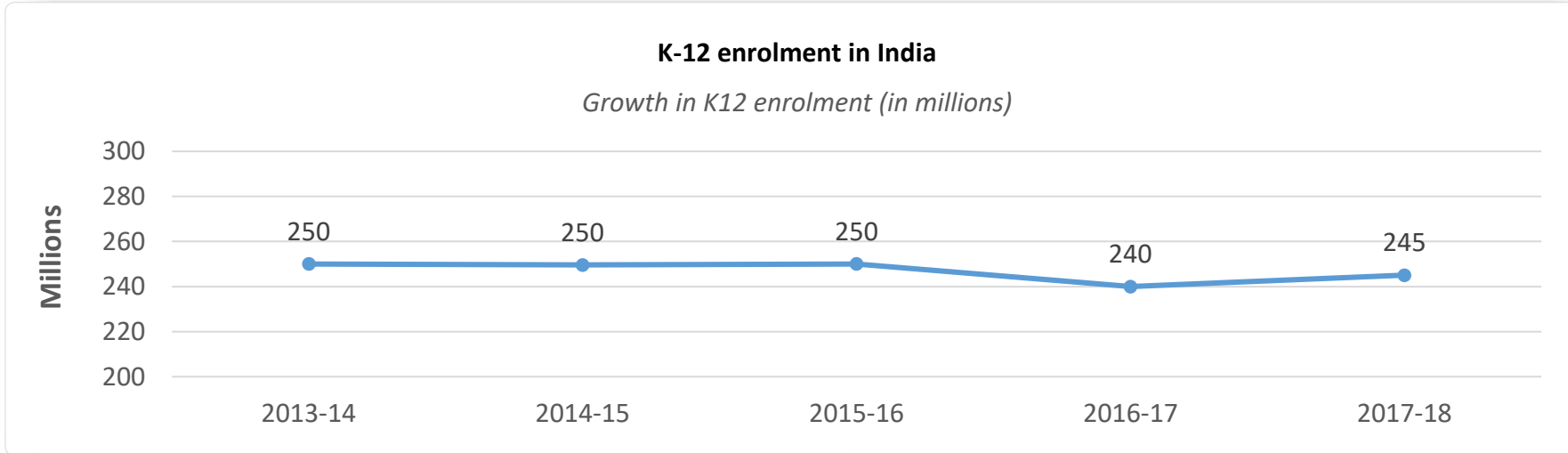
**6 trainings per year**

**2 class observations per year**

**Web based support for teachers**



## India is amongst the world's largest K12 markets with strong preference for private schools



- With over 245Mn K-12 enrollments India is one of the largest k-12 markets
- Over the years, there has been a significant rise in enrollments in private schools
- ~29% of India's schools are privately owned and run and they enroll more than 45% of students

Source: [Central Square Foundation](#) | [U-DISE](#)

## MYLESTONE – WHY THE NEED EXISTS?

- Affordable private schools can be defined as schools charging annual fee in the range of 12k to 60k. Schools charging below 12k fees can be termed as low fee schools
- According to DICE report, around 79% of private schools charge less than 5000Rs per month. That is around 230,000 schools
- Out of which around 40% can be estimated to charge annual fee in the range of INR12,000 to INR60,000. That is around 92,000 schools
- According to ACER report as of 2017-18, an average private unaided school has ~300 students on their rolls



~230,000<sup>1</sup>

schools charging less than  
RS60,000 annually

~92,000<sup>1</sup>

schools have fees in the range of  
RS12,000 to RS60,000 annually  
(Affordable private schools)

~27.6Mn<sup>1</sup>

students enrolled in  
affordable private  
schools

~ ₹4000<sup>2</sup>

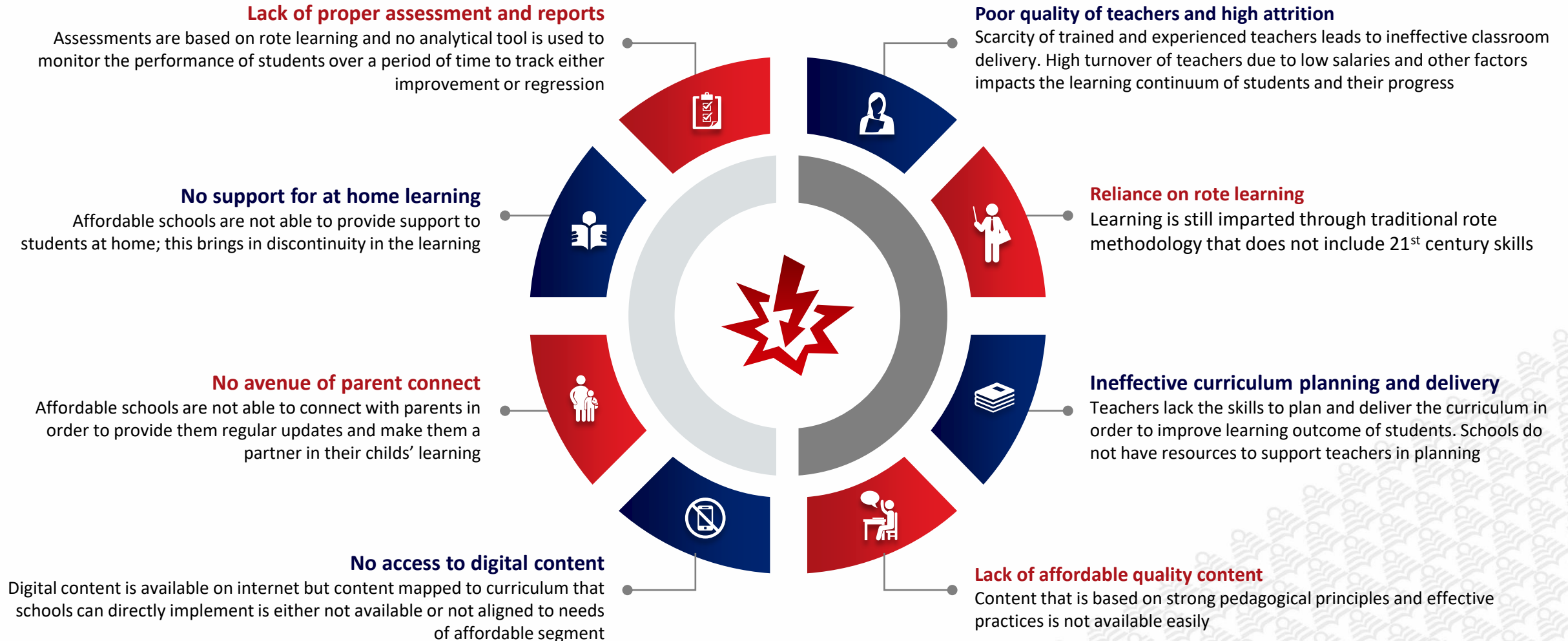
spend on learning  
resources annually

~ ₹110 Bn

market size

Source: 1- [FACES OF BUDGET PRIVATE SCHOOLS IN INDIA Report 2018](https://www.centurysquarefoundation.org/school-education-in-india-data-trends-and-policies-2020/) ; <https://www.centurysquarefoundation.org/school-education-in-india-data-trends-and-policies-2020/>;  
2- Internal research

## Affordable private schools face multiple challenges that negatively impacts learning outcome





## PRODUCT PACKAGE



E-Book



Printed Book



Digital Supplements



Integrated Platform



Concept Videos



Teacher's Manual



Teacher Training



Assessment



Internet Links

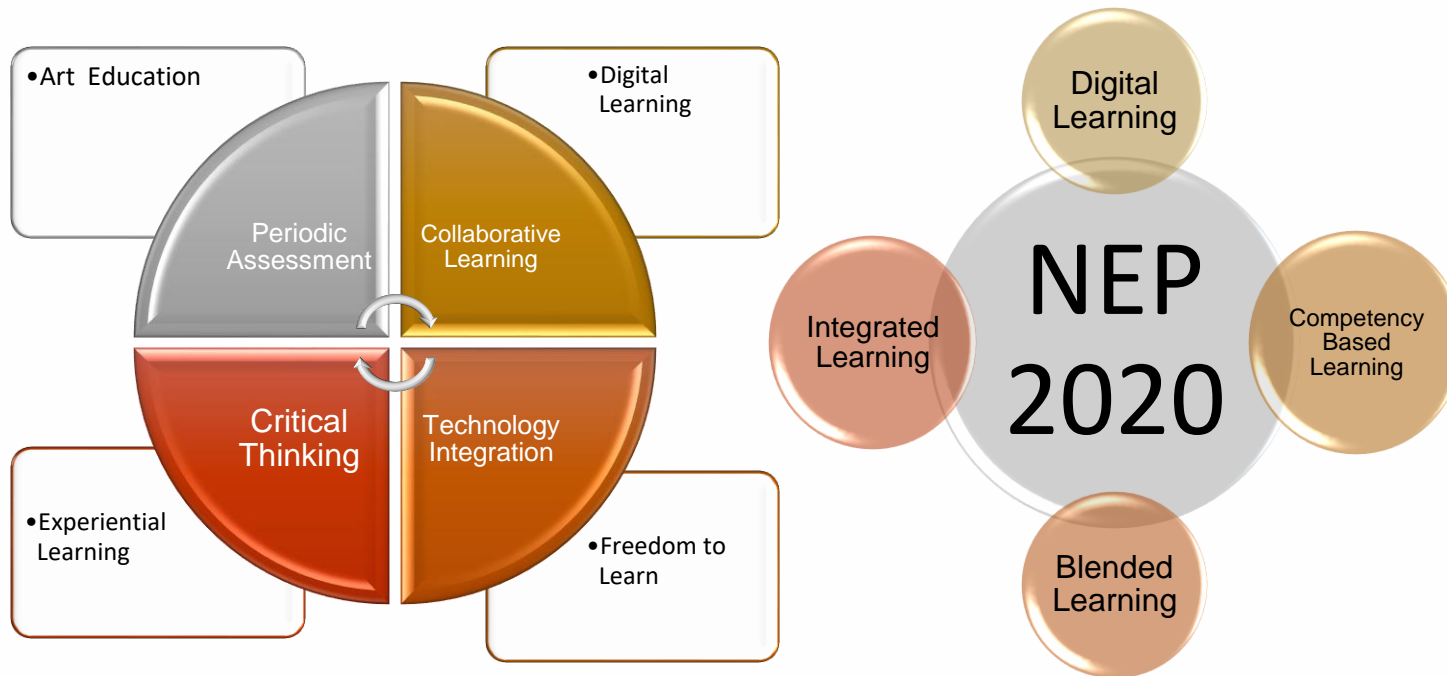


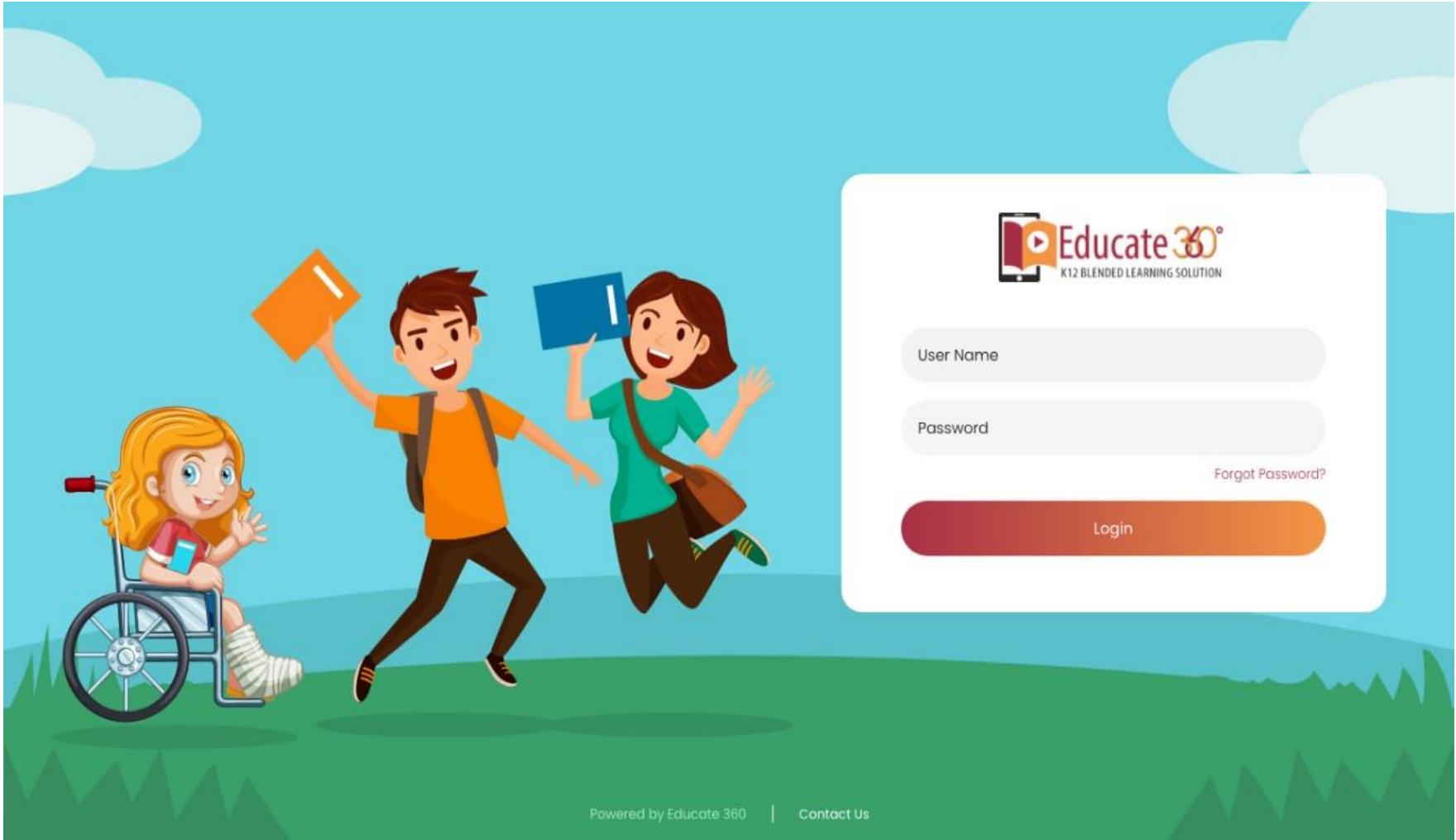
Ease of Access



In Sync with the National Education Policy (NEP) 2020

Focusses on developing 21<sup>st</sup> Century Skills





The illustration shows a login interface for Educate 360°. On the left, three cartoon characters are running happily: a girl in a wheelchair with a cast on her leg, a boy with a backpack, and a girl with a bag. They are holding books. The background is a bright blue sky with clouds and a green field. On the right, a white login box contains the Educate 360° logo (a play button icon next to the text 'Educate 360° K12 BLENDED LEARNING SOLUTION'), a 'User Name' input field, a 'Password' input field with a 'Forgot Password?' link, and a 'Login' button with a gradient from purple to orange.

Powered by Educate 360 | [Contact Us](#)





Home

Assessments

Homework

Live Classes

Notifications

Teacher's Desk

Profile

Powered by  Educate 360°  
K12 BLENDED LEARNING SOLUTION

## Hello Shilpa!

Hello Shilpa! What would you like to do today?



Assign Test



Assign Homework



Share Content



Start Live Class

### Due Today

PHYSICS | X | OBJECTIVE

End Term Assessment

Aug 05, 2020 | 15:10 PM to 16:10 PM

Marks: 10

Questions: 20

Time: 40 mins

Assign

PHYSICS | X | OBJECTIVE

End Term Assessment

Aug 05, 2020 | 15:10 PM to 16:10 PM

Marks: 10

Questions: 20

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Assign

PHYSICS | X | OBJECTIVE


End Term Assessment

Aug 05, 2020 | 15:10 PM to 16:10 PM


PHYSICS | X | OBJECTIVE

End Term Assessment


Aug 05, 2020 | 15:10 PM to 16:10 PM





XYZ Public International School









## ASSESSMENTS

Notifications 

Objective 

Subjective 

Available	Upcoming	Completed
<div><h3>Test 1</h3><p>Question: 20    Duration(min.): <b>25</b> Marks: <b>3</b></p><p> Aug 05, 2020 15:10 PM to 16:10 PM</p><p><a href="#">Review</a></p><p>Analytics</p></div>	<div><h3>Test 1</h3><p>Question: 20    Duration(min.): <b>25</b> Marks: <b>3</b></p><p> Aug 05, 2020 15:10 PM to 16:10 PM</p><p><a href="#">Review</a></p><p>Analytics</p></div>	<div><h3>Test 1</h3><p>Question: 20    Duration(min.): <b>25</b> Marks: <b>3</b></p><p> Aug 05, 2020 15:10 PM to 16:10 PM</p><p><a href="#">Review</a></p><p>Analytics</p></div>
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Learn


Live Classes



**Assessments**








Homework


Dashboard

Profile

Powered by  Educate 360°  
K12 BLENDED LEARNING SOLUTION

 XYZ Public International School 

-  Home
-  Assessments
-  Homework
-  Live Classes
-  Notifications
-  Teacher's Desk**
-  Profile

Powered by  **Educate 360°**  
K12 BLENDED LEARNING SOLUTION

## TEACHER'S DESK Notifications

Centre: All | Class: All | Section: All | Subject: All

 **12**  
Live Classes Conducted

 **72**  
Objective Test Published

 **22**  
Subjective Test Published

 **54**  
Homework Quizzes Assigned

 **9**  
Homework Assignments Published

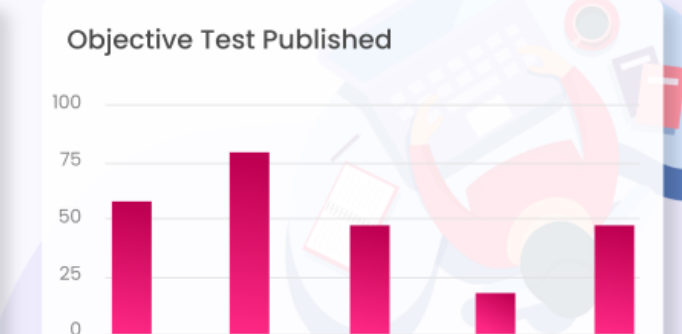
 **220**  
Content Assets Shared

### Live Classes



Period	Count
1	12
2	16
3	9
4	16
5	9

### Objective Test Published




Period	Count
1	60
2	80
3	45
4	15
5	45





## HOMEWORK

Notifications 

Quiz 

Assignment 

 Learn

 Live Classes

 Assessments

 Homework

 Dashboard

 Profile

Powered by  Educate 360°  
K12 BLENDED LEARNING SOLUTION

Available

Upcoming

Completed

Quiz Test 03 

 Due on Aug 03, 2020

Start

Review

Quiz Test 03 

Name appears

 Due on Aug 03, 2020

Start

Review

Quiz Test 03 

 Due on Aug 03, 2020

Start

Review

Quiz Test 03 

 Due on Aug 03, 2020

Start

Review

Quiz Test 03 

 Due on Aug 03, 2020

Start

Review

Quiz Test 03 

 Due on Aug 03, 2020

Start

Review

Quiz Test 03 

 Due on Aug 03, 2020

Quiz Test 03 

 Due on Aug 03, 2020

Quiz Test 03 

 Due on Aug 03, 2020



**Saurabh Mittal**

Chief Finance Officer

Contact No : +91 11 4973 1800

Email : [investorrelations@schandgroup.com](mailto:investorrelations@schandgroup.com)

**Atul Soni**

Head – Investor Relations, Strategy & M&A

Contact No : +91 11 4973 1800

Email : [asoni@schandgroup.com](mailto:asoni@schandgroup.com)

Corporate/Registered Office: A-27, 2nd Floor,  
Mohan Co-operative Industrial Estate,  
New Delhi 110044

## Disclaimer

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These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond S. Chand’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of S. Chand.

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