



## 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

Date: November 12, 2019

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,

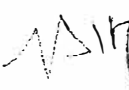

**Re: Investors Presentation-Financial Results-quarter and half year ended September 30, 2019-**  
**pursuant to Regulation 30 of The SEBI (Listing Obligations and Disclosure Requirements)**  
**Regulations, 2015**

The presentation for the analysts and investors for the conference call scheduled to be held on Wednesday, November 13, 2019 at 12:00 P.M. to discuss the financial results for the quarter and half year ended September 30, 2019 is attached herewith.

The Company shall also disseminate the above information on the website of the Company i.e. www.schandgroup.com.

Request you to kindly take note of the same.

**For S Chand And Company Limited**

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



**S. Chand and Company Limited**  
**Q2 – FY2019-20**  
**Investor Update**  
**12<sup>th</sup> November, 2019**

- KEY NUMBERS - TURNAROUND VISIBLE, STRATEGY BEARING FRUIT
- KEY HIGHLIGHTS – Q2FY20
- CONSOLIDATED FINANCIAL PERFORMANCE
- SEASONAL NATURE OF OUR BUSINESS
- WORKING CAPITAL CYCLE – SHARP REDUCTION VISIBLE IN METRICS
- WORKING CAPITAL CYCLE - HIGHEST IMPACT IN METRICS IN RECENT YEARS
- S CHAND 3.0 – TARGET HIGHER FREE CASH FLOWS IN FY20
- DIGITAL INITIATIVES - UPDATE
- SHAREHOLDING STRUCTURE
- GOING AHEAD
- ANNEXURES



**29%**

Sales  
Growth  
(YoY %)

**66%**

Increase in  
Gross  
Margins  
(Rs m)

**28%**

Reduction  
in EBITDA  
Losses  
(YoY %)

**8%**

Reduction  
in PAT  
Losses  
(YoY %)

**20%**

Reduction  
in H1FY20  
Sales  
returns

**154 Days**

Reduction in  
receivable days  
in H1FY20 (vs.  
Historic range  
of 110-120  
days)

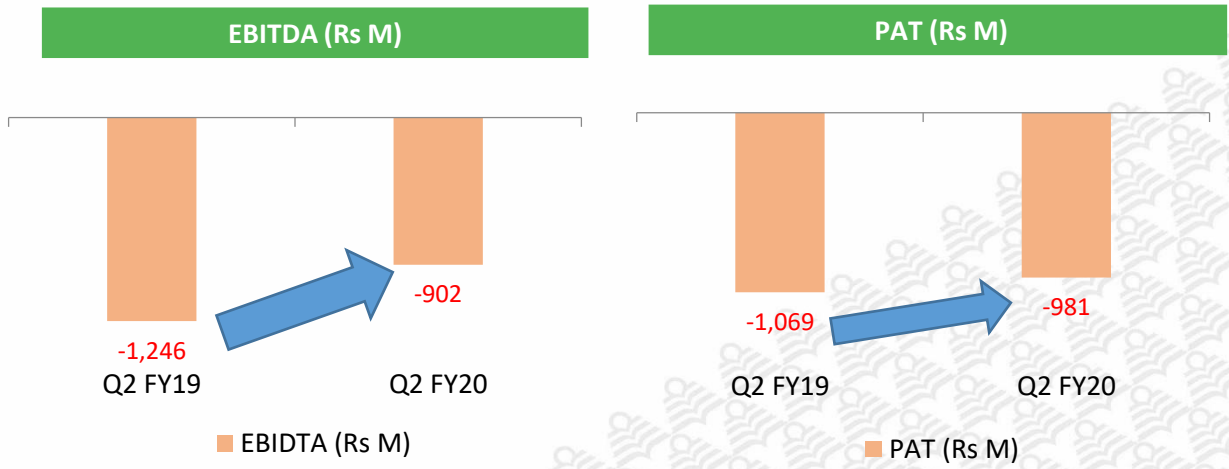
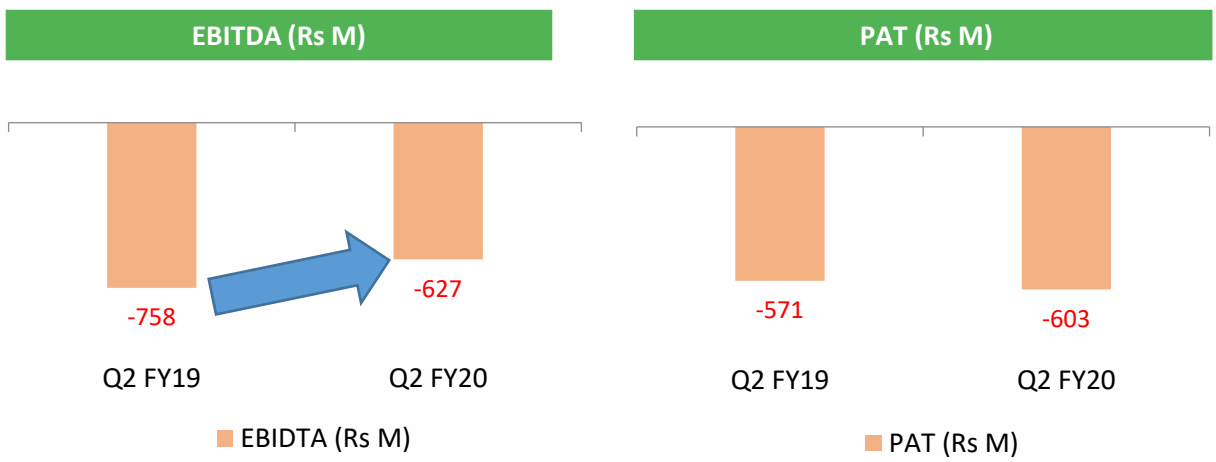
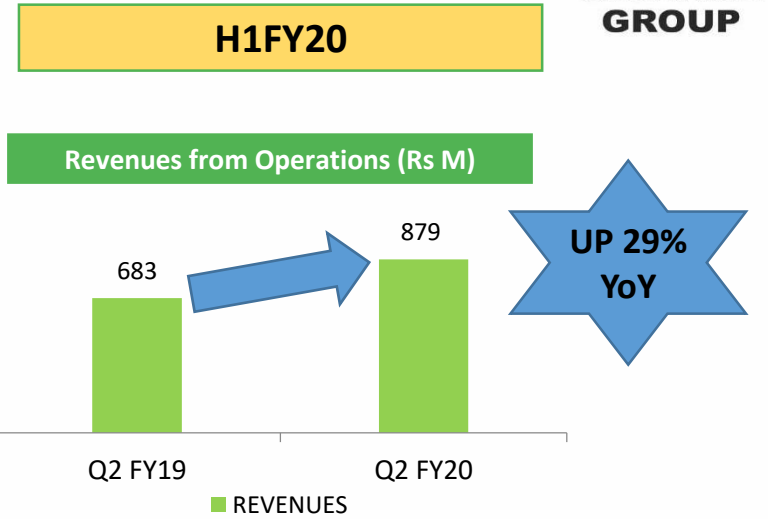
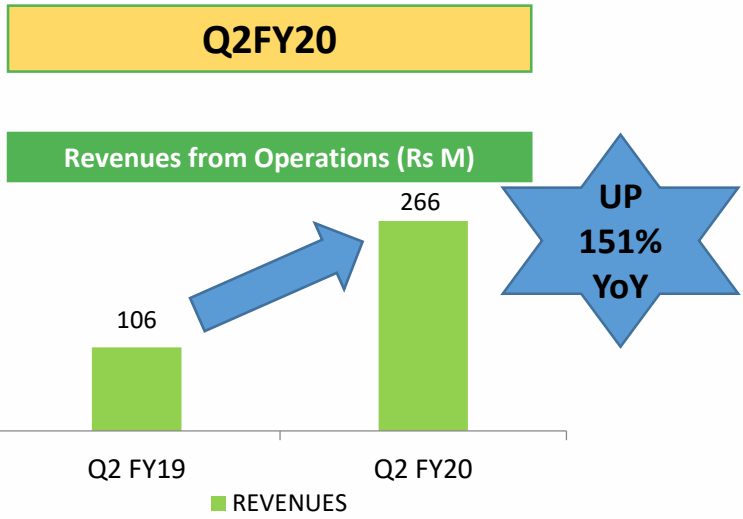
**79 Days**

Reduction in Net  
Working  
Capital Days in  
H1FY20 (vs.  
Historic range  
of 45-50 days)

**Rs508m**

Delta in Net  
cash generated  
from  
operations in  
H1FY20 on YoY  
Basis.

# KEY NUMBERS - TURNAROUND VISIBLE, STRATEGY BEARING FRUIT



**LOSSES REDUCING** - S Chand 3.0 program of cost reduction showing its benefits in reducing losses. This sets up a base for strong FY20 performance.

- **Highlights for Q2FY20**

- Consolidated Revenue from Operations stood at Rs 266m for the quarter, **up 151% YoY**
- Consolidated EBITDA loss reduced to Rs627m vs. Loss of Rs758m in Q2FY19 - **Reduction of EBITDA loss by 17%**.
- Consolidated PBT loss reduced to Rs808m vs. Loss of Rs875m in Q2FY19 - **Reduction of PBT loss by 8%**.
- Consolidated PAT loss stood at Rs603m vs. Loss of Rs571m in Q2FY19. The increase in PAT losses during the quarter was on back of adjustment of deferred taxes of previous years on account of the reduced tax rates announced in the Finance Act 2019 and subsequent Ordinance.

- **Highlights for H1FY20 - Witnessing improved traction and renewed focus on operational elements of the business**

- Consolidated Revenue from Operations stood at Rs 879m (vs. Rs683m in H1FY19), **up 29% YoY**
- Gross margins have increased by 10% from 32% to 42% on back of reducing paper prices. **We expect paper prices to correct further by 5-10% during H2FY20.**
- Consolidated EBITDA loss reduced to Rs902m vs. Loss of Rs1,246m in H1FY19 - **Reduction of EBITDA loss by 28%**.
- Consolidated PBT loss reduced to Rs1,260m vs. Loss of Rs1,535m in H1FY19 - **Reduction of PBT loss by 18%**.
- Consolidated PAT loss stood at Rs981m vs. Loss of Rs1069m in H1FY19 - **Reduction of PAT loss by 8%**.

- **Operating Parameters - Strong focus on improving balance sheet metrics yielding results**
  - **Trade Receivables** reduced to Rs2,326m in Q2FY20 vs. Rs3,202m in Q1FY20 vs. Rs4,446 as of Q4FY19. In terms of receivable days, it stood at 157 days (vs. 311 days in Q4FY19), a QoQ reduction of 65 days during Q2FY20 (vs. reduction of 46 days in Q2FY19) **and reduction of 154 days during H1FY20 which has historically been between 110-120 day reduction.**
  - Inventory reduced to Rs1,920m (vs Q1FY20: Rs1,949m & Q4FY19:Rs2,048m) during Q2. We are looking to enter the season with controlled levels of inventory to efficiently manage working capital in the company.
  - Net Working Capital reduced to 238 days (vs. 280 days in Q1FY20 & 317 days in Q4FY19) which is a reduction of 42 days (vs. reduction of 24 days in Q2FY19). **We also reduced NWC by 79 days in H1FY20 which has historically been around 45-50 days reduction.**

- **“S Chand 3.0” journey focused on increasing Free cash flows showing results in Q2**
  - Employee costs at Rs313m (vs Rs367m in Q2FY19) reduction of 15% on a YoY basis.
  - SG&A expenses at Rs135m (vs. Rs209m in Q2FY19) reduction of 35% on a YoY basis
  - Reduced sales returns from Channel partners by 20%+ during H1FY20.
  - On back of our focus on various operational elements of the business and cost control measures across the group we are expecting additional cost savings going ahead and increasing free cash flows by the end of FY20.
- **Gross Debt stood at Rs2,389m (vs. Rs2,479m in Q4FY19).** We are at a comfortable Debt to Equity ratio of 0.27x and we expect debt levels to reduce going ahead on back of higher free cash flow generation from business.



# CONSOLIDATED FINANCIAL PERFORMANCE

(₹ in millions)	Q2FY20	Q2FY19	Y-o-Y%	H1FY20	H1FY19	Y-o-Y%	FY19
Revenue from operations	266	106	151%	879	683	29%	5,220
Other income	10	17	(42)%	33	42	(20)%	116
<b>Total income</b>	<b>276</b>	<b>123</b>	<b>124%</b>	<b>912</b>	<b>724</b>	<b>26%</b>	<b>5,336</b>
Cost of published goods/materials consumed	125	305	(59)%	323	561	(42)%	2,094
Publication expenses	13	49	(74)%	26	66	(61)%	154
Purchases of traded goods	18	(347)	(105)%	79	(273)	(129)%	(440)
(Increase)/decrease in inventories of finished goods and WIP	46	64	(28)%	104	141	(26)%	448
<b>Gross Margin</b>	<b>73</b>	<b>52</b>	<b>41%</b>	<b>381</b>	<b>230</b>	<b>66%</b>	<b>3,081</b>
<i>Gross Margin %</i>	<i>27%</i>	<i>42%</i>	<i>n.a</i>	<i>42%</i>	<i>32%</i>	<i>n.a</i>	<i>58%</i>
Selling and distribution expenses	135	209	(35)%	240	344	(30)%	884
Employee benefits expenses	313	367	(15)%	627	724	(13)%	1,511
Other expenses	252	234	8%	416	408	2%	881
<b>EBITDA</b>	<b>(627)</b>	<b>(758)</b>	<b>(17)%</b>	<b>(902)</b>	<b>(1,246)</b>	<b>(28)%</b>	<b>(195)</b>
<i>EBITDA margin %</i>	<i>(227)%</i>	<i>(615)%</i>	<i>n.a</i>	<i>(99)%</i>	<i>(172)%</i>	<i>n.a</i>	<i>(4)%</i>
Finance cost	89	57	55%	172	111	55%	272
Depreciation and amortization expense	90	55	62%	178	110	61%	237
<b>Profit/(loss) before share of loss in associates, exceptional items and tax</b>	<b>(805)</b>	<b>(871)</b>	<b>(8)%</b>	<b>(1,252)</b>	<b>(1,467)</b>	<b>(15)%</b>	<b>(705)</b>
Share of profit/(loss) in associates	(3)	(4)	(17)%	(8)	(9)	(19)%	(14)
Exceptional items (refer note 11)	-	-	n.a	-	(58)	(100)%	(233)
<b>Profit/(loss) before tax</b>	<b>(808)</b>	<b>(875)</b>	<b>(8)%</b>	<b>(1,260)</b>	<b>(1,535)</b>	<b>(18)%</b>	<b>(953)</b>
Tax	(205)	(304)	(32)%	(279)	(465)	(40)%	(283)
<b>Profit/(loss) for the year</b>	<b>(603)</b>	<b>(571)</b>	<b>6%</b>	<b>(981)</b>	<b>(1,069)</b>	<b>(8)%</b>	<b>(669)</b>
<b>Earnings/(loss) per equity share (in ₹) (for discontinued and continuing operations)</b>							
1) Basic	(17.2)	(16.3)	6%	(28.0)	(30.6)	-8%	(19.1)
2) Diluted	(17.2)	(16.3)	6%	(28.0)	(30.6)	-8%	(19.1)

**1HFY20**

**Gross  
Margin: Up  
66%**

**Employee  
Costs: Down  
13% YoY**

**S&D Exp:  
Down 30%  
YoY**



# CONSOLIDATED FINANCIAL PERFORMANCE

S Chand and Company Limited		
Consolidated Balance Sheet as on 30th September 2019		
(₹ in millions)	As on 30th Sep 19	As on 31st Mar 19
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	943	1,152
Intangible assets	4,829	4,203
Capital work-in-progress	47	3
Intangible assets under development	125	107
Financial assets		
- Investments	234	242
- Loans	109	95
- Other financial assets	8	13
Deferred tax assets (net)	884	593
Other non-current assets	325	287
<b>Total non-current assets</b>	<b>7,504</b>	<b>6,695</b>
<b>Current assets</b>		
Inventories	1,920	2,048
Financial assets		
- Investments	265	216
- Loans	75	67
- Trade receivables	2,326	4,446
- Cash and cash equivalents	78	604
- Other financial assets	12	91
Other current assets	181	152
<b>Total current assets</b>	<b>4,856</b>	<b>7,623</b>
<b>Total assets</b>	<b>12,360</b>	<b>14,318</b>

(₹ in millions)	As on 30th Sep 19	As on 31st Mar 19
<b>Equity and liabilities</b>	<b>GROUP</b>	
<b>Equity</b>		
Equity share capital	175	175
Other equity		
- Retained earnings	1,663	2,639
- Other reserves	6,491	6,490
<b>Equity attributable to equity holders of the parent</b>	<b>8,329</b>	<b>9,304</b>
Non- controlling interests	23	29
<b>Total equity</b>	<b>8,352</b>	<b>9,333</b>
<b>Non-current liabilities</b>		
Financial liabilities		
- Borrowings	766	727
- Trade payables	-	7
- Other financial liabilities	348	8
Net employee defined benefit liabilities	53	52
Other non-current liabilities	53	7
<b>Total non-current liabilities</b>	<b>1,220</b>	<b>801</b>
<b>Current liabilities</b>		
Financial liabilities		
- Borrowings	1,348	1,409
- Trade payables		
- micro enterprises and small enterprises	84	117
- other than micro enterprises and small enterprises	635	1,826
- Other financial liabilities	576	590
Net employee defined benefit liabilities	7	9
Other current liabilities	105	196
Other provisions	35	37
<b>Total current liabilities</b>	<b>2,789</b>	<b>4,183</b>
<b>Total equity and liabilities</b>	<b>12,360</b>	<b>14,318</b>



# CONSOLIDATED FINANCIAL PERFORMANCE

₹ in millions)		Sep 30, 2019	Sep 30, 2018	Mar31, 2019	₹ in millions)		Sep 30, 2019	Sep 30, 2018	Mar31, 2019
		6M	6M	12 M			6M	6M	12 M
<b>A.</b>	<b>A.</b>				<b>B.</b>	<b>Cash flows from investing activities</b>			
	<b>(Loss) before tax</b>	(1,260)	(1,535)	(953)		Purchase of property, plant & equipment	(153)	(203)	(477)
	<b>Adjustment to reconcile profit before tax to net cash flows</b>					Acquisition of subsidiaries, net of cash acquired	-		(642)
	Depreciation and amortisation expenses	178	110	237		Investment in non current investments	0	(15)	(3)
	Loss on sale of property, plant & equipment (net)	-	0	3		Purchase in current investments	(64)	(103)	(178)
	Interest income	(6)	(10)	(23)		Proceed from sale of current investments	20	4	434
	Net income on deemed disposal of associate	-	-	(20)		Proceed from sale of property, plant and equipment	14	6	11
	Miscellaneous amount written back	(8)	(0)	(19)		Interest received	14	10	16
	Net gain on sale of current investments	(5)	(4)	(19)		<b>Net cash used in investing activities (B)</b>	<b>(170)</b>	<b>(301)</b>	<b>(839)</b>
	Share of loss in associate	8	9	14		<b>C. Cash flows from financing activities</b>			
	Interest paid on borrowings	168	105	256		Interest paid on borrowings	(177)	(96)	(253)
	Foreign exchange difference	1	(3)	(4)		Amortization of ancillary borrowing cost	6	1	(5)
	Employee stock option expense	0	2	2		Proceed from long term borrowings	13		863
	Provision for bad debts and advances	171	54	161		Repayment of long term borrowings	(43)	(28)	(115)
	Bad debt written off	2	7	27		Proceed/(repayment) from short term borrowings	(61)	414	(39)
	<b>Operating profit before working capital changes</b>	<b>(751)</b>	<b>(1,264)</b>	<b>(336)</b>		Assets acquired under finance lease	-	(10)	-
	Movement in working capital:					Lease rental payment	(67)	-	-
	Decrease/ (Increase) in inventories	128	(376)	(486)		Dividend paid on equity share	-	-	(52)
	Decrease in trade receivable	1,946	2,385	1,678		Tax on equity dividend paid	-	-	(11)
	(Increase) in loans and advances	(22)	(31)	(11)		<b>Net cash generated from financing activities (C)</b>	<b>(329)</b>	<b>279)</b>	<b>388)</b>
	(Increase) in other assets					<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(525)</b>	<b>(556)</b>	<b>(65)</b>
	Decrease/ (Increase) in other financial assets	50	(109)	(55)		Foreign exchange difference	(1)	3	4
	(Decrease)/ Increase in provisions	(2)	10	18		Cash and cash equivalents at the beginning of the year	604	665	665
	(Decrease) in trade payable	(1,217)	(669)	(52)		Cash and cash equivalents at the end of the year	<b>78)</b>	<b>112)</b>	<b>604)</b>
	(Decrease) in current liabilities	(102)	(90)	(109)					
	<b>Cash generated from/ (used in) operations</b>	<b>30)</b>	<b>(144)</b>	<b>864)</b>					
	Direct taxes paid (net of refunds)	(56)	(391)	(478)					
	<b>Net cash used in operating activities (A)</b>	<b>(27)</b>	<b>(535)</b>	<b>386)</b>					

S Chand 3.0 program of cost reduction showing its benefits in H1 in generating higher operating cash flows where cash used in operating activities has improved by Rs508m. We expect these benefits to flow through leading to higher cash flows for the company during FY20.

# SEASONAL NATURE OF OUR BUSINESS

5% - 10% of annual revenues;  
Negative WC

Q1 April - June

- Last leg of K-12 sales for new academic session and delivery of books to distributors/ schools.
- New academic session commences in April for CBSE/ ISCE schools.
- Annual paper contracts negotiated.
- Finalisation of title catalogue for next academic year (new and revised titles).
- Sales performance review. (regional/ branches)

Less than 5% of annual revenues;  
Negative WC

Q2 July - September

- Content revision/ development by editorial team in collaboration with authors.
- Engagement with schools & teachers. (training sessions, workshops, etc.).
- Sample distribution. (September)
- Return of unsold stock from distributors as per contractual agreement.
- Semester 1 (Higher Education) and Test preparation sales based on government vacancy examinations.

Less than 10% of annual revenues;  
Peak Inventory

Q3 October - December

- Sample distribution and evaluation by schools.
- Printing of back list and best seller titles.
- Final reconciliation and closure of distributor accounts before commencement of season sales.
- Order visibility from schools starts building up.
- Significant sales quarter for HE segment.

75% to 80% of annual revenues;  
Peak Receivables

Q4 January - March

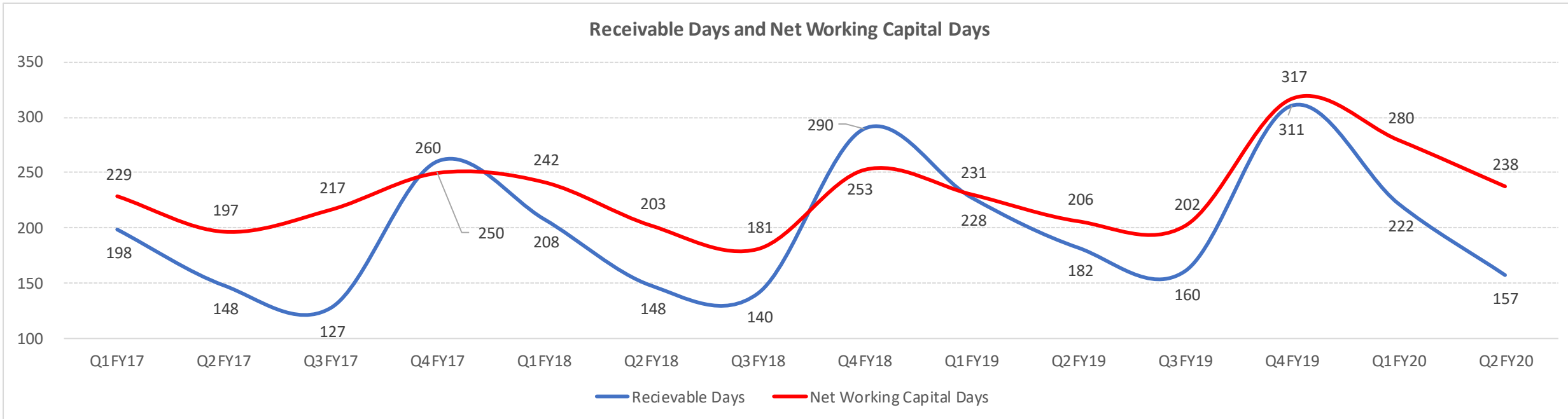
- K-12 season sales and delivery to distributors/ schools. (Peak Season)
- Semester 2 (Higher Education) and Test preparation sales based on government vacancy examinations.
- Printing of front list titles.
- Additional printing runs for back list / best seller titles based on demand.

**The slide clearly highlights the seasonal nature of our industry. The company makes up the whole year profits in Q4 after posting negative profitability in the first three quarters.**

# WORKING CAPITAL CYCLE – SHARP REDUCTION VISIBLE IN METRICS



- Debtors reduced to Rs2,326m as of Q2FY20 from Rs4,446m in Q4FY19. Receivable days reduced by 65 days to 157 days (vs. 311 in Q4FY19) and by 154 days in H1 which is the highest reduction the period.
- Inventory levels maintained at Rs1,920m as of 2QFY20 (vs. Rs2,048 in Q4FY19 & Rs1,949m in Q1FY20) on back of focus on stock levels going into the sale season during Jan-March.
- We expect our focus on receivable collection and inventory rationalization to reduce working capital in the coming quarter as well.



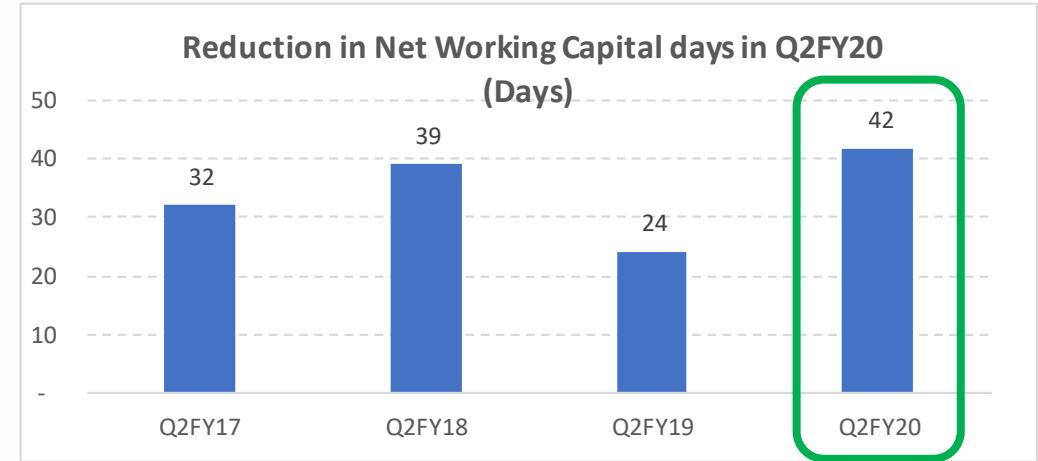
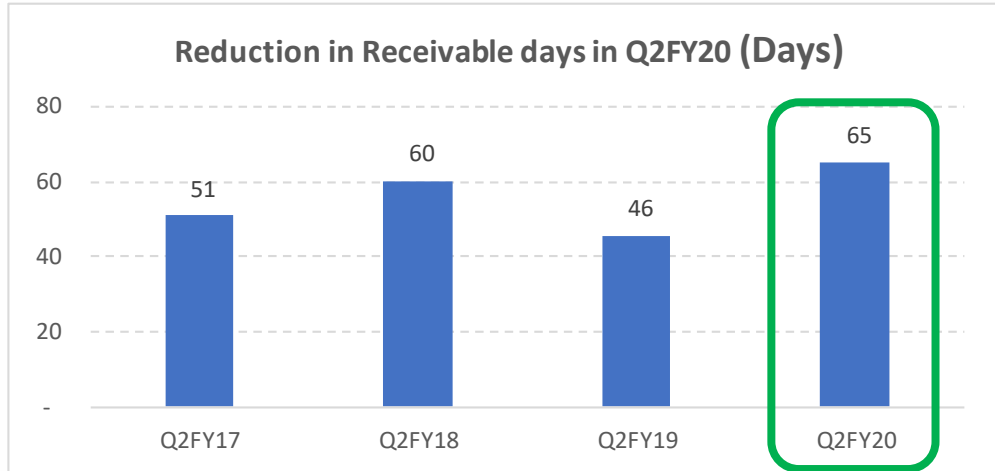
**We expect our focus on collection and working capital metrics to deliver strong benefits going ahead.**

# WORKING CAPITAL CYCLE – HIGHEST IMPACT IN METRICS IN RECENT YEARS

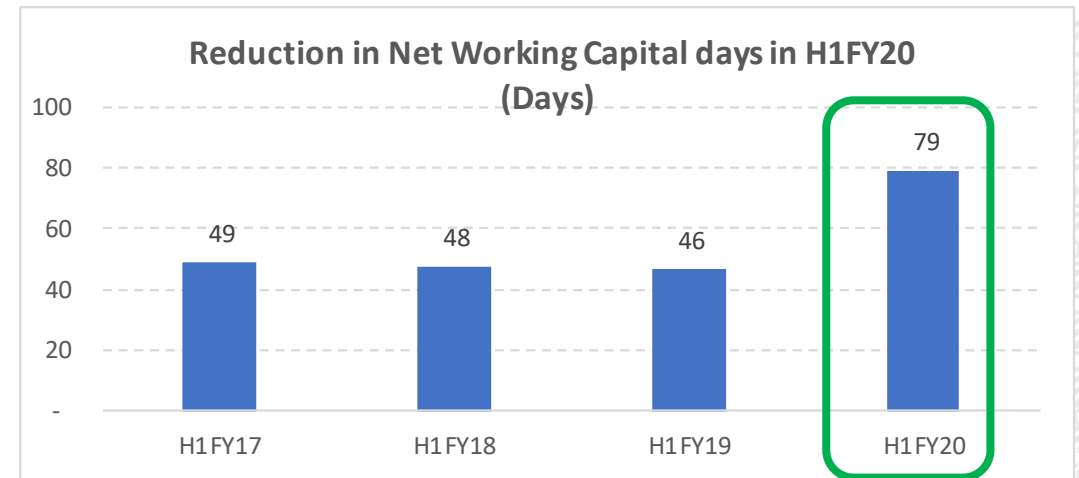
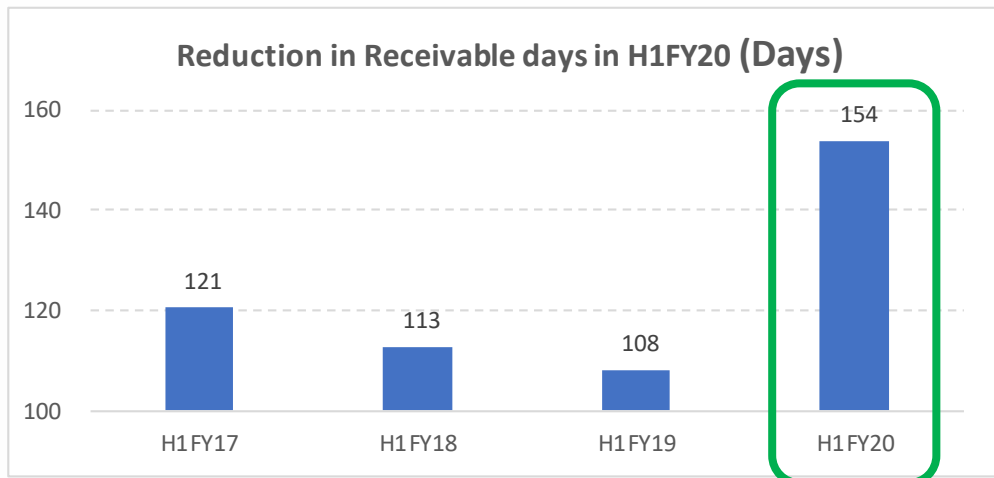


- Highest reduction seen in receivables and Net Working Capital days.
- This improvement is on back of our renewed focus on improving our collection efficiency and focus on effective working capital management.

**Q2: June – Sept Qtr**



**H1: April – Sept**



## Lowering operating costs

- Right Sizing of our employee base by over 400 employees
- Rationalization of number of offices and consolidation of warehouses at over 25 locations
- Focus on manpower optimization through shared services across group companies.
- Renegotiations of all major operational cost items to bring costs lower.

## Working with higher quality channel partners

- Focusing on better terms with channel partners, improved velocity of collection, sale productivity metrics etc.
- Focus on higher margin products.
- Tightening of discounting structure.

## Lower Inventory levels

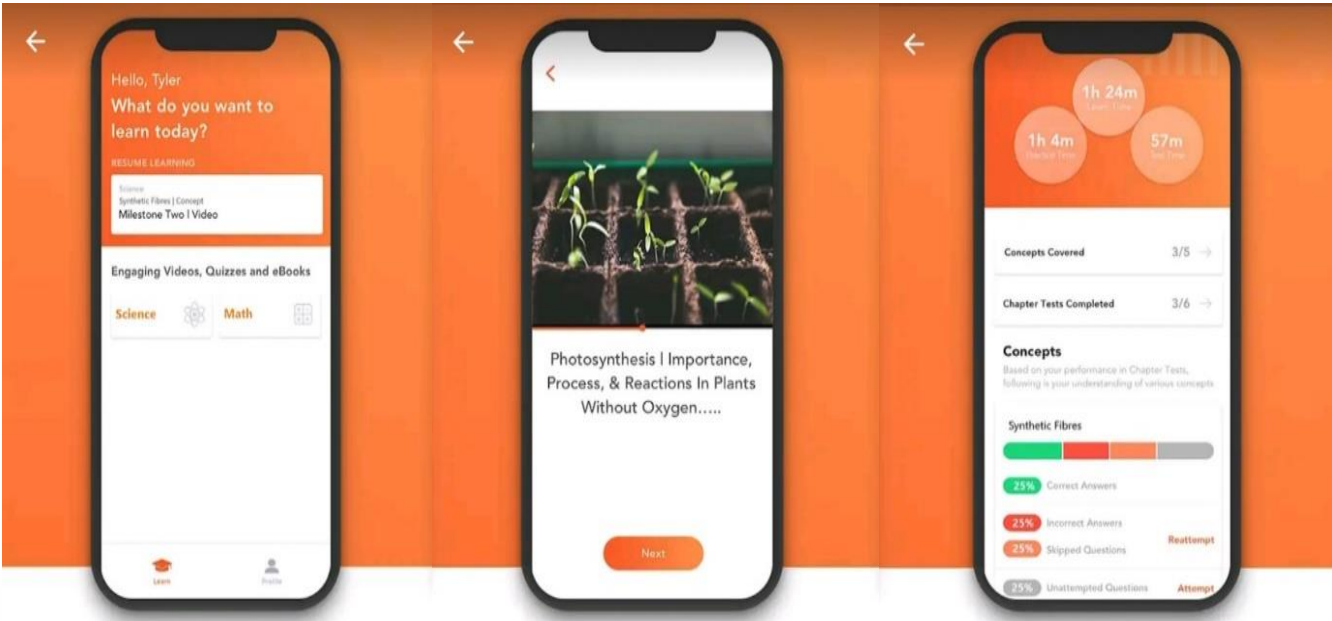
- Focus on portfolio of faster moving titles.
- Warehouse consolidation at 15 locations.
- Rationalizing number of SKU's.
- Eliminating print of titles which do not meet sales threshold limits.

## Faster Receivables collection cycle

- Prioritizing our channel partners based on historic receivable efficiency.
- Strict escalation of delay in receivable collection from channel partners in the appropriate manner.
- Dealer loyalty program launched.
- Best-selling titles being sold against reduced credit / advance payment.

- We had successfully launched **Learnflix**, our all-in-one learning platform for the Gen X student, on the Android/IOS platform during Q1. This quarter saw 3 successful adoptions in schools of our learning platform in Middle East and Eastern India for over 5000 students.
- Launch of **Smart K – Curriculum Solutions** for play schools in the NCR region during the quarter saw 2 adoptions during the quarter.

- Our digital offerings include-:
  - *myStudygear App – enabling blended learning with books with over 1 Mn + users*
  - *VRX – Virtual Reality with books with over 50,000 + users*
  - *Chhaya Learning App – Bengali/English Learning with books with over 100,000 + users*
  - *Destination Success – Enabling Digital classrooms*
  - *Mylestone – School Curriculum Solutions (K-8) with Apps for parents and teachers*
  - *Nuri Nori, Risekids, Smart K - Early Learning*
  - *Test Coach – Mobile mock exam App with over 5000+ users*



**Personalized Learning**

Learn at your own pace anytime anywhere

**Engaging Videos**

Learn every concept visually for a better foundation

**Focused Analytics**

Master your weak areas with focussed analytics

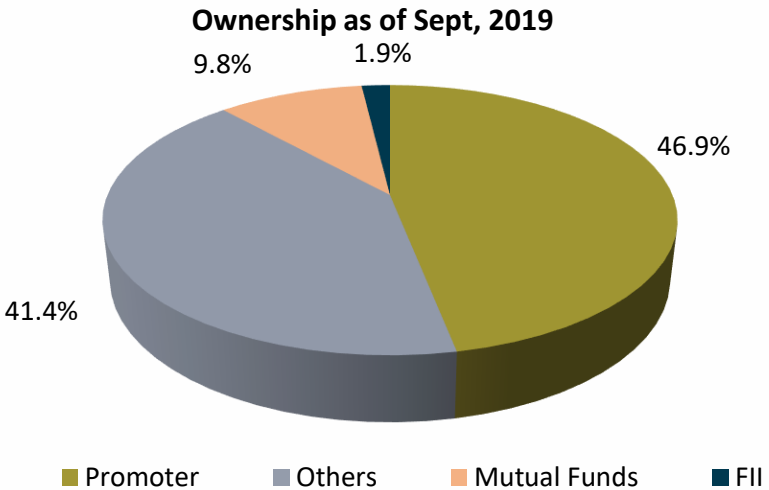


# SHAREHOLDING STRUCTURE



Market Data	As of 11 <sup>th</sup> November, 2019
Market Capitalization (Rs Mn)	2,620
Price (Rs)	76
No. of shares outstanding (Mn)	34.95
Face Value (Rs.)	5.0

(Source: www.bseindia.com)



(Source: www.bseindia.com)

Key Institutional Investors - As of September 2019	% Holding
Everstone Capital Partners II LLC	9.5%
International Finance Corporation	8.0%
HDFC Mutual Fund	5.9%
Volrado Venture Partners Fund	2.4%
Aditya Birla Sun Life Mutual Fund	1.9%
Sundaram Mutual Funds	1.3%
BNP Paribas	1.1%
Aadi Financial	1.0%

(Source: www.bseindia.com)

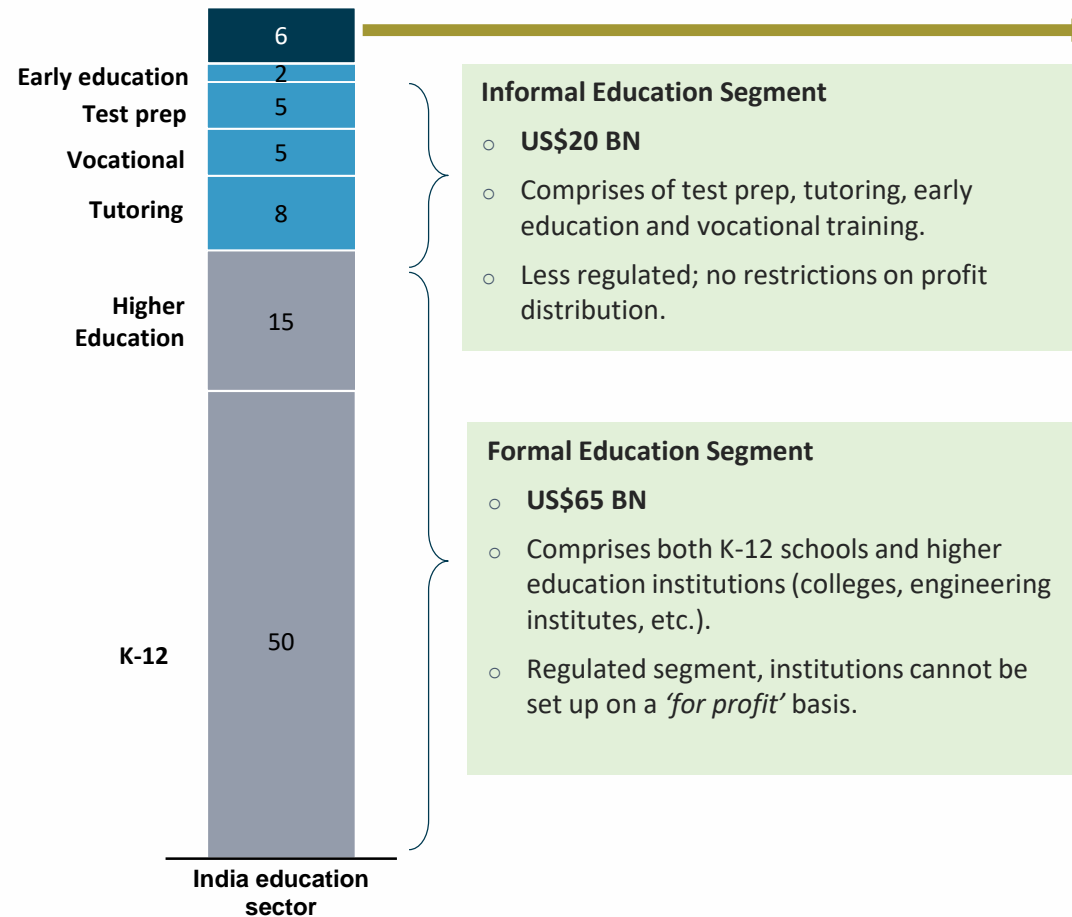
- **FY20**
  - EBITDA to FCF generation ratio of over 50%.
  - Improved working capital metrics from better terms of trade with channel partners and inventory rationalization.
  
- **Medium term – 3 years**
  - Debt free in 3 years from the increased focus on free cash flows.
  - Increasing the share of Digital & Services segment to 20- 25% over the next 3 years



## **Annexure:**

- **Indian Education Sector - Overview**
- **S Chand Group**

## US\$90 BN Market Size for the Indian Education Sector



(Source: Technopak Research Report. Technopak Outlook on India's Schooling Segment June 2017. Nielsen: India Book Market Report 2015)

## US\$6 BN Ancillary Education Segment

S. Chand operates in this segment (K-12/ Higher Education content).

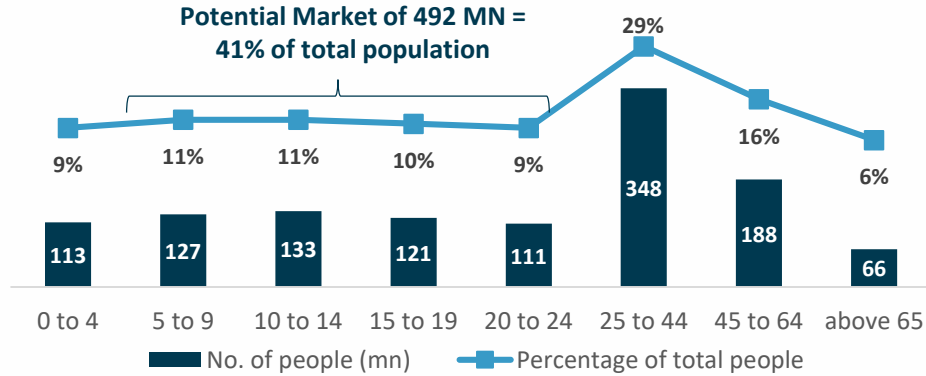
- Supports formal and informal education segments.
  - Comprises of content, digital content & services like curriculum management.
  - Mostly caters to K-12 & higher education institutions.
- Less regulated; no restrictions on profit distribution.
- K-12 ancillary market is a fast growing segment.



- Robust growth drivers.
  - Eligible K-12 population of about 296 MN students in age group 6 to 17 years.
  - Private unaided schools increased at average rate of 10.4% during 2011-15.
  - India has largest education system in the world with over 750 Universities & 35,000 colleges.
- Highly fragmented segment providing room for growth.

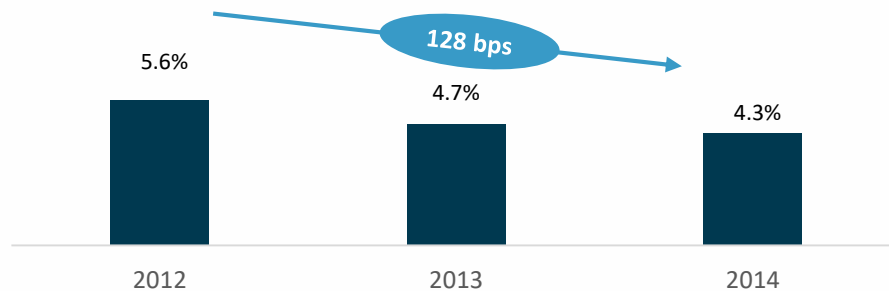
## Age-wise population distribution in India : S. Chand target market

(Source: IBEF Report)



## Decrease in drop-out rates for primary education in India

(Source: Nielsen Report)



## Literacy rate improving with higher participation from students

(Source: Technopak's Outlook on India Schooling Segment)

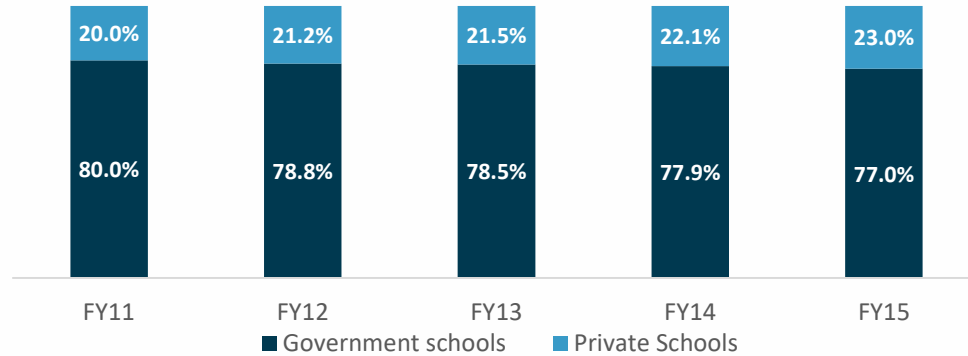
Level of Education	Estimated Population			
	% 2017 (MN)	% 2022 (MN)	% 2017 (MN)	% 2022 (MN)
<b>Illiterate</b>	<b>20%</b>	<b>269</b>	<b>18%</b>	<b>250</b>
Literate but no formal schooling	2%	27	1%	14
School - Up to 5th standard	35%	471	36%	501
School - Up to 10th standard	18%	242	18%	250
School - Up to 12th standard	11%	148	11%	153
Some college but not graduate	5%	67	5%	70
Graduate	6%	81	7%	97
Postgraduate	3%	40	4%	56
<b>Literate</b>	<b>80%</b>	<b>1076</b>	<b>82%</b>	<b>1141</b>
<b>Total</b>	<b>100%</b>	<b>1345</b>	<b>100%</b>	<b>1391</b>

## S. Chand well positioned to benefit from sector tailwinds

- Gross enrolment ratio and students completing primary & secondary education gradually improving in India.
- Falling dropout rates and increased girls participation led to improvement in literacy rate.
- Government promoting education through various schemes with budgetary support.

## Private schools market share increasing every year

(Source: IBEF Report)



## CBSE & ICSE increasing faster amongst affiliated board schools

Board	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	CAGR
CBSE	11,349	12,337	13,898	14,778	15,933	17,474	19,446	9.4%
ICSE	1,461	1,565	1,678	1,798	1,927	2,181	2,295	7.8%
State Boards	13,16,401	13,63,862	14,47,487	14,65,871	14,60,455	NA	NA	NA
<b>Total</b>	<b>13,29,211</b>	<b>13,77,764</b>	<b>14,63,063</b>	<b>14,63,447</b>	<b>14,78,315</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

(Source : Nielsen Research Report, School Board reports, DISE)

## Indian K-12 education infrastructure

(Source: Technopak's Outlook on India's Schooling Segment)

<b>Number of Schools: 1.5 MN</b>	
Government: 1.1 MN	Private: 0.4 MN
<b>Number of Students: 260 MN</b>	
Government: 150 MN	Private: 110 MN
<b>No. of Teachers: 9 MN</b>	
Government: 5 MN	Private: 4 MN
<b>Annual Intake: 18 MN</b>	
Government: 10 MN	Private: 8 MN
<b>Additional Capacity Required: 36 MN</b>	
<b>Additional Requirement of Teachers: 2 MN</b>	
<b>Additional Resources: USD 55 BN</b>	

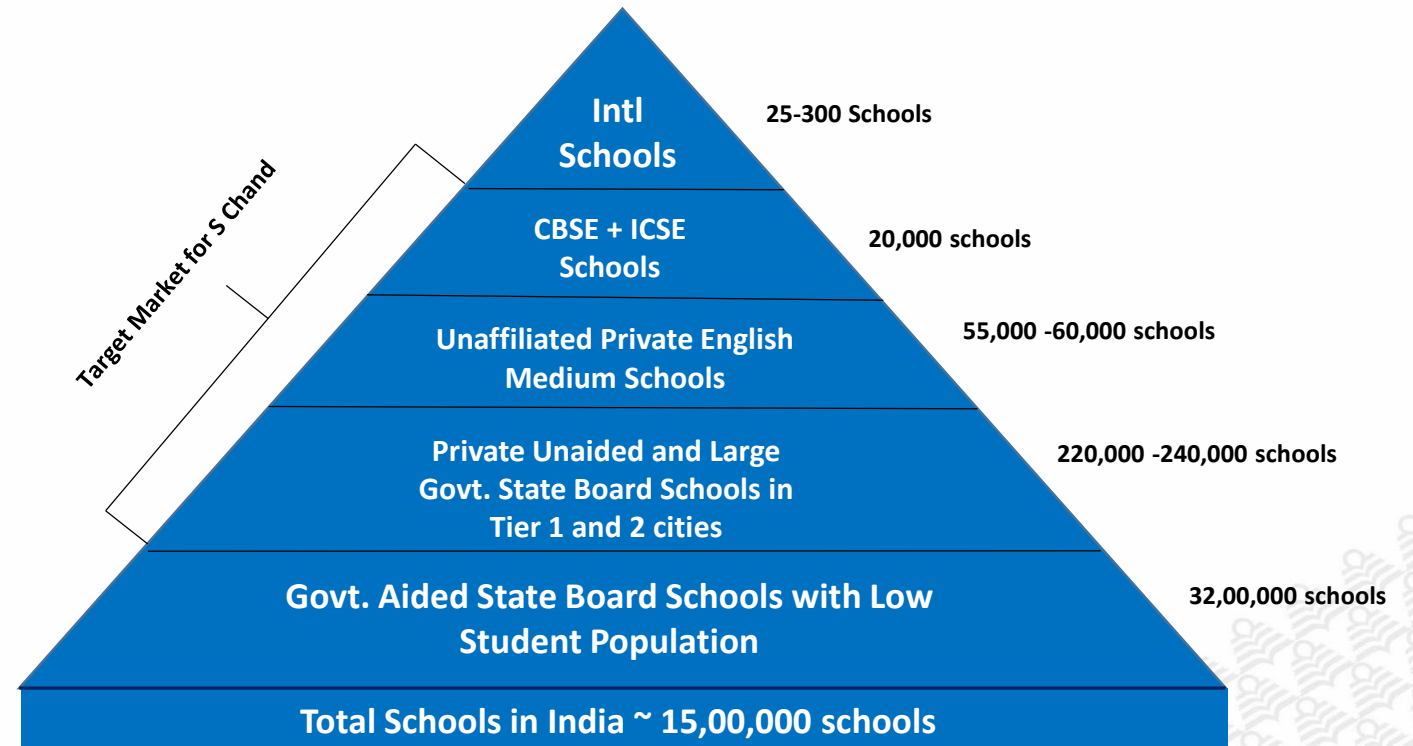
## Preference towards private schools continue to rise

- Student share of private schools increasing consistently despite subsidised fees and free meals/ books in government schools.
- Government schools losing favour even amongst the rural and not so affluent population.
- CBSE and ICSE schools are preferred for their superior curriculum and better pedagogy.
- S. Chand is a key beneficiary of increasing number of CBSE and ICSE schools, being the leading content provider to such schools amongst the private publishers.

# PREFERENCE TOWARDS PRIVATE, CENTRAL CURRICULUM SCHOOLS

Target Market is 3,00,000 schools – growing at 8-10 % annually and student strength growing at 7-8%

- Currently covering 38,000 schools in the target market
- Target market growing at 8-10% annually in the no. of schools
- Total student strength in India is est. 260 million
- Students strength in the target market is est. 120 million and growing at 7-8 annually.



## Delivering content, services and solutions...

...across the education continuum

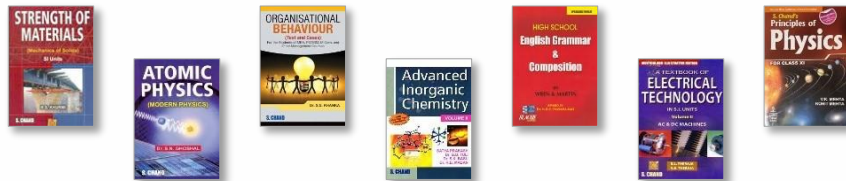
- Offerings spanning entire the education spectrum
  - Early learning
  - K-12
  - Higher education



...with Pan India reach

- Pan-India sales and distribution network driving deep market reach.
- Presence in Central (CBSE, ICSE) and State Board affiliated schools across India.

## Strong content, multiple best-sellers.



- Long operating history of over seven decades.
- High brand equity across multiple brands.
- Strong author relationships.
- Keeping pace with time - transition from print into digital content and services.

80

Years of operating history

10,000+

Active book titles

~ 2,400

Author relationships

90 TPD

Print Capacity in number of sheets

## Portfolio of brands focused on print / digital content.







### Connecting with Learners

- Art of Book making tour of the Printing Facilities
- Mystudygear App / VRX App / Learnflix App / Test Coach App
- Social Media

### Connecting with Teachers with

- Teacher Conclaves and Awards
- Over 2000 Workshops
- The Progressive Teacher magazine

### Connecting with School Leadership

- Best Practices in Education Tour to Europe
- The Progressive School magazine

### Connecting with Channel Partners

- Dealer Meets , Events and Awards
- Monthly mailer "Sampark"

### Increasing Brand presence

- Brand Ambassador
- Strategic Advertising
- Digital Marketing



## In-House (Revenue Stream)



- Offerings include **digital classroom learning solutions, learning management systems and curriculum management** which contribute to the revenue streams in the business.
- Approximated Investments is in excess of Rs1300 million.

## Digital Investments (Inorganic)



- Focused on investing in **early stage digital companies**.
- Total investments in digital investee companies is approx. Rs.300m.
- Currently, Investment portfolio commands a valuation of around 2X as per the last funding rounds for respective companies.
- Focus is on **establishing synergies with core business** along with investment returns.



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