S. Chand and Company Limited

August 27, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term / Short-term bank facilities	RBI	20.00 (Enhanced from 12.50)	CARE A; Stable / CARE A1	Reaffirmed
Long-term bank facilities	RBI	100.00 (Reduced from 108.31)	CARE A; Stable	Reaffirmed
Long-term bank facilities	RBI	3.00	CARE A1	Reaffirmed
Long-term bank facilities	RBI	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of S. Chand and Company Limited (SCCL) derives strength from its promoters' extensive experience, established brand presence, and long track record of operations in the textbook publishing industry. Ratings also factor in the group's long-standing relationships with authors and extensive distribution network, supporting its competitive position. Ratings further draw comfort from the consistent improvement in operational performance, supported by growth in scale of operations in FY26 (refers to April 01 to March 31) and revenue visibility over the medium term, aided by the rollout of the National Curriculum Framework (NCF) across all grades in the K-12 segment. The financial risk profile remains comfortable, characterised by low overall gearing and healthy net worth base. However, ratings continue to remain constrained by the seasonality of the business, resulting in a skewed revenue profile towards the last quarter of the fiscal resulting in working capital intensive operations, profitability susceptible to raw material price volatility, competition in a fragmented industry, and exposure to evolving digital transformation and government regulations.

The rating of the term loan bank facility of SCCL rated by CARE Ratings Limited's (CareEdge Ratings') is withdrawn with immediate effect as the company has repaid the rated facility.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustenance of profitability with growth in the total operating income (TOI) above ₹1,000 crore.
- Ability to improve its operating cycle and diversify revenue streams on a sustained basis.

Negative factors

- Significant reduction in scale of operations or any significant inventory/debtor write-offs adversely impacting the profitability of the company.
- Deterioration in capital structure with the overall gearing exceeding 0.75x.
- Notable reduction in the cash and bank balance of the company impacting its liquidity position.

Analytical approach: Consolidated

Ratings are based on the consolidated financials of SCCL and its subsidiaries, considering the strong operational and business linkages among the entities and their common management. Subsidiaries considered for consolidation in FY26 are provided in Annexure-5.

Outlook: Stable

The Stable outlook reflects CareEdge Ratings' expectation of sustained operating performance, supported by healthy demand arising from the implementation of the NCF, management's focus on reducing sales returns, and sustained cash flows from operations.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority
[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Detailed description of key rating drivers

Key strengths

Long track record of operations and experienced promoters

SCCL belongs to the S. Chand Group of companies, which was founded in 1937 by Late Shyam Lal Gupta and has an established presence in the education publishing industry. SCCL is primarily engaged in publishing and distribution of 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 led 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. The management is supported by a team of well-qualified professionals across key operating functions.

Extensive distribution network

The Group benefits from an established marketing and distribution network. Its marketing team maintains regular engagement with school principals and teachers through teacher conferences and conclaves, which supports content development through feedback, and demand assessment for production planning. The Group's marketing efforts are supported by an extensive pan-India distribution network comprising ~4000 dealers, which serves as the primary channel for its sales, accounting for ~90% of total Group sales.

Sustained growth in scale with steady operating profitability

The TOI of the group registered a compound annual growth rate (CAGR) of 13.5% over the past five fiscals and stood at ₹798.75 crore in FY26 (PY: ₹719.66 crore). In the FY26 sales season, the group benefitted from the newly launched NCERT books based on the NCF syllabus, following implementation of the revised curriculum for K-8 grade levels. Revenue from content licensing increased by ~60% to ₹31.80 crore in FY26 compared to ~₹20 crore in FY25, while maintaining a healthy profitability in the digital segment. The PBILDT margin remained steady at 18.15% in FY26 (PY: 18.82%). The marginal moderation was considering higher input cost (pertaining to paper, logistics and packaging costs) amid currency depreciation and higher fuel prices. Going forward, the group is expected to benefit from the continued rollout of the revised NCF syllabus, with CBSE having released a circular in April 2026 indicating the launch of new NCERT books for Classes 9 to 12 in FY27. Consequently, the group expects complete adoption of the new syllabus books across the K-12 segment in FY27 and FY28, which is expected to support revenue growth and better absorption of cost escalations. Accordingly, operating margins are expected to remain stable, supported by improved realisations.

Comfortable financial risk profile

The group's capital structure remained comfortable in FY26, owing to accretion of profits, scheduled repayment of term debt obligation, and low reliance on working capital borrowings. Overall gearing stood at 0.14x (PY: 0.12x) as on March 31, 2026. Debt coverage indicators also stood comfortable as marked by interest coverage ratio of 10.33x (PY: 10.50x) for FY26 and total debt to gross cash accruals (TDGCA) of 1.12x (PY: 0.98x) as on March 31, 2026.

Well-established market position with strong brand recognition

S. Chand Group has an established presence in the education publishing industry and has developed long-standing relationships with schools over several decades. Its focus on quality content, minimising errors and continuously updating content based on feedback from teachers has helped build strong brand recognition for "S. Chand", particularly in the competitive CBSE segment. The Group has multiple best-selling titles and maintains long-standing relationships with ~3,000 authors. It is one of the leading players in the K-12 segment, offering books and other publications, primarily in core subjects, such as mathematics and science, aligned with the CBSE/ICSE curriculum. The K-8 segment contributes ~70% of K-12 sales, while classes 9-12 contribute the remaining ~30%. The acquisition of CPD Singapore in January 2026 for SGD 1.50 million, equivalent to ~₹11.82 crore, has enhanced group's K-12 supplementary publishing portfolio across Singapore and the IGCSE and IB curricula. The Group has also diversified into content licensing for generative AI and LLM applications, leveraging its repository of educational content.

Key weaknesses

Seasonality of business resulting in working capital intensive operations

As the Group predominantly caters to the education sector, it witnesses maximum demand in the fourth quarter of the financial year (which precedes start of an academic year in CBSE/ICSE affiliated schools). Consequently, ~70% of SCCL's annual revenue is booked in the last quarter. The seasonality requires the Group to undertake printing and production activities in advance, resulting in inventory build-up in the first nine months of the fiscal year. Receivables also peak at year-end, leading to a stretched gross operating cycle of ~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 periods over the last five years, resulting in operating cycle of 129 days as on March 31, 2026 (PY: 131 days). The collection period of the company stood elongated at 112 days, mainly due to shifting of certain collections from the digital business to the subsequent quarter and delays in collections from the Middle East amid ongoing geopolitical conflicts. Inventory days improved but remained elevated at 92 days, primarily due to higher finished goods inventory following the rollout of NCF.

Competitive and fragmented industry

SCCL's primary segment is K-12 which accounts for ~80% of the operating income for the group. However, this segment is diverse and intensely competitive due to presence of various 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 like 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. However, the Group has been able to improve its market presence through its distribution reach, brand portfolio and strategic acquisitions. The continuing shift in enrolment from government schools to private schools is expected to support demand prospects for private publishers, given the Group's penetration in the private school segment, pan-India distribution network and established relationships with schools.

Exposure to digital transformation and regulatory changes

The Group remains exposed to the evolving shift towards digital content and changes in education policies and curricula. While the rollout of the revised NCF/NEP curriculum is expected to support volumes in the near-to-medium term, the ability to adapt to changing content formats and liquidate old-curriculum inventory without significant write-offs remains a key monitorable.

Susceptibility of profitability to raw material price volatility

The Group's profitability remains susceptible to raw material price volatility, particularly paper, which is the key raw material for its publishing operations. Raw material costs, including purchases of traded goods, publication costs and royalty, account for ~40% of TOI. Paper prices remain exposed to fluctuations in global demand-supply dynamics and pulp availability, which is influenced by agro-based cultivation. However, the Group's integrated procurement process and established relationships with domestic suppliers provide economies of scale and enhance its bargaining power, partly mitigating the impact of raw material price volatility.

Liquidity: Adequate

S. Chand Group's liquidity position remains adequate, supported by healthy cash accruals and prudent cost management. In FY27, the Group expects to generate gross cash accruals (GCA) of ~₹125 crore against modest debt repayment obligations of ₹6.30 crore. The Group's operating cash flows have remained positive over the years and stood at ₹75.78 crore in FY26, compared to ₹94.21 crore in FY25. The liquidity profile is further supported by a current ratio of 2.71x as on March 31, 2026 (PY: 2.86x), and unencumbered cash and liquid investments of ₹117 crore as on the same date.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Withdrawal Policy
Service Sector Companies
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Media, entertainment & publication	Printing & publication	Printing & publication

Part of the S. Chand Group, SCCL is one of India's leading schoolbook and technical book publishers. Incorporated in 1970, the company primarily publishes academic and educational content through its subsidiaries, with a strong focus on K-12 books for CBSE-affiliated schools. Its portfolio also includes competitive exam, technical and professional, higher academic books, and digital learning solutions. The Group has expanded its product portfolio and market reach through strategic acquisitions and investments in digital education solutions.

Brief Financials- Consolidated (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY27 (UA)
Total operating income	719.66	798.75	114.55
PBILDT	135.42	145.00	-9.67
PAT	60.23	73.14	-18.73
Overall gearing (times)	0.12	0.14	NA
Interest coverage (times)	10.50	10.33	-3.37

A: Audited; UA: Unaudited; NA: Not Available Note: these are latest available financial results
PBILDT: Profit before interest, lease rentals, depreciation and tax; Q1FY27 refers to April 01 to June 30.

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple	-		-	-	80.00	CARE A; Stable
Fund-based - LT-Cash Credit	RBI	Simple	-		-	-	20.00	CARE A; Stable
Fund-based - LT/ ST-Working Capital Limits	RBI	Simple	-		-	-	20.00	CARE A; Stable / CARE A1
Non-fund-based - ST-Bank Guarantee	RBI	Simple	-		-	-	3.00	CARE A1
Fund-based - LT-Term Loan	RBI	Simple	-		-	31-03-2026	0.00	Withdrawn

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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	80.00	CARE A; Stable	-	1)CARE A; Stable (05-Aug-25)	1)CARE A-; Positive (04-Jul-24)	1)CARE A-; Stable (29-Aug-23)
2	Non-fund-based - ST-Bank Guarantee	ST	3.00	CARE A1	-	1)CARE A1 (05-Aug-25)	1)CARE A2+ (04-Jul-24)	1)CARE A2+ (29-Aug-23)
3	Fund-based - LT-Cash Credit	LT	20.00	CARE A; Stable	-	1)CARE A; Stable (05-Aug-25)	1)CARE A-; Positive (04-Jul-24)	1)CARE A-; Stable (29-Aug-23)
4	Fund-based - LT/ ST-Working Capital Limits	LT/ST	20.00	CARE A; Stable / CARE A1	-	1)CARE A; Stable / CARE A1 (05-Aug-25)	1)CARE A-; Positive / CARE A2+ (04-Jul-24)	1)CARE A-; Stable / CARE A2+ (29-Aug-23)
5	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE A; Stable (05-Aug-25)	1)CARE A-; Positive (04-Jul-24)	1)CARE A-; Stable (29-Aug-23)

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

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Lender details

To view lender-wise details of bank facilities please click here

Annexure-5: 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	Convergia Digital Education Private Limited	Full	Subsidiary
5	BPI (India) Private Limited	Full	Subsidiary
6	Safari Digital Education Initiative Private Limited	Full	Subsidiary
7	S. Chand Edutech Private Limited	Full	Step-down subsidiary
8	Indian Progressive Publishing Company Private Limited	Full	Step-down subsidiary
9	Shri Shyamlal Printing Press Private Limited	Full	Step-down subsidiary
10	Edutor Technologies India Private Limited	Full	Step-down subsidiary
11	CPD Singapore Education Services Pte. Limited (w.e.f. 29 January 2026)	Full	Step-down subsidiary

Note on complexity levels of rated instruments: CareEdge 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.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Saikat Roy Senior Director **CARE Ratings Limited** Phone: +91-22-6754 3404 E-mail: saikat.roy@careedge.in	Sachin Mathur Director **CARE Ratings Limited** Phone: 91-120-4452054 E-mail: sachin.mathur@careedge.in Sandeep Aggarwal Associate Director **CARE Ratings Limited** Phone: 91-120-4452000 E-mail: Sandeep.aggarwal@careedge.in Rohit Bhatia Lead Analyst **CARE Ratings Limited** E-mail: Rohit.Bhatia@careedge.in

About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

For detailed Rating Report and subscription information, please visit www.careratings.com