



## S Chand And Company Limited

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Date: August 23, 2021

To Listing Department BSE Limited 25 <sup>th</sup> Floor, 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: Transcript of conference call for the Analysts and Investors**

The Company had organized a conference call for the Analysts and Investors on Friday, August 13, 2021 at 1:00 P.M. to discuss the financial results for the quarter ended June 30, 2021. The transcript of the said conference call held with the Analysts and Investors is enclosed herewith.

The Company shall also disseminate the above information on the website of the Company- [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 and Compliance Officer

Membership No.: A15028

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

Mohan Co-operative Industrial Estate

New Delhi- 110044

Encl: as above

## **S Chand & Company Q1 FY22 Earnings Conference Call**

**Hosted by Prabhudas Lilladher Pvt Ltd**

**13<sup>th</sup> August, 2021**

### **Host:**

Ladies and gentlemen, good day and welcome to the S Chand and Company, Q1 FY22 earnings conference call hosted by Prabhudas Lilladher Pvt Ltd. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing \* and 0 on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Shweta Shekhawat from Prabhudas Lilladher Pvt Ltd. Thank you and over to you ma'am.

### **Ms. Shweta Shekhawat – Prabhudas Lilladher Pvt Ltd:**

Thanks. On behalf of Prabhudas Lilladher, I welcome you all to the 1<sup>st</sup> quarter FY22 earnings call of S Chand Ltd. We have with us the management represented by Mr. Himanshu Gupta – MD, Mr. Saurabh Mittal – CFO and Mr. Atul Soni – Head Investor Relations. I would now like to handover the call to the management for opening remarks after which we can open the floor for Q&A. Thank you and over to you sir.

### **Mr. Himanshu Gupta - MD, S Chand & Company:**

Thank you. Good afternoon ladies and gentlemen. I am Himanshu Gupta, the Managing Director of S. Chand and Company Limited. I would like to welcome you all to our first quarter results conference call for FY22 and thank you all for taking the time-out and joining us here today. I trust each one of you and your loved ones are safe in these extremely difficult times

The pandemic has impacted millions across the country. For the formal education sector, it began in March 2020 and continues to date. As you are aware, Q1 of this year was the time when Covid Wave 2 had engulfed the country with large parts of the country under various stages of lockdowns. The intensity of Wave 2 was unapparelled and impacted most of us in one way or the other.

From our perspective, schools announced preponement of summer holidays, board examinations were cancelled for Class X and XII, Entrance Examinations were postponed, and all educational institutions were physically closed during the entire quarter. Covid Wave 2 also impacted online teachers with a lot of educators also impacted directly/indirectly by the pandemic. The focus for us also as a company was to ensure the well-being of our employees and stakeholders during the critical phase. We have started seeing school opening up and most states in the country announcing school

openings from August/September onwards. This should help normalcy return and we are seeing sales to shift from Q1 to Q2 for K-12 segment.

As for the Higher education segment, board exam results were announced in July and IIT and NEET entrance exams have also been announced for September and October respectively. Engineering and Medical colleges would see delayed college admissions for 1st year from October onwards. We expect 2nd Year students to be able to start their new sessions during Q2 itself. This is different from the usual cycle of Higher Education where colleges used to start new sessions in July/August vs. October/November. Humanities and Commerce segment session may start from September onwards since Board exam results have already been announced. We have given more details around this in our investor presentation from Slides 4-7.

The Publishing business has had a couple of years disruption which has impacted a lot of small and medium sized content providers. This opens an opportunity for larger, financially stronger organisations to increase market share once the ground situation improves. With S Chand 3.0 we have improved our working capital efficiency and cost base and are now poised to grow once the NCF is announced.

On the Ed-Tech front, we are taking strong strides and getting ready for increased adoptions of our digital solutions in a post covid world. The Mylestone App has been upgraded for students, teachers and parents, to enable the 150,000 students using Mylestone with a platform for enhancing the learning process. Learnflix has been enabled with Teacher functionality to bridge the gap between school and afterschool learning. Our most affordable learning app - Learnflix has over 2.5 Lakh downloads & over 21,000 paying subscribers. We expect schools which were provided with free usage during FY21 would convert to paying customers in FY22. We also have plans to launch Learnflix Bangla during the current quarter. Madhubun Educate 360 - Our K12 Learning Management System has now gotten implemented in 21 schools post a successful pilot. We expect more schools to use this product as the year goes by.

The process of transferring Mylestone and Learnflix, our school and student solution into a separate subsidiary - Convergia Digital Education Private Limited, with the view of raising capital separately for this business to grow exponentially has been completed and we are now looking forward to raise capital for funding the future leg of growth for these businesses.

We are also looking to enable our key bestsellers with teaching videos to engage and enable learners to understand difficult concepts from experts.

We partnered with our Investee company, Testbook, to launch a next generation 'SmartBook' to aid students preparing for competitive examinations for government jobs especially from rural areas of the country. This SmartBook is a physical book created after processing performance data of lakhs of Testbook students. It combines the convenience of physical study material with the power of Ed-Tech. This product is being sold at local bookshops, S Chand's web portal and e-commerce websites. We expect to come out with more such innovative products harnessing the power of technology with our distribution reach in the coming times.

We believe that we have a great opportunity in coming times for blended learning as a medium of education. We are confident of the value add that our digital solutions along with the strong content repository built over 8 decades will provide. We feel that these products and services would be the future growth drivers for the Group in the coming years. With that, I would now request our CFO, Mr. Saurabh Mittal to apprise all of us on the financial performance of S. Chand.

**Mr. Saurabh Mittal - CFO, S Chand & Company:**

Good afternoon everyone and thank you for your time. I am Saurabh Mittal, Group CFO of S. Chand.

Q1FY22 Sales were impacted due to Covid Wave 2 related lockdowns across India and extension of School vacations till June end and cancellation of Board examinations. We expect shifting of some portion of K-12 sales revenues to Q2.

Q1FY22 is also not comparable with Q1FY21 since Q1FY21 had sales overflow from Q4FY20 which was impacted by the national lockdown on 21st March 2020. However, if we compare Q1FY22 with Q1FY20 then we have lower EBITDA losses by 38% and PAT losses by 17%.

In terms of numbers for the 1st quarter, our consolidated operating revenues came at Rs358 million. Our Gross margins stood at 57% and our net loss came in at Rs314 million.

I am happy to share that we have continued our good work on the working capital and Debt front. In terms of working capital, debtor's days have reduced by 43 days this quarter to 233 days vs 276 days at the end of Q4FY21. Our Net Working capital days also decreased by 16 days on a YoY basis to 282 days (vs. 298 days in Q1FY21). Do keep in mind that this improvement is despite having lock downs across the country for during Covid Wave 2.

In terms of debt, we ended the quarter with gross debt of Rs 1862m and Net debt of Rs1,297 million. We have moved to a fundamentally lower debt profile for the company. Our Gross Debt has reduced by Rs328m on a YoY basis and our Net Debt has reduced by Rs497m on a YoY basis. We are looking to reach net debt zero levels by Q4FY23 on back of increased cash flow generation.

On the inventory front, we are moving to a structurally lower inventory levels in the company. We ended the quarter with inventory of Rs1480million vs Rs1,909m during the same quarter last year. This is a reduction of 29% on a YoY basis. This improvement in inventory is driven by various steps that we took in controlling print runs and optimizing book titles. We are targeting Rs800m-Rs1,000m inventory by FY22 year end.

In terms of Cash Flows, we generated operating cash flows of Rs99m. I want to highlight from a cash flow perspective the strong reduction in Receivables in Q1 of Rs721million vs 365 million last year in spite of covid Wave 2. This represents better quality of sales achieved in FY21. We also saw Strong reduction in borrowings in Q1FY22 of Rs 169 million.

As we move through FY22, I would like to call out a few of things for this year-:

- Firstly, we would be taking a price hike across our product portfolio to the tune of 5%-10%. We are also mapping our books as per the New Education Policy 2020 and are also preparing for the NCF which may be announced once the Covid situation improves.
- Secondly, we are seeing a portion of Q1 revenues moving to Q2 on back of school closures during Q1. Thus, Q2 and Q3 are expected to be better quarters in comparison to previous year. Also, the Inventory with channel partners is lower than earlier years.
- Thirdly, with increased number of vaccinations and lower covid cases, we expect schools and colleges to gradually re-open and this will lead to a normal sales season during Jan, 2022 to March, 2022. Thus, if the covid situation holds up, then we can get the dual benefit of higher product prices and a normal sales season in FY22.
- Fourthly, on the debt front, we aim to become net debt free by 4QFY23 and further optimize working capital going ahead.
- Fifth, the biggest growth driver for our print business would come from the introduction of the new syllabus post the announcement of the NCF. This should lead to strong revenue and profitability growth for 2-3 years period. Our base case is that NCF should impact financials from FY23 onwards. An early announcement can greatly change our FY22 financials as well.
- Finally, the focus on cost and working capital has ensured that we have stronger liquidity than a lot our peers and we are poised to take advantage of the disruption that Covid has brought.

With this, I would like to open the call for your questions. Thank you.

**Host:**

Thank you. Ladies and gentlemen, we will now begin with the Question-and-Answer session. Anyone wishing to ask a question may press \* and 1 on your touchtone telephone. If you wish to remove yourself from the question queue, you pay press \* and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Deepen Shankar from Trustline PMS. Please go ahead.

**Mr. Deepan Shankar – Trustline PMS:**

Good afternoon everyone and thanks a lot for the opportunity and congratulations for good improvement on balance sheet parameters. Firstly, I want to understand, if schools are opening by Q3 or Q4 in most of the states, what is the kind of expectations in terms of top line for FY22?

**Management - S Chand & Company:**

So if schools are fully physically reopening by the end of this year, then we will have a normal season, and we should expect a top-line in excess of Rs500 crores.

**Mr. Deepan Shankar – Trustline PMS:**

You said Rs500 crores, right?

**Management - S Chand & Company:**

Yes. This is something we have shared in the last conference call as well. So we are sticking to that.

**Mr. Deepan Shankar – Trustline PMS:**

Okay okay. And also, in terms of Learnflix, in the last one year if you see, downloads have increased by three times to 2.55 Lakhs but paid users are increasing only to 21,000. So, what are the steps that we are taking to increase the growth in the paid user base?

**Management - S Chand & Company:**

So, in terms of Learnflix, initially it was meant more as a B2B solution and sold through schools, but unfortunately, with most schools not physically opening and having their own challenges around fees, what we are trying to do at this point of time is that, we are trying to market it to our own distribution network and channel partners where we've given a scratch card starting this quarter. And we hope to increase the number of paid users over the next 5-6 months. But the real impact will come in when schools physically reopen and start getting their complete fees. That is the time when we can really push for good B2B adoption.

**Mr. Deepan Shankar – Trustline PMS:**

Okay. Also, we are planning to increase the number of subjects offered in Learnflix, right? So, that user fee of Rs2,000 will also improve as the number of subjects increase?

**Management - S Chand & Company:**

Yes. So, we'll be adding social studies this year and then we will be looking at English as a subject. In terms of classes, we would be adding classes 11th and 12<sup>th</sup> as the next step. As we add more subjects and classes then we can increase our price points to compensate for higher classes and more subjects. From a subscriber basis, we can look to gain larger subscriber base on back of new students joining the application and we can see renewals across classes 10 to 11 also happen for existing customers.

**Mr. Deepan Shankar – Trustline PMS:**

Okay. Thanks a lot. I'll get back in the queue.

**Host:**

Thank you. Reminder to the participants, anyone wishing to ask a question may press \* and 1. The next question is from the line of Niteen Dharmawat from Aurum Capital. Please go ahead.

**Mr. Niteen Dharmawat – Aurum Capital:**

Yeah, thank you for the opportunity. Since you mentioned that your Learnflix adoption is a paid user base which is dependent on B2B business, and it will happen. It may take some more time as the schools start and stabilise. So, what is the current situation with respect to the funding that we were looking for? Is it happening or is it getting delayed now?

**Management - S Chand & Company:**

Yeah, so the structure is ready, and the larger amount of funding is meant for Mylestone which is the main business which already has traction and a user base of about 150,000 students and 300 plus schools. So that is a larger piece of the business that we are raising funds for. Learnflix is not the larger part of the business. However, once we get the funding, we can move both of them together because this is a complimentary product; one is within school, and one is after school.

**Mr. Niteen Dharmawat – Aurum Capital:**

That I understood. I'm talking about the external funding that you were looking for. Is that getting delayed now or are we still working on it?

**Management - S Chand & Company:**

Nitin you would appreciate that fund raise is a binary event. So, as and when things get finalised, we'll be intimating the exchanges. We still are in discussions, and we will let you know once something is finalized.

**Mr. Niteen Dharmawat – Aurum Capital:**

Okay got it. Thank you.

**Host:**

Thank you. A reminder to the participants. Anyone wishing to ask a question may press \* and 1. Participants, if you wish to ask a question, you may please press \* and 1. The next question is from the line of Dhananjay Mishra from Sunidhi Securities & Finance Ltd. Please go ahead.

**Mr. Dhananjay Mishra – Sunidhi Securities & Finance Ltd:**

Sir, our employee cost related to revenue is very high. So, are you doing something on that side also to reduce the cost?

**Management - S Chand & Company:**

Could you repeat that? Employee cost is?

**Mr. Dhananjay Mishra – Sunidhi Securities & Finance Ltd:**

... on a higher side because we are doing close to Rs400 crores annually and the employee cost is now approx. Rs100 crores. So, can we have any scope to reduce that as well going forward?

**Management - S Chand & Company:**

If you have looked at our cost for the last 2 years, we've done a substantial cost reduction. Our base was, I think, Rs151 crores 2 years ago. So, we have come down from that to around Rs100 crores.

**Mr. Dhananjay Mishra – Sunidhi Securities & Finance Ltd:**

Yes sir. But accordingly, our revenue has come down from 2-3 years. We used to have Rs600-Rs700 crores but now we have Rs450-Rs500 crores.

**Management - S Chand & Company:**

No, I don't see a major scope for reduction. Whatever we had to do, we have done, and we'd like to retain the people we have because, please appreciate that there is an NCF coming up, and to take advantage of the NCF, we need to have both a team on the content side and also on the technology and also on the marketing side. So, we would not be looking at a further reduction in that cost because this is the best time to go out and attack the market once the NCF is out. So that is where we'll gain market share. So, I don't see any reduction in employee cost in the next one year atleast.

**Management - S Chand & Company:**

Also, the employee costs do have a function of operating leverage being involved. So, the same employee base can actually generate much higher revenues than what has been reported in the previous years because of COVID. So, you also have to keep that in mind, that although it might think that it's a higher employee cost, but what we feel is, given the future scenario where we are expecting a curriculum change to happen, this same employee cost can generate a much higher level of revenue than what you are seeing right now.

**Mr. Dhananjay Mishra – Sunidhi Securities & Finance Ltd:**

And what is the EBITDA margin you are looking at this year at Rs500 crore revenue?

**Management - S Chand & Company:**

It should be in the range of 15-20% overall.

**Mr. Dhananjay Mishra – Sunidhi Securities & Finance Ltd:**

Okay sir, that's all from my side. All the best.



**Host:**

Thank you. A reminder to the participants, anyone wishing to ask a question may press \* and 1. Participants in the conference, if you wish to ask a question you may please press \* and 1. The next question is from the line of Niteen Dharmawat from Aurum Capital. Please go ahead.

**Mr. Niteen Dharmawat – Aurum Capital:**

Yeah, just one follow up question regarding the New Education Policy. Since I couldn't listen to your initial commentary. In case you had covered it, I'm sorry. Just wanted to know, what is the status of the NEP? Did you hear more about it? Do you see a possibility of it getting implemented in the foreseeable future or is it going to get delayed due to a variety of reasons?

**Management - S Chand & Company:**

The New Education Policy is already out. It's there and it's being implemented. It's the NCF (National Curriculum Framework) which is not announced yet, which is basically the curriculum for the schools on which we base most of our content and books for future adoptions. But the broad parameters are already out. The industry is already working around various aspects of the changes in the teaching-learning process which is already getting incorporated in most of the content that we're even providing this year. So we are mapping our existing content and whatever new content that is required; we are already developing it based upon the broad New Education Policy that is there. But the detailed NCF like what topic goes in which class, which chapters, that whole thing has to be clear for us to develop curriculum centric books.

So while broad things are happening, the detail is not out yet. And I think once the COVID situation improves, I'm sure they'll announce it. I mean, they would also not like to announce the NCF in the middle of a pandemic because it becomes a challenge for teachers as it is right now to teach existing syllabus. They are not being able to complete because, again, you know how much or how effective is online school for schools to complete syllabus in the truncated time that is there in online classes. It is possibly not even 50-60% of what a physical classroom can do. So those challenges are there for the sector and they will continue to be there till the time this pandemic is there. So, I don't see it getting announced during a pandemic.

**Management - S Chand & Company:**

I believe that maybe the new syllabus can be announced within first half of FY23 and the implementation will happen in the academic session of 2023-24. But we will see the sale impact happening in FY23 for us. That is our expectation from the government.

**Mr. Niteen Dharmawat – Aurum Capital:**

Got it. Thank you so much for this detailed reply. One more question that I have is about the impact of COVID on the entire publishing industry. Since you mentioned at the end of your commentary that S Chand is able to utilise the situation because of the cash position that they have and the strength of the balance sheet, so do you see that bigger

companies are in distress and is there a possibility of them going out of business and that's where the consolidation is possible?

**Management - S Chand & Company:**

I believe that a lot of companies that we know about and have heard about, as per the market information, lot of companies are in financial stress because of not getting their old dues from the customers and not being able to do proper sales and having lot of inventory. So, we believe they are in a tight situation. I don't know how many will close shop or how many will continue, that's a difficult question to answer. But definitely, we see that there will be a market consolidation happening and bigger players will become bigger. Players who are more financially better off and who have a quality brand and product portfolio will fare better. So, I believe that the situation is definitely going to come and it will benefit companies like us in the near future.

**Mr. Niteen Dharmawat – Aurum Capital:**

Wonderful! Just one more follow up question to this. Would you like to explore any acquisition also in the publishing space or you would like to go ahead with regular business growth?

**Management - S Chand & Company:**

I think we have acquired enough companies over the last, I would say, 5-6 years and we have a complete portfolio in CBSE and ICSE and we have lot of product offering. So, I don't foresee any new acquisition happening in the next 2-3 years. If something exceptional comes out, that's a different story. But in the normal course of business, I think we will continue on the same path. We have a large product offering and we will take the benefits of that.

**Mr. Niteen Dharmawat – Aurum Capital:**

Got it. Thank you so much.

**Host:**

Thank you.

**Management - S Chand & Company:**

Nitin, just to add one more thing in that. While we are not looking at an acquisition in the print publishing space, we are always looking at EdTech investments for a strategic minority stake and we will be sharing that as and when things get finalized. These are looking into various future technologies, artificial intelligence and a lot of content which goes through the YouTube channels. So, we are looking at that very actively, where we can strategically partner them and help them. These will not be very large investments but strategic ones for us so that we can also look at increasing our content on the EdTech front.

**Mr. Niteen Dharmawat – Aurum Capital:**

Okay, thank you.

**Host:**

Thank you. A reminder to the participants, anyone wishing to ask a question may press \* and 1. Participants, if you wish to ask a question, you may please press \* and 1. The next question is from the like of Satya from ICICI Bank. Please go ahead.

**Mr. Satya – ICICI Bank:**

I want to understand, if you're giving digital content to a school, how are the rights distributed? If our physical book is replaced by digital books, does the cost remain same or is it reduced? And how are the rights distributed to the publishers in case of digitisation?

**Management - S Chand & Company:**

In case I'm giving digital content, it would be in two forms. One can be the e-book for which we have a couple of platforms. One is of course the Ignitor platform that we use, which powers Learnflix and Mylestone. Ignitor has its own distribution also where the distribution happens through our own platform and schools are given a login credentials and they can access it. They cannot download or distribute, but they can access digital content. The other is a third-party platform called iPublishCentral which helps us distribute to the higher education institutes. This is the PDF or the e-pub type of distribution of content.

The other type of content of course, is the digital content. Again, which goes on to various platforms of workings that we have whether it is the Mylestone app or the Learnflix app or the Educate 360 app or even the Ignitor platform, and these again are based on a user login basis. We also have a couple of our own portals through which we give access to teachers to view content, use content and also, to generate question bank.

So, this is the way we transfer our licensed products to schools. Having said that, again, pricing depends on what kind of products they are taking, whether it is a complete solution or whether it is a standalone solution. And, if you want to compare it with the physical book, I can only compare e-book with a physical book. The e-book versus a physical book is about 20-25% cheaper because it does not have a printing or a distribution cost. But, digital content of course, is a different service. Again, depends upon the quantum of content, the kind of backend services that the school requires. We give a lot of teacher training along with it, a lot of handholding happens. Again, that depends on school to school on how detailed the engagement is with the school.

**Mr. Satya – ICICI Bank:**

But you are selling it directly to schools and not to children, right?

**Management - S Chand & Company:**

There are some products which are being directly also sold to consumers. People can buy these ebooks from Google, Amazon, Kopykitab, our own website also we have been B2C. But then currently that is a very small portion.

**Mr. Satya – ICICI Bank:**

Okay. And is there any scope of piracy in digital books?

**Management - S Chand & Company:**

Digital books there is huge piracy going on and to be honest we have probably taken down thousands of sites, telegram channels, YouTube channels which have been used for the distribution of our eBooks, and that is a continuous process. We have a team of three-four people doing this day in and day out, because as you close down 10, another 10 will spring up. So that was a challenge, but that largely happens in the key OTC products. The ones that are prescribed by the school, or adopted by the school, the piracy is not that much.

**Mr. Satya – ICICI Bank:**

And how do you compete with other education competitors like Byju's? How do you compete with them? What is the strategy for dealing with them because they are also providing content to these students?

**Management - S Chand & Company:**

So let me answer that sir. Basically, there are two things. One is, we are more focused on B2B2C platform where we contract the schools and then the school sell to the students and secondly the affordability price. Our price on let's say Learnflix product will cost you Rs. 2,000 to Rs. 2,500 and the product of Byju will cost you Rs. 40, 000 to Rs. 50, 000. So, there is a very substantial difference in the pricing and the way we sell it. So, we are not competing with Byju's directly in that space, because Byju's is more focused on a premium product, with a focus on B2C kind of a market.

**Mr. Satya – ICICI Bank:**

Got it. Thank you, sir. All the best.

**Management - S Chand & Company:**

Thank you.

**Host:**

Thank you. A reminder to the participants. Anyone wishing to ask a question may please press '\*' and '1'. The next question is from the line of Nitin Dharmawat from Aurum Capital. Please go ahead.

**Mr. Niteen Dharmawat – Aurum Capital:**

Yeah, thank you for the opportunity again. Sir, just one more question. So, you mentioned that, the target for the current financial year is Rs. 500 crores with an EBITDA margin of 15-20%. So, I am assuming that we have not built any new curriculum framework impact into this target, books for top line and EBITDA margin?

**Management - S Chand & Company:**

Yes, that is correct. We have said that our base case assumption for sales of new curriculum products is FY23 onwards.

**Mr. Niteen Dharmawat – Aurum Capital:**

Okay, got it. Thank you.

**Host:**

Thank you. A reminder to the participants. Anyone wishing to ask a question, may please press '\*' and '1'. The next question is from the line of Nikhil Lakhotia from EquiNordic Systems. Please go ahead.

**Mr. Nikhil Lakhotia – EquiNordic Systems:**

Yeah. Hi, I just wanted to know like if you can tell us what is the breakup in terms of adoption of your digital solutions like Learnflix between say semi-urban and if it all rural-urban adoption? And in terms of the schools you mentioned, you have provided free usage during COVID-19. What proportion of the subscribers would be getting converted into paying customers?

**Management - S Chand & Company:**

Yeah. So, in terms of downloads, a lot of our downloads are semi-urban and smaller cities. Again, it is targeted towards the people who cannot afford these premium solutions but having said that a lot of our free usage is also being provided to international schools and larger schools also who are users of our school books. And we expect we would have a 10 to 15% conversion into paid customers.

**Mr. Nikhil Lakhotia – EquiNordic Systems:**

Thank you.

**Host:**

Thank you. A reminder to the participants. Anyone wishing to ask a question may please, press '\*' and '1'. As there are no further questions, I now hand the conference over to the management your closing comments.

**Mr. Himanshu Gupta - MD, S Chand & Company:**

Thank you. I thank everyone for taking out their time for this Q1 S Chand conference call we hope that all your families and everyone should remain safe in these pandemic times

and be sure to take all the precautions. We hope that the schools open up soon and we should start a normal business. And we would like to achieve the numbers and budgets that we have set about and thanks again for taking this call. Thank so much. Take care.

**Host:**

Thank you. Ladies and gentlemen on behalf Prabhudas Lilladher Private Limited, that concludes this conference call. We thank you for joining us and you may now disconnect your lines. Thank you.

***End of file***