



S Chand And Company Limited

Registered Office: A-27, 2nd Floor, Mohan Co-Operative Industrial Estate, New Delhi - 110044, India.

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Date: February 27, 2023

To Listing Department BSE Limited 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: Intimation regarding assignment of new credit rating - pursuant to Regulation 30 of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Pursuant to Regulation 30 of the Listing Regulations, it is hereby informed that ICRA Limited has assigned a long-term rating of [ICRA]BBB+ (Stable) to the Fund Based-Overdraft Facility of Rs. 20.00 crore sanctioned by RBL Bank to the Company.

The rating rationale issued by ICRA is as under:

- For arriving at the rating, ICRA has considered the consolidated financials of S Chand And Company Limited (SCCL) and its subsidiaries referred to as the Group on account of common management and operational and financial linkages.
- The assigned rating draws strength from the Group's strong operational profile, supported by its experienced promoters, established market position in the textbook publishing industry and long track record of over eight decades. The rating also considers the Group's established relationships with schools and tie-ups with various authors and professors, which have strengthened its foothold in the market. The rating also considers the healthy improvement in SCCL's financial risk profile in FY2022 as well as the current fiscal, led by streamlining of its working capital cycle and prepayment of its debt obligations, facilitating faster deleveraging of its balance sheet. ICRA expects the improvement trend to continue and the Group's financial risk profile to strengthen over the medium term. Healthy revenue growth and steady profit margins are expected to help the Group maintain healthy coverage metrics despite working capital intensive nature of operations. The liquidity of the Group is also healthy with cash and equivalents of more than Rs. 40 crore as of January 2023 along with steady generation of cash flows.





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- The rating, however, is constrained by the Group's elongated working capital cycle on account of stretched receivable days and inherent seasonality of operations. The rating is also constrained by the susceptibility of the business to volatile raw material prices and the intensely competitive and fragmented industry structure. Moreover, the Group is exposed to digital and regulatory risks. The digital transformation requires a significant change in content distribution and the content provider's position between retailers and authors. The inability of the Group to adapt to the transition faster than its competitors may render its products obsolete or it may lose its competitive edge and market share.
- The Stable outlook on the long-term rating of [ICRA]BBB+ reflects ICRA's opinion that the Group will continue to grow its scale of operations while improving its profitability and working capital intensity, going forward.

Request you to kindly take note of the same.

Thanking You,
For S Chand And Company Limited



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