

S Chand and Company Limited

August 26, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Short-term Bank Facilities- Commercial Paper issue*	-	-	Withdrawn

*carved out of the sanctioned fund-based working capital limits of the company.

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has withdrawn the rating assigned to the Commercial Paper issue of S Chand and Company Limited (SCCL) with immediate effect. The above action has been taken at the request of the company and there is no amount outstanding against the CARE rated instrument.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of Ratings](#)

About the Company

SCCL belongs to the S. Chand Group of companies which was founded by Late Mr Shyam Lal Gupta and is one of the leading school book and technical book publishers in India. SCCL was incorporated as a private limited company in 1970. SCCL is engaged in the publishing of mainly academic books and other educational services through its subsidiaries. SCCL sells products in the following categories- competitive exams & reference books, technical & professional books, KG to 12th school books, 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). SCCL, over the years, has also grown inorganically by executing various key acquisitions to expand its product offerings and also enhance its digital learning solutions for government, private and engineering schools.

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Brief Financials (Consolidated Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	528.14	434.50
PBILD	-24.27	-16.60
PAT	-66.92	-111.47
Overall gearing (times)	0.29	0.36
Interest coverage (times)	NM	NM

A: Audited; NM: Not Meaningful

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Commercial Paper	-	-	-	0.00	Withdrawn

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	39.50	-	1)CARE A; Negative (07-May-20)	1)CARE A; Stable (06-Feb-20) 2)CARE A; Stable (22-Jul-19) 3)CARE A; Stable (06-Jun-19)	1)CARE AA-; Stable (31-Dec-18)	1)CARE AA-; Stable (07-Nov-17)
2.	Non-fund-based - ST-Bank Guarantees	ST	3.00	-	1)CARE A1 (07-May-20)	1)CARE A1 (06-Feb-20) 2)CARE A1 (22-Jul-19) 3)CARE A1 (06-Jun-19)	1)CARE A1+ (31-Dec-18)	1)CARE A1+ (07-Nov-17)
3.	Fund-based - LT-Cash Credit	LT	40.50	-	1)CARE A; Negative (07-May-20)	1)CARE A; Stable (06-Feb-20) 2)CARE A; Stable (22-Jul-19) 3)CARE A; Stable (06-Jun-19)	1)CARE AA-; Stable (31-Dec-18)	1)CARE AA-; Stable (07-Nov-17)
4.	Commercial Paper	ST	-	-	1)CARE A1 (07-May-20)	1)CARE A1 (06-Jun-19)	1)CARE A1+ (31-Dec-18)	1)CARE A1+ (07-Nov-17)

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

Annexure 4: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Commercial Paper	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact

Mradul Mishra

Contact no. – +91-22-6837 4424

Email ID – mradul.mishra@careratings.com

Analyst Contact

Group Head Name - Ms Ravleen Sethi

Group Head Contact no.- 011- 45333251

Group Head Email ID- ravleen.sethi@careratings.com

Relationship Contact

Name: Swati Agrawal

Contact no. : +91-11-4533 3200

Email ID: swati.agrawal@careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**