

Date: August 12, 2025

To Listing Department BSE Limited 25 th 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 – Q1FY26 - pursuant to Regulation 30 of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

The Company organized a conference call for the Analysts and Investors on Monday, August 11, 2025 at 12:30 P.M. to discuss the unaudited financial results for the quarter ended June 30, 2025. 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.

Request you to kindly take note of the same.

Thanking You.

Yours Sincerely,

For S Chand And Company Limited

Jagdeep Singh
Company Secretary
Membership No: A15028
Address: A-27, 2nd Floor,
Mohan Co-operative Industrial Estate,
New Delhi-110044



Encl: as above

S Chand And Company Limited Q1 FY26 Earnings Conference Call

11th August 2025

Hosted by PL Capital

Moderator:

Ladies and gentlemen, good day and welcome to S Chand And Company Limited Q1 FY26 Investor Conference Call. 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 this conference call, please signal an operator by pressing * then 0 on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Stuti from P.L. Capital. Thank you and over to you ma'am.

Ms. Stuti – P.L. Capital:

Thank you. On behalf of P.L. Capital, I welcome you all to the Q1 FY26 earnings call of S. Chand Limited. We have with us the management represented by Mr. Himanshu Gupta - MD, Mr. Saurabh Mittal - CFO and Mr. Atul Soni - Head of Investor Relations, Strategy and M&A. I would now like to hand over the call to the management for their opening remarks, after which we can open the floor for Q&A. Thank you and over to you, sir. Thank you.

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

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 FY26 and thank you all for taking the time-out and joining us here today.

Q1FY26 was steady quarter for the School and Higher Education segments. There was a shift in the content licensing (AI Datasets) revenues from Q1 to Q2 which led to lesser Revenues in that segment during Q1 vs. last year. Do keep in mind that the Content Licensing (AI Datasets) revenue stream does not follow a seasonal sales cycle like our traditional Education content businesses.

In terms of the working capital, we continued the great work by delivering the lowest working capital metrics for Q1 in the company's history. We continued our strong cash flow generation and increased our cash reserves at the end of the quarter with an increased net cash balance of Rs1,161m (Vs. Q4FY25: Rs1,036m), after distribution of dividend of Rs141m.

Our new product releases MyZen had a very encouraging response in its first academic season. CUET-UG online courses also were launched in Q4 FY25 and continued in Q1FY26, with a steady response from students, with some of them achieving success from our CUET-UG courses and Mock Tests. We have now launched CUET-UG and Class 12 online courses to enable students a more cohesive study plan under TESTCOACH.

We at S Chand consistently engages with all our stakeholders throughout the year. In the coming few months we have an active engagement calendar lined up like our Product Briefing for our top Channel Partners, Best Practises in Education Visit to Singapore for School owners and Principals, Connecting with the Teachers, Head of Departments and Students in schools through events like Math Summit, Hindi Diwas, Bhasha Mela, Knowledge Quest Quiz, Teachers Conclave etc.

On the Operational front, our New Warehousing Facility is now functional. The integrated Press project is also underway, and it would be completed over the next 12 months. This should lead to considerable benefits for the group in terms of Improving efficiency during peak season and Implementation of best practices for Warehousing including Warehouse Management Solutions, Automation etc.

Looking ahead, we expect NCERT to release books on the new syllabus for Class 4th, 5th, 7th and 8th over the course of the year. We expect the full adoption of the new syllabus books by FY27 and are fully equipped to utilize this opportunity over the next 2 sales seasons

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 And Company Limited:

Thank you, sir. Good Afternoon everyone and thank you for your time. I am Saurabh Mittal, Group CFO of S Chand and Company Limited.

Now coming to numbers for the quarter, we reported consolidated revenues of Rs1,026 million, EBITDA Loss of Rs91 million and a PAT Loss of Rs141 million.

The decline in revenues and profitability was driven by a shift in the content licensing (AI Datasets) revenues from Q1 to Q2 which led to lesser revenues in that segment vs. last year. We had content licensing (AI Datasets) revenues of Rs30m during Q1FY26 vs. Rs115m in Q1FY25. This also impacted the P&L in the quarter. We expect this revenue to be recuperated in Q2 and to further build on this vertical.

One of the strongest features of the results is our working capital metrics – Receivable Days, Inventory Days and Net Working Capital (NWC) days which are at historic lows for Q1 in the company's history.

- Our Q1 receivable days were at 89 days (vs. 92 days in Q1FY25).
- Our Q1 inventory days were at 218 days (vs. 261 days in Q1FY25).
- Our Q1 Net Working capital days was at 119 days (vs. 132 days in Q1FY25).

I would like to bring your attention to Slide no 7 to slide no 9 which showcases the results of the steps taken during the past five years towards building a cost effective and lower working capital organisation with focus on positive cash flows.

Trade Receivables stood at Rs1,739m during Q1FY26 vs. Rs1,663m during Q1FY25.

- In terms of receivable days, it stood at 89 days (vs. 92 days in Q1FY25), a reduction of 3 days over the previous year. This is the lowest receivable days in Q1 in the company's history.
- Inventory decreased to Rs1,386m (vs Q1FY25: Rs1,588m) on back of lower level of raw paper inventory. This inventory level includes raw material paper inventory of Rs279m (vs. Q1FY25: Rs485m). Finished goods inventory was almost at the same level as last year.
 - In terms of inventory days, it stood at 218 days (vs. 261 days in Q1FY25), an decrease of 43 days over last year.
- Net Working Capital reduced to 119 days (vs. 132 days in Q1FY25) which is a reduction of 13 days over the previous year. This is the lowest net working capital days in Q1 in the company's history.

We continue to generate and build on our Cash Reserves at the end of June 2025 on back of strong collections. Our Net Cash Position stood at Rs1,161m (vs. Net Cash position of Rs1,036m in Q4FY25), after dividend payment of Rs141m.

As we continue into FY26, I would like to reiterate for this year-:

- Firstly, we are looking to grow Operating revenues in excess of Rs8,000 million for the year.
- Secondly, we have upgraded our EBITDA margin band guidance to 18%-20% (vs. 17%-19% guidance Last year).
- Thirdly, we look forward to continuing our focus on working capital metrics and cash flows.
- Fourthly, we are actively engaged in M&A opportunities which fill in the gaps in our portfolio. We aim to leverage our Group's strengths in such acquisitions to deliver superior value to our customers and stakeholders.
- Continue to Build on the Content Licensing (AI Datasets) opportunities of our repositories.

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

Question & Answer Session:

Moderator:

Thank you very much. We will now begin the Question & Answer session. Anyone who wishes to ask a question may press * and 1 on their touchtone telephone. If you wish to remove yourself from the question queue, you may 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 Amit Agicha from HG Hawa. Please go ahead.

Mr. Amit Agicha – HG Hawa:

Yeah, Good afternoon, sir. Thank you for the opportunity. Sir, what is the total CapEx outlay for FY 2026 and 2027?

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

It's about Rs35 crores to Rs40 crores for the next 2 years.

Mr. Amit Agicha – HG Hawa:

So, you are saying 35 to 40 crores, right?

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

Yes.

Mr. Amit Agicha – HG Hawa:

Is this for the Integrated Warehouse project?

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

Your voice is breaking up; can you repeat your question? So, we are not building our own warehouse. Basically, we have set up our integrated warehouse already. Since it's leased, so it's not CapEx heavy. So, the main CapEx will come in next year when we are setting up the printing press. So, because of the new setup, there the CapEx will be slightly higher next year.

Mr. Amit Agicha – HG Hawa:

Sir, how much efficiency gain is expected?

Moderator:

Amit sir, your voice is breaking.

Moderator:

Amit sir, your voice is not clear.

Mr. Amit Agicha – HG Hawa:

Am I clear?

Moderator:

No, sir.

Mr. Amit Agicha – HG Hawa:

Okay, I will rejoin the queue.

Moderator:

Okay, sir. Ladies and gentlemen, to ask a question, please press * and 1 now. Participants who wish to ask questions may please press * and 1 at this time.

The next question is from the line of Aryaman from Prudent IM. Please go ahead.

Mr. Aryaman – Prudent IM:

Hi, sir. Can you maybe just give some light on the NCERT updates? What's the timeline we can see here for the other classes? So, we are only done with Class 3rd and 6th. So, maybe for the other classes for say, this year and plus the next two years. That will be helpful. Thank you.

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

So, as we have said that syllabus for Classes 4th, 5th, 7th and 8th will be released by NCERT over the course of this year. That's what we are hoping. And the rest of the classes will be done by the next year. So, I think the whole bunch of books on the new syllabus would be completed by FY27.

Mr. Aryaman – Prudent IM:

Okay, got it. Thank you.

Moderator:

Thank you, sir. Ladies and gentlemen, to ask a question, please press * and 1 now. Participants who wish to ask questions, may please press * and 1 at this time.

The next question is from the line of Nishita from Sapphire Capital. Please go ahead.

Ms. Nishita – Sapphire Capital:

Yes, hi. Can I get an update on any acquisitions that you may have planned?

Moderator:

Sorry to interrupt, your voice is not clear.

Ms. Nishita – Sapphire Capital:

Hello, am I audible now?

Moderator:

No, ma'am, your voice is breaking.

Ms. Nishita – Sapphire Capital:

Okay, I'll join back the queue then.

Moderator:

Thank you, ma'am. Ladies and gentlemen, to ask a question, please press * and 1 now. Participants who wish to ask questions, may please press * and 1 at this time.

The next question is from the line of Amit Agicha from HG Hawa. Please go ahead.

Mr. Amit Agicha – HG Hawa:

Yeah, thank you for the follow up. With the net working capital and the receivables and inventory are all reducing, would it be possible to improve it further, or can it be sustained?

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

Yeah, it is more sustainable, and of course, we're looking to reduce it further also, because we feel there is some scope in the inventory levels. And it's a continuous improvement, and we hope to improve it a bit further.

Mr. Amit Agicha – HG Hawa:

And the follow-up I had with the previous question was regarding the Capex of Rs35 crores to Rs40 crores over the next 2 years that we would be doing for the integrated warehouse and press. So my question was how much overall efficiency would you expect from this?

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

Overall, I would say the efficiency in terms of production, there would be some tangible, some intangible benefits. In terms of tangible, since the production process would be a bit more easy flowing.

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

Yeah, the efficiency would improve, so I think there will be an advantage in terms of production, turnaround time, plus the quality of the books. Plus, what had happened over the past couple of years is that we had not added any new machine over the last 7-8 years, so we are adding 2-3 machines now, and we have no space constraint now, and the warehouse and the plant would be integrated, so that advantage would be there. So, I think overall, there would be a 15% to 20% advantage in terms of production capacity increase, plus efficiency, plus cost advantages. Exact figures, as of now, it's very difficult to share right now. But as of now, it will be tangible and intangible both, but there will be a substantial improvement in the next 2-3 years, in the production and efficiency of the company.

Mr. Amit Agicha – HG Hawa:

What are the total number of employees currently?

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

Around 1,900. Close to 2,000.

Mr. Amit Agicha – HG Hawa:

Yeah, thank you for your reply, sir. All the best for the future.

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

Thank you.

Moderator:

Thank you, sir. Ladies and gentlemen, to ask a question, please press * and 1 now. Participants who wish to ask questions, may please press * and 1 at this time.

The next question is from the line of Shubham from SiMPL. Please go ahead.

Mr. Shubham – SiMPL:

Yeah, thanks for the opportunity. I just had two questions. So, first question is, the guidance that you have given for this year, that we will be crossing or reaching Rs800 crore in revenue, and our EBITDA margins would be around 17% to 19%. So, could you just elaborate on both of them? Like, how are we looking forward to achieving these figures?

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

So, I mean, you said Rs. 800 crore, which is almost 10-11% growth over last year. So, that should be done. That shouldn't be an issue. In terms of EBITDA margin guidance, we have guided for 18% to 20%, and not 17% to 19%. We expect our gross margins to be slightly better as paper prices are a tad lower than last year. And of course, our digital data licensing revenue which have higher gross margins should also add to that.

Mr. Shubham – SiMPL:

Okay, got it. And you mentioned that we are looking at M&A options as well. So, is that into any specific domain?

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

Those acquisitions would be basically in areas where we feel the company has gaps. And these acquisitions would be small in terms of revenues and in terms of size with the idea to basically fill in the gaps where the company does not have the product or the reach in the market.

Mr. Shubham – SiMPL:

Okay, got it. I will just get back in queue.

Moderator:

Thank you, sir. The next question is from the line of Niteen from Aurum Capital. Please go ahead.

Mr. Niteen - Aurum Capital:

Yeah, thank you for the opportunity. I also wanted to know more about the acquisition. Is there any company finalized? In which geography we are looking for? Any specific segment? If you can elaborate more on the strategy for this acquisition that we are looking for. What is the size that we are looking for? Will it be in the publishing sector?

Within publishing sector if you are looking for any specific area? Things like that. Because you mentioned in the presentation that you want to fill the gap. So, if you can elaborate more on that, it will be helpful. This is the only question I have. Thank you.

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

So, Niteen, one opportunity I think we've already disclosed. There is diligence going on in one of them, which is in the Test Prep segment. We are looking at two other opportunities as well. One is in the International Board segment, which is a small one, and one is in the regional segment. So, these are smaller ones that we are looking at right now, not very huge. In total, I think the revenue size of all of these should be less than Rs50 crores for all three of them together.

Mr. Niteen - Aurum Capital:

And this acquisition will be through internal accruals or we'll be raising any debt?

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

No, all internal accruals. We already have about Rs116 crores of cash surplus. We estimate that the maximum payout should be around Rs50crores - Rs60 crores.

Mr. Niteen - Aurum Capital:

Got it. Thank you.

Mr. Atul Soni - Head, Investor Relations, Strategy and M&A, S Chand And Company Limited: Just to add, these are in various phases of evaluation. So, it's not as if they're confirmed as of now. We are undergoing the due process for it. So, as and when any concrete news is there, then it will be given to the exchanges.

Mr. Niteen - Aurum Capital:

Got it. Thank you so much. Wishing you best.

Moderator:

Thank you, sir. Ladies and gentlemen, to ask a question, please press * and 1 now. Participants who wish to ask questions, may please press * and 1 at this time.

The next question is from the line of Nishita from Sapphire Capital. Please go ahead.

Ms. Nishita – Sapphire Capital:

So, I had a question about the CapEx.

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

Yeah, please go ahead.

Ms. Nishita – Sapphire Capital:

With the Rs35 crores to Rs40 crores CapEx in the next two years, how much is the peak revenue that you can get after the CapEx is done?

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

So, that CapEx has no direct relation to revenue because CapEx, again, is on the printing press and warehousing. And so, that's not really a constraint in terms of revenue. So, revenue will go according to its own pace. It's not really directly related to the CapEx.

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

This capex is going to support the business in terms of back-end support, in terms of warehousing and printing and logistics and everything. So, we feel efficiency will be improved. And if new companies or new acquisitions happen, we can support them as well. So, I think the capacities that we will have, will suffice for next 8 to 10 years in terms of infrastructure. There shouldn't be any problem in the next 10 years.

Ms. Nishita – Sapphire Capital:

Okay, thank you so much.

Moderator:

Thank you, ma'am. The next question is from the line of Arihant from BowHead. Please go ahead.

Mr. Arihant – Bowhead:

Hi, sir. Thanks for taking my question. Sir, I just wanted to know regarding paper prices. Since the start of this year, since April '25, what would have been the rise or fall in paper prices in percentage terms? And how do you see the trend going forward in the next 3 to 4 months?

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

So, paper prices have been soft, thankfully. And we have seen a decline of 5% to 7%. Right now, the paper prices are stable. And we are not expecting too much increase in the paper prices. Depending on the foreign policies also, tariffs and everything, that will also determine the paper prices. So, it's very difficult to say as of now what will be the paper prices in the next 3 to 4 months. But I personally feel it will be on the soft side only.

Mr. Arihant – Bowhead:

Okay, sir. And regarding the... Has the government come out with the NCERT books for class 4, 5, 7, 8?

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

Yeah, that's what I said earlier in my opening remarks, 4, 5, 7, 8 is coming out.

Mr. Arihant – Bowhead:

Okay, got it. Thank you, sir.

Moderator:

Thank you sir. Ladies and gentlemen, to ask a question please press * and 1 now. Participants who wish to ask questions, may please press * and 1 at this time.

The next question is from the line of Viraj from SiMPL, please go ahead.

Mr. Viraj – SiMPL:

Yeah, thanks for the opportunity, sorry I missed the opening remark, what you just said is 4, 5, 7, 8 standards will get implemented in 2026, right?

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

Yeah, 2026, not financial year, 2026-2027 academic year.

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

Which basically means sales in FY26.

Mr. Viraj – SiMPL:

So, sales will be reflected in Q4-26, right?

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

Yes, absolutely.

Mr. Viraj – SiMPL:

Okay, so if I look at the 10% growth we talked about, can you give some deeper construct in terms of volume versus price. How are we looking at it internally?

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

So, pricing is about 4%-5%, and then rest of it is volume, about 6-7% volume growth.

Mr. Viraj – SiMPL:

Okay, but typically what we have seen in the past also, the higher standards as we go for a curriculum change, the delta in terms of volume is much larger. So, this time it does not seem to be that way. And with NCERT curriculum change happening after a long time under NEP, the digital component was also supposed to be a key value driver, but we are not seeing that as well. So, just trying to understand what has changed? Is it competition intensity being very high? Any colour you can give?

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

The implementation of NCERT has taken a long time and it is quite delayed, and it is coming in broken pieces. So, it is not coming in one go. It is coming in different classes, one class, two class, three class etc. So, that whole effect of NCERT is not coming up as we were expecting over a short 2-3 years period of time. But still, we are growing in this tough market in terms of volume also, and we feel we will continue to grow. But I would say that it will still take some time to see the full potential of NCERT because of the

whole issue with the government that they are coming in piecemeal, very small piecemeal portions.

Mr. Viraj – SiMPL:

But these will be full standards going under the new NEP, right?

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

Yes.

Mr. Viraj – SiMPL:

And post this, what other standards will be left remaining?

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

So, they will be also looking to change the books of 9th to 12th syllabus also. So, that will come later.

Mr. Viraj – SiMPL:

Okay, just can you give some more perspective on the competitive landscape for NCERT related segment for CBSE? How do you see that?

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

NCERT is a government body and that is also one of our competitors. But there are lots of private players who are in this segment as well. There are smaller players also, bigger players also, organized players also, unorganized players. It is a very diversified, unorganized market, I would say, overall. And we being the largest there, we get an advantage of our brand, of our relationship with the schools, of our product portfolio and our teams. But obviously, the market is tough because so many players are in the market. So, everybody wants to bring out new products, new services for the customer and we are doing the same. But we definitely deliver what we commit, and that is what our advantage has always been, in terms of good quality content, good quality books and good quality service to our customer, and that will always remain. So, we believe that is our edge. And competition is there and will always remain. So, that is the way it is.

Mr. Viraj – SiMPL:

Sir, see in the past we talked about government NCERT books having a share of somewhere around 35-40% of the overall market. And within private players also, if you see, our communication in the past was that with NEP, the requirement of digital tools and digital content will be quite significant, and not many small or unorganized players would be able to compete in the market, and that the industry itself should see some consolidation. But from what we understand from the communication now, it does not seem to be the case. The competition intensity still remains very high. So, just trying to understand what has really changed which is driving this still high competition intensity.

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

I don't know when we said that competition won't affect the market and won't affect us. I don't possibly remember saying that. But communication is always there and we always have an edge over the market, because being a larger player, being a branded player and being a good quality player, that advantage is still there. If that advantage was not there, we would not have grown in volume and in terms of expecting higher price. But that advantage is there. But still, we have to understand the market is quite disorganized. So, there are lot many players in the market who also bring out products, maybe not of that good, great quality.

As for digital we expected that people will use a lot of digital, but the digital usage in schools is not to that level. People want to get digital products, but they are not using it to that degree. We are giving it. It's not that we are not giving it. But people are not still using it.

Mr. Viraj – SiMPL:

Understood, sir. Thank you very much. Good luck.

Moderator:

Thank you, sir. Before we take the next question, we would like to remind participants that you may please press * and 1 to ask questions.

The next question is from the line of Aryaman from Prudent IM. Please go ahead.

Mr. Aryaman – Prudent IM:

Thanks for the follow-up. I just wanted a clarification. So, for Classes 4, 5, 7, 8 announcements, do we expect that in FY26 or calendar year 2026?

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

Sorry, I didn't get the question.

Mr. Aryaman – Prudent IM:

So, we said that we are expecting the Class 4, 5, 7, 8 announcements. Did you mean calendar year 2026 or financial year 2026? Just a clarification.

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

Financial year 2026.

Mr. Aryaman – Prudent IM:

Financial year 2026. Okay. And do we expect anything this calendar year?

Mr. Atul Soni - Head, Investor Relations, Strategy and M&A, S Chand And Company Limited:

I think it is a government issue. So, I mean, it will be very difficult for us to call out if it happens in December of '25 or January of '26 or February of '26. We would not like to

call that out. This is our sense. That basically, before we enter our sale season or during our sale season also, these books for these classes will be released.

Mr. Aryaman – Prudent IM:

Okay. So, basically, our cut-off date is more or less something like November, December, right, if we want to sell for the next academic year, essentially?

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

Hopefully, hopefully.

Mr. Aryaman – Prudent IM:

Thanks a lot. Thank you, sir.

Moderator:

Thank you, sir. Before we take the next question, we would like to remind participants that you may please press * and 1 to ask questions.

The next question is from the line of Henil Bagadia from Equicorp. Please go ahead.

Mr. Henil Bagadia – Equicorp:

Thank you for the opportunity. So, I just needed some little more information and clarification. So, as we said that 4, 5, 7, 8 is going to come in FY26. So, I think so to start, from 4th standard to 8th standard is going to be complete. So, I mean, when this pie is complete, and as you said that the standards implementation has not been even, and that is also one of the reasons why the NEP and the new curriculum is not... the sales have not... the volume has not grown. So, I mean, what is your take on that? And when do you see the 9th and 10th curriculum coming into implementation?

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

9th to 12th curriculum would not be coming in this financial year. It will be coming hopefully in FY27 or the next financial year. That was the second question you had.

And the first question, Classes 4, 5, 7, 8, we hope that gets implemented and that should help us in selling the new books. But we have been conservative, and we are not sure of the government policies. When do they bring out? What time do they bring out? What do they do? These are all ifs and buts. But we hope that... when the full implementation of the syllabus comes in, that will also help us in picking up volumes. But because this process has been too slow and fragmented, it has not given us the necessary results that we were hoping for last two years back.

Mr. Henil Bagadia – Equicorp:

So, just getting a little deeper into this. Sir, when you see the curriculum implementation of Classes 4, 5, 7, 8 happening this year, I think there should be some clarification when we are sitting in Q2. Because, I mean, Q2 and Q3 is going to be... I mean, you are going to write the entire curriculum from your authors, and then the end of Q3 is also going to

be on the side of printing, and Q4 is going to be on the side of distribution and getting the sales. So, I mean, there should be more clarity at this point of time, right?

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

Friend, this is not in our hands. That is from the government's point of view. We cannot tell the government that we must print or we have to sell; we cannot tell the government that. That the government will decide itself. And whatever they decide, we will follow by it. It is not a figure that we are talking about. It is our sense that we are talking about. It is not a guaranteed thing.

Mr. Atul Soni - Head, Investor Relations, Strategy and M&A, S Chand And Company Limited:

That is also from our side. You know, our books are ready with the new curriculum. So, it is not as if once those books come out, then we start to work. So, our books are ready for these classes as well.

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

But we need to tweak them as per the need of the books, of the syllabus.

Mr. Henil Bagadia – Equicorp:

So, even if the government notification is a bit late, I mean, we can manage it in time and we can get it to the distribution?

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

Hopefully. Hopefully. All this depends on the timing. If it comes before December, then it will be easier. It comes after December; it will become little tough.

Mr. Henil Bagadia – Equicorp:

Okay. Sir, there was news that there was shortage of some NCERT books around Delhi and UP area which has got, I mean, a good density of CBSE schools. So, I mean, what is your take on that? Somewhere in July this was in news.

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

So, NCERT books are always in shortage only. It is nothing new. I have been seeing it from the last 25 years since I have joined this business. And there are a lot of even pirated books available for NCERT; a lot of piracy happens. So, this is a thing which has been going on for a long time. And how does the government control it, they know it better. But this issue has been there for a long time. It has not cropped up now but rather it crops up all the time.

Mr. Henil Bagadia – Equicorp:

Okay. Okay. Thanks a lot, sir.

Moderator:

Thank you, sir. Ladies and gentlemen, to ask a question, please press * and 1 now. Participants who wish to ask questions, may please press * and 1 at this time.

The next question is from the line of Jayesh Shroff from Cask Capital. Please go ahead.

Mr. Jayesh Shroff – Cask Capital:

Yeah, hi. Thanks for taking my question. I had a slightly longer-term question. Now that you are saying that since there has been a staggered implementation of the new curriculum and that is not giving us the desired result. So, post this implementation, which would hopefully end this or maybe next academic year and for us this calendar year, where do you see the growth trajectory for the company?

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

So, it is very difficult to say as of now where the growth trajectory will be. But we feel that we would be on the positive side only. What will be the exact numbers? What will be the growth numbers? That is very difficult to say as of now because the full implementation has still not happened. And we will be able to only analyse it when it fully happens, and then we will be able to sit with our teams and understand what the market situation would be at that time. So, it will be very, I would say, early to say anything about it. But I personally feel it will be on the positive note only.

Mr. Jayesh Shroff – Cask Capital:

Why I am asking this is, because we significantly delivered lower than what we were expecting in terms of growth now, when the new curriculum implementation is going on. So, post that, you think that there is going to be a steep cliff in terms of growth going ahead?

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

So, in terms of growth, see, we are looking at multiple things. It is not completely dependent upon the NCERT K-8. We also are looking at M&A. We are looking at other verticals. We have started CUET coaching, we have got AI dataset licensing that is going on. So we are looking at other multiple verticals to also further the growth for us.

Mr. Jayesh Shroff – Cask Capital:

Okay. Just one more thing. In terms of our AI content business, where we have seen some deferrals from this quarter to next quarter. Do you have any idea how long this revenue stream will last or how big it can become?

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

Yes, the potential is huge. Last year, we were speaking to just two companies. At present, we are speaking to seven companies. So, things are at various stages. We've offered our content to multiple people. Decisions are being a bit here and there. But I think the opportunity is huge. It is not only about our basic datasets; it is about converting into a little more complex dataset. So, we are speaking to a lot of people. And the opportunity is there for the next 2-3 years at least.

Mr. Jayesh Shroff – Cask Capital:

Okay. And in of annual revenues, you think it could be significantly higher than what we have done maybe last year?

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

It should be. It should be.

Mr. Jayesh Shroff – Cask Capital:

Okay. And as you screen your content on this AI side, how does this whole billing and business work? Can you give some idea in terms of how this business works? And we know NCERT business where you create content, you sell textbooks. But AI business, how does it actually work?

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

Yes. So, you engage with these companies, you understand what their requirement is, you see what you have within your organization in terms of content, you see what you can source for them from outside. In the last 12 months, we've sourced almost 40% of the content from outside. Basically, it's meeting your customer's requirements and then trying to sell it to them. You're servicing their requirements at the moment.

Mr. Jayesh Shroff – Cask Capital:

Okay. But largely it is our own content which we recycle, right?

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

Initially, yes. But now it's almost 50-50.

Mr. Jayesh Shroff – Cask Capital:

Okay.

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

So, currently, we are sourcing also and we are generating our own content. We are, I would say, reworking on our content also; some parts of our content, maybe images, maybe text, maybe question banks. So, from our own content also, we have to generate more data sets out of that.

Mr. Jayesh Shroff – Cask Capital:

All right. So, is it safe to assume that the margins from this business, as we outsource more, would ease off over a period of time?

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

They will be substantially good.

Mr. Jayesh Shroff – Cask Capital:

No, of course, they'll be good.

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

There's no inventory. There is no sales returns etc...

Mr. Jayesh Shroff – Cask Capital:

Compared to what we've seen last year, where maybe we've used most of our content. As you say, that we outsource more, should the margins also tip over?

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

So, last year, we rarely used maybe 10% of our content that we licensed. So, we licensed about 8% to 10% of our content. The potential is still a lot more. And what we understand is, it's getting more vernacular right now rather than just English.

Mr. Atul Soni - Head, Investor Relations, Strategy and M&A, S Chand And Company Limited:

No, but just to come to your point, I think your question was more about the margin part. So, see, the margins for own content will always be higher than the outsourced content.

Mr. Jayesh Shroff – Cask Capital:

Yes. Okay.

Mr. Atul Soni - Head, Investor Relations, Strategy and M&A, S Chand And Company Limited:

That doesn't change. The ratio of own content versus outsourced content will define the final margins. But as a trajectory, this rule will always stay.

Mr. Jayesh Shroff – Cask Capital:

All right. Just one last thing from here. So, as you outsource our own content, there is no exclusivity or no second use or no third use or any of those things?

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

These are all non-exclusive.

Mr. Jayesh Shroff – Cask Capital:

Okay. So, theoretically, we can sell our content to maybe 100 guys, 50 guys, whatever that number may be.

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

Yes. Yes.

Mr. Jayesh Shroff – Cask Capital:

Okay. All right. Thank you so much. My questions have been answered.

Moderator:

Thank you, sir. Ladies and gentlemen, to ask a question, please press * and 1 now. Participants who wish to ask questions, may please press * and 1 at this time.

The next question is on the line of Niteen from Aurum Capital. Please go ahead.

Mr. Niteen – Aurum Capital:

Yeah, yeah. Thank you for the opportunity. Just one clarification regarding the AI content that we are supplying. So, is there any recurring revenue for the same content that we have supplied? So, for example, we have supplied some content this year. Will there be any recurring revenue from the same client for the same content next year?

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

Yeah, in one client, yes. Others are perpetual. In one client, yes. There is a term period licensing, but I think going forward, they are all moving to perpetual licensing. But having said that, Niteen, what is happening is that the same content is getting repurposed and delivered in a different format also. So, one may be text, and then from the text, if we are creating questions, that could of course go to the same customer separately, because, again, that is for a different model or images. Yeah, or images, yes.

Mr. Niteen – Aurum Capital:

Okay, got it. Thanks.

Moderator:

Thank you, sir. Ladies and gentlemen, to ask a question, please press * and 1 now. Participants who wish to ask questions, may please press *and 1 at this time.

Ladies and gentlemen, that was the last question for today. I now hand the conference over to management for closing comments.

Mr. Himanshu Gupta - MD, S Chand And Company Limited:

Thank you, everyone, for your questions and feedback. And I wish you all good health and take care. Thank you. Take care.

Mr. Saurabh Mittal - CFO, S Chand And Company Limited:

Thank you.

Moderator:

Thank you, sir. On behalf of S. Chand & Co., that concludes this Conference Call. Thank you for joining us, and you may now disconnect your lines.

*******END OF TRANSCRIPT*******

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