

S. Chand and Company Limited

August 05, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	110.76 (Enhanced from 99.90)	CARE A; Stable	Upgraded from CARE A-; Positive
Long Term / Short Term Bank Facilities	12.50	CARE A; Stable / CARE A1	Upgraded from CARE A-; Positive / CARE A2+
Short Term Bank Facilities	3.00	CARE A1	Upgraded from CARE A2+

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The upgrade in ratings for S Chand and Company Limited (SCCL) factors in the consistent growth in scale of operations in FY25 (refers to period from April 01, 2024 to March 31, 2025) supported by improvement in operational performance, and the revenue visibility in the ensuing years owing to expected National Curriculum Framework (NCF) roll out for four new grades in the K-12 segment. This enhanced scale, and higher volumes, reduced input costs, and lower sales returns with minimised discounting, has contributed to healthy operating margins. The favourable financial risk profile is underpinned by improving and low overall gearing ratio, adequate liquidity, and consistent improvement in operating cycle over the years, though elongated. These improvements stem from better collection efficiency, streamlined inventory management and robust cash flow generation, resulting in reduced dependence on external borrowings. Ratings continue to derive strength from wide experience of promoters and proficient management, its established brand name in the publishing industry with long track record of operations, long-lasting relationships with eminent authors and strong distribution network. However, ratings continue to remain constrained by seasonality of the business with skewed revenues in the last quarter of fiscal, profitability margins susceptible to raw material price volatility, competitive and fragmented industry, and exposure to digital transformation and government regulations.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustenance of profitability with growth in the total operating income above Rs.1000 crore
- Ability of the company to reduce its dependence on the sales from the last quarter of the financial year and introduce strategies to combat the seasonality of the business.

Negative factors

- Any sizeable capex or acquisition undertaken by the company adversely impacting the capital structure with the overall gearing exceeding 0.75x.
- Any significant inventory/debtor write-offs adversely impacting the profitability of the company.
- Notable reduction in the cash and bank balance of the company thereby impacting its liquidity position.

Analytical approach: Consolidated approach; - The rating is based on the consolidated financials of S Chand Group along with its subsidiaries owing to strong operational & business linkages and also under a common management. The list of group companies and subsidiaries considered for consolidated financial statements in FY25 are mentioned in annexure 6.

Outlook: Stable

CARE Ratings believes that the entity shall sustain its growth in operating performance supported by expectation of healthy demand arising from implementation of New Curriculum Framework in line with New Education Policy (NEP), higher adoption of book titles published by S Chand Group and management's focus on reduction in sales return along with sustainable cash flows from operations.

Detailed description of key rating drivers:

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Key strengths

Growing scale of operations and improved operating margin

The TOI of the group reported y-o-y growth of ~9% and stood at ₹719.66 crore. While the impact of the newly introduced National Curriculum Framework (NCF) syllabus was modest—given its implementation across only two grade levels (Classes 3 and 6)—the grades where it was rolled out witnessed strong adoption, driving higher sales volumes. The group sold 34.86 million copies in FY25 (PY: 33.06 million). Curriculum sales adoption particularly grew at a faster rate for Mylestone, MyZen, and Solid Steps. Operating margins increased by 205 bps and stood at 18.82% in FY25 (PY: 16.76%) due to lower input (paper) costs, reduction in sales returns and lesser discounts offered. The profit after tax (PAT) margin also improved and stood at 8.37% in FY25 (PY: 7.72%).

Comfortable financial risk profile

Capital structure of the group continues to improve in FY25 owing to accretion of profits, repayment of term debt obligation, and reduced reliance on WC borrowings due to better management of inventory and reduced collection period with debtors. Overall gearing stood at 0.18x (PY: 0.25x) as on March 31, 2025. With continuous improvement in profitability, coverage indicators also consistently improving. Interest coverage stood at 10.50x (PY: 7.28x) for FY25 and total debt to gross cash accruals (TDGCA) stood at 0.98x (PY: 1.25x) as on March 31, 2025.

Well-established market position with strong brand recognition

With its existence in the publishing industry for around eight decades, S. Chand Group has developed good and robust relations with schools over the years. The Group also focusses on improving quality content to maintain confidence of teachers and parents for their continued patronage by ensuring minimum errors and continuous efforts towards content development by collecting regular feedback from teachers. This has enabled it to successfully build the brand of "S. Chand" in a competitive CBSE segment. The company has multiple best-sellers in its portfolio and has established a long-lasting relationship with ~2400 authors. The Group is one of the market leaders in K-12 segment catering to books and other publications (primarily core subject offerings including mathematics, science) in accordance with CBSE/ICSE curriculum, out of which the contribution from the K-8 segment is higher at ~70%, with 9th to 12th classes contributing ~30%.

Strategic acquisitions leading to consolidated K-12 publishing segment and expansion of product portfolio

SCCL has a strong presence in CBSE/ICSE affiliated schools and state board affiliated schools and currently covers ~40,000 schools across India. The product offering comprises 55 consumer brands in its repertoire including S. Chand, Vikas, Madhubun, Saraswati, Destination Success and Ignitor. The company has grown organically through development of subject best sellers and introducing new titles to fill portfolio gaps. The inorganic growth through key acquisitions including Vikas Publishing House Private Ltd (VPHPL), New Saraswati House (India) Private Ltd. (NSHIPL), and Chhaya Prakashani Ltd (CPL) has enhanced the product offering thus broadening the target segment. SCCL sold ~50 million copies of over 11,000 active titles across its brands. All the acquisitions made by the company thus far have augmented its product portfolio and market reach. With the advent of digital media, SCCL has also increased its digital offerings in the recent years. The in-house digital and service platforms include Mylestone, Mystudygear, Destination Success, and Learnflix. The company has also made strategic investments in key digital platforms, including brands such as Smartivity, and Ignitor, among others. In April 2023, the group acquired ~4.3% in Ixambee-company helping graduates and undergraduates prepare effectively for Government examinations such as banks, insurance companies, and Railways among others.

Long track record of operations and proficient management

SCCL belongs to S. Chand Group (SCCL and other group companies) of companies which was started in 1937 by Late Shyam Lal Gupta and is one of the leading schoolbook and technical book publishers in India. SCCL is primarily engaged in publishing and distributing books for K-12 segment. It was incorporated as a private limited company on September 9, 1970, and has been operational in this segment for over five decades. The day-to-day operations of the company are headed by Himanshu Gupta, Managing Director, who has been associated with the Group since 2000 and has over 25 years of experience in the knowledge products and services industry. They are ably supported by a team of well-qualified professionals in the day-to-day affairs.

Strong distribution network

The Group has strong marketing team, who stay in regular touch with school principals and teachers for promotion by conducting teacher conferences and conclaves, which also helps in content development of the books through regular feedback and also helps in assessing the demand for the books to facilitate the planning of the production activities accordingly. The Group's

marketing efforts are supported by an extensive pan India distribution network of ~3000 dealers, with majority Group sales (~90%) being done through dealers.

Key weaknesses

Seasonality of business leading to high despite improving operating cycle

As the Group predominantly caters to the education sector, it witnesses maximum demand in the Q4 of the financial year (which precedes start of an academic year in CBSE/ICSE affiliated schools). Consequently, over 80% of SCCL's annual revenue comes in the last quarter itself. Due to this, the Group's inventory piles up in initial nine months as the Group needs to undertake printing and other manufacturing activities upfront and the receivables peak at year end leading to substantially stretched operating cycle of over 300 days at the end of the financial year. However, with continuous efforts of the management, the company has reduced its inventory and debtor holding period, resulting in improvement in operating cycle to 131 days as on March 31, 2025 (PY: 178 days). The collection period of the company has improved to 107 days in FY25 from 143 days in FY24. With better inventory and debtor management led to fewer blockages of funds in the operating cycle resulting in higher cash flow generation for the Group which stood at ₹94.21 crore in FY25 (PY: ₹114.05 crore) and reduced dependence on the cash credit limits despite increase in scale of operations in FY25.

Competitive and fragmented industry

SCCL's primary segment is K-12 accounting for ~80% of the operating income for the group. However, this segment is diverse and intensely competitive due to presence of state boards and Central Board of Secondary Education (CBSE) and the Indian Certificate of Secondary Education (ICSE). A separate body governing each board with a different syllabus provides opportunity to regional, state, and local content providers to cater to the respective affiliated schools. There are other established content providers such as National Council of Educational Research and Training (NCERT) and the State Council of Educational Research and Training (SCERT) which also publish subsidised books which are prescribed by schools, especially government schools. The Group has been able to expand its share organically through robust and wide distribution network and inorganically through strategic acquisitions. Moreover, in the past decade, the industry has witnessed shift in enrolment from government schools to private schools, which is likely to benefit the Group as its penetration level is relatively high with established distribution network and pan India presence and augurs well for the future growth prospects.

Exposure to digital transformation and government regulations

The digital transformation requires SCCL to adapt quickly to changes in content distribution. The digital segment's uncertainty and the rapid shift towards digital content in schools, accelerated by the COVID-19 crisis, pose a risk. SCCL is promoting its Learnflix app and launching new digital applications to capitalise on this shift and stay competitive. In July 2020, the NEP was announced, with further updates in August 2023. The NEP aims to introduce a new syllabus and transform the education system to meet the demands of the 21st century. However, the introduction of the National Curriculum Framework for School Education (NCF SE) did not significantly impact the FY24 sales season, as NCERT did not release new syllabus books until March 2024. This led to a lower adoption of new syllabus books and most schools continued with the old syllabus books. However, per the new circular released by CBSE in March 2025, new syllabus would be launched for four grades, including 4th, 5th, 7th, and 8th, resulting in spike in volumes for players like S. Chand. On back of this development, company expects FY26 and FY27 to see complete adoption of the new syllabus books for K-12 segment. This development is anticipated to reduce the influence of the second-hand book market and lead to strong growth for the Group in the near to medium term. Also, the extent of SCCL's ability to liquidate inventory pertaining to old curriculum, before full impact of NEP kicks in, so as to reduce inventory write-off will remain a key monitorable.

Profitability margins susceptible to raw material price volatility

The main raw material for the Group is paper, whose prices have been volatile. The raw material cost (including purchase of traded goods, publication cost, and royalty) accounts for ~30-38% of the TOI. Thus, the profitability margins of the Group remain susceptible to prices of paper, the production of which highly depends on agro cultivation of pulp. Additionally, pulp and paper being the global commodity is also affected by global demand supply mismatch. However, the Group has an integrated procurement process for paper and other raw materials, which enable it to achieve economies of scale with better bargaining power with the domestic suppliers, with whom it has long-term relationships.

Liquidity: Adequate

S. Chand Group's liquidity position remains adequate, supported by robust cash accruals and prudent cost management. For FY26, the Group expects GCA of ~₹119.33 crore against modest debt repayment obligations of ₹6.72 crore. As on June 30, 2025, the unencumbered cash balance stands at ₹130 crore. The Group has been actively reducing operational costs and strengthening its liquidity, with no significant capex plans in the near term. Over the years, operational cash flows have remained healthy, recording ₹94.21 crore in FY25 (₹114.05 crore in the previous year), driven by enhanced cash profitability and improved collection efficiency—even as sales volumes grew in FY24 and FY25. Trade receivables declined to ₹275.34 crore as on March 31, 2025, from ₹322.08 crore as on March 31, 2021, indicating better working capital management. The liquidity profile is further reinforced by a strong current ratio of 3.00x as on March 31, 2025 (PY: 2.34x), and unencumbered cash and liquid investments of ₹116.88 crore on the same date. The funding of the capex out of internal accruals would amount to ~₹148 crore for the next two fiscals ending FY26 and FY27.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

[Short Term Instruments](#)

[Consolidation](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Media, Entertainment & Publication	Printing & Publication	Printing & Publication

SCCL belongs to the S. Chand Group of companies, which was founded by Late Shyam Lal Gupta and is one of the leading schoolbook and technical book publishers in India. SCCL was incorporated as a private limited company in 1970. SCCL is engaged in publishing mainly academic books and other educational services through its subsidiaries. It sells products in the following categories- competitive exams and reference books, technical and professional books, KG to 12th schoolbooks, higher academic books, educational CDs and also invested in startups offering digital solutions in test preparations. The main product offering of SCCL is primarily in K-12 segment primarily towards the schools affiliated with Central Board of Secondary Education (CBSE). Over the years, SCCL has also grown inorganically by executing key acquisitions to expand its product offerings and also enhance its digital learning solutions for government, private and engineering schools.

Brief Financials (₹ crore) (Consolidated)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	662.59	719.66
PBILDT	111.08	135.42
PAT	51.15	60.23
Overall gearing (times)	0.25	0.18
Interest coverage (times)	7.28	10.50

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	100.00	CARE A; Stable
Fund-based - LT-Term Loan		-	-	31/03/2026	2.45	CARE A; Stable
Fund-based - LT-Working Capital Limits		-	-	-	8.31	CARE A; Stable
Fund-based - LT/ ST-Vendor financing		-	-	-	12.50	CARE A; Stable / CARE A1
Non-fund-based - ST-Bank Guarantee		-	-	-	3.00	CARE A1

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	100.00	CARE A; Stable	-	1)CARE A-; Positive (04-Jul-24)	1)CARE A-; Stable (29-Aug-23)	1)CARE BBB+; Positive (28-Sep-22)
2	Non-fund-based - ST-Bank Guarantee	ST	3.00	CARE A1	-	1)CARE A2+ (04-Jul-24)	1)CARE A2+ (29-Aug-23)	1)CARE A2 (28-Sep-22)
3	Fund-based - LT-Working Capital Limits	LT	8.31	CARE A; Stable	-	1)CARE A-; Positive (04-Jul-24)	1)CARE A-; Stable (29-Aug-23)	1)CARE BBB+; Positive (28-Sep-22)
4	Fund-based - LT/ ST-Vendor financing	LT/ST	12.50	CARE A; Stable / CARE A1	-	1)CARE A-; Positive / CARE A2+ (04-Jul-24)	1)CARE A-; Stable / CARE A2+ (29-Aug-23)	1)CARE BBB+; Positive / CARE A2 (28-Sep-22)
5	Fund-based - LT-Term Loan	LT	2.45	CARE A; Stable	-	1)CARE A-; Positive (04-Jul-24)	1)CARE A-; Stable (29-Aug-23)	1)CARE BBB+; Positive (28-Sep-22)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: NA

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT-Working Capital Limits	Simple
4	Fund-based - LT/ ST-Vendor financing	Simple
5	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Chhaya Prakashani Limited	Full	Subsidiary
2	Vikas Publishing House Private Limited	Full	Subsidiary
3	New Saraswati House (India) Private Ltd.#	Full	Subsidiary
4	Shri Shyamlal Printing Press Private Limited^	Full	Subsidiary
5	BPI (India) Private Limited	Full	Subsidiary
6	Safari Digital Education Initiatives Private Limited*	Full	Subsidiary
7	S. Chand Edutech Private Limited	Full	Subsidiary
8	Indian Progressive Publishing Company Private Limited	Full	Subsidiary
9	Convergia Digital Education Private Limited (w.e.f. July 01, 2021)	Full	Subsidiary
10	Edutor Technologies India Private Limited	Moderate	Subsidiary

#23.90% held by Vikas Publishing House Private Limited

^Newly incorporated subsidiary to house the existing and upgraded printing operations of the group (to be hived off from Vikas Publishing House Private Limited).

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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