

**Date: May 29, 2026**

To,  
Listing & Compliance Department  
**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block G,  
Bandra-Kurla Complex, Bandra(East)  
Mumbai - 400051



**Ref : NSE Symbol: CHETANA**  
**ISIN: INEOU1T01012**

**Sub: Submission of Transcript of the Earnings Conference Call held on May 26, 2026, under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir/ Madam,

In continuation of our letters dated May 21, 2026 (regarding the original Intimation of the Schedule for the Earnings Conference Call) and May 26, 2026 (regarding the submission of the Audio Recording Link), we hereby submit the written transcript of the Earnings Conference Call held on Tuesday, May 26, 2026.

In compliance with Regulation 30 read with Regulation 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the written transcript is enclosed herewith and has also been made available on the Company's website. The same can be accessed via the following path and direct link:

- Path: [www.chetanaeducation.com](http://www.chetanaeducation.com) > Investors Relations > Announcement
- Direct Link: <https://chetanaeducation.com/investor-relations/announcement/>

Kindly take the same on your records.

Thanking you.

**Yours Truly,**  
**For Chetana Education Limited**

**Aditi Sanjit Bagul**  
**Company Secretary**  
**Membership No. A31399**

**Encl: a/a**

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“Chetana Education Limited  
H2 FY26 Earnings Conference Call”

May 26, 2026



**MANAGEMENT:** **MR. RAKESH RAMBHIA – WHOLE-TIME DIRECTOR –  
CHETANA EDUCATION LIMITED  
MR. SAURABH SHAH – CHIEF FINANCIAL OFFICER –  
CHETANA EDUCATION LIMITED**

**MODERATOR:** **MS. SAKHI PANJIYARA – KIRIN ADVISORS PRIVATE  
LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to Chetana Education Limited H2 FY '26 Earnings Conference Call hosted by Kirin Advisors Private Limited. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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 star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Sakhi Panjiyara from Kirin Advisors. Thank you, and over to you, ma'am.

**Sakhi Panjiyara:** Good day, everyone. On behalf of Kirin Advisors, I welcome you all to the H2 FY '26 Conference Call of Chetana Education Limited. From management team, we have Mr. Rakesh Rambhia, Whole-Time Director; Mr. Saurabh Shah, Chief Financial Officer.

Now, I hand over the call to Mr. Rakesh Rambhia for opening remarks. Over to you, sir.

**Rakesh Rambhia:** Yes. Welcome all. This is Rakesh Rambhia from Chetana Education. First of all, let me thank all of you for participating on this con call. I would like to present Chetana Education's financial year '25-'26 numbers and what we have done during this financial year.

First of all, Chetana has continued at its growth path. We have clocked from INR102 financial year '25 to INR109 in financial '26. The PAT is around INR13.55. Compared to '24-'25 and '25-'26, we have -- top line has been grown by 6.5% and PAT margin remained almost flat. The margin stand-alone grew by almost 10%. But consolidated, it became flat, only mainly due to two reasons.

First is there is a government provision for gratuity, which hit the bottom line by almost INR55 lakhs and moreover, the second little hit was because of the new initiative we started with a subsidiary company called Dijaa, which is an OTT channel platform, where we incurred a loss just being the start-up around INR55 lakhs.

In '25, '26, more or less the industry remains with almost a flat growth same with the Chetana with a bigger margin growth. Only main reason for this was a massive syllabus

change for Maharashtra State Board, which is going to be introduced in '26, '27. There are four standards, which has been -- which are going to be changed, namely second, third, fourth and sixth standard.

'25, '26, we did a lot of correction in terms of the working pattern mainly, we introduced -- there's a project called SSP, which is Smart School Project, whereas we tried to position Chetana as a company not only mere a publisher, but the fulfillment solution in education. So, it's not only books. Also, we have introduced digital content in the terms of OTT channel. It's a SaaS-based model revenue concept.

Secondly, we introduced a stationary division, which is paper stationery, where we started manufacturing notebook, long book, registers, etcetera. We also introduced a teacher's portal, which is called Books and Beyond, which strengthen teachers' community, making their life easy while making children learn.

Now all this initiative has been taken into considering the next two to three financial years, which all next three years, there will be a massive change in the syllabus. And we see from here on at least double-digit growth in terms of top line, and we expect at least around 15% PAT -- 15% to 20% PAT growth in next year-on-year.

As far as the product portfolios are concerned, we have added around 80 new titles, especially for the competitive exams like Olympiad, which has been just introduced and which will be rolled out from academic year '26, '27. It took us almost six months to make this content. We will be rolling out Olympiad for '26, '27, especially for the financial literacy, which is now compulsory subject aligned with the new NEP.

Also strengthened our sales team. We have done a lot of correction in the terms of sales strength. Certain areas which were not getting good results, for example, Kerala or Hyderabad, we have discontinued. And at the same time, we are going to focus more on the southern region like Tamil Nadu and Karnataka.

I would like Sakhi, if anybody has any question on this.

**Moderator:** Sir, shall we open the floor for questions?

**Rakesh Rambhia:** Absolutely.

**Moderator:** Thank you very much. We will now begin with the question-and-answer session. First question is from the line of [Raj Shah from Shah Ventures 0:07:01]. Please go ahead.

**Raj Shah:** Yes, hi. Good afternoon. So with the net debt to equity improving to 0.32x, what is your management's long-term leverage target? And does the company aim to move towards a debt-free balance sheet over the time?

**Saurabh Shah:** Hi. This is Saurabh Shah, CFO, Chetana Education Limited. I welcome everyone. With respect to your question, Mr. Shah, the thing is we are completely a debt-free company only. Currently, whatever we utilize the debt are mainly for the purpose of working capital. We do not have any further any other debt in the company. Working capital are used based on the cyclical requirements generally during Jan to April. Otherwise, we do not utilize even working capital requirements. CC limits are utilized only during that period. Hope I satisfied your question and answer.

**Raj Shah:** Yes. And another question was, another doubt, it was like, while the company highlights doubts on Books and Beyond smart school and QR-enabled products as key growth drivers, could you provide a segment-wise revenue breakup as well? And also, please clarify what percentage of overall revenue currently comes from this digital and technology-led offering?

**Rakesh Rambhia:** So Mr. Raj, the QR-enabled product is started with the mega 3% revenue on the top line, which has now stood to around 15%. That's one. As far as the Books and Beyond is concerned, Books and Beyond is to strengthen our product selection among the teachers. So there is no revenue from the teacher for Books and Beyond. It's a platform to empower teachers.

And coming -- going forward, the OTT platform, OTT platform for financial year '25, '26, we have clocked a revenue of around INR1 crore, INR90 lakhs to INR95 lakhs, which we expect at least three to fourfold for the coming year. So technology has started picking up, especially 2024 onwards. And we see the coming next two, three years with the change of syllabus and with the kind of NEP expectation of the teaching methodology, this will enhance the product portfolio.

And secondly, with the SaaS-based model, this will give us the company will get a good growth. Only thing is the product is really appreciated by the school fraternity. Right now, what we face challenge is the management, the trustee or the school principal is taking a little time to take the decision because it's a personalized OTT channel. So once the channel is operational, particular school, all the student of that school only can view this channel. And this sudden transformation is taking a little time, but we are very much confident that this will take us to leap forward. Thank you.

**Raj Shah:** Okay. And also, I want to know that what will be the guidance for the FY '27, sir?

**Rakesh Rambhia:** We expect at least double-digit growth in terms of top line. And as I said, we expect around at least 15%, 15% approx PAT growth from the existing current level.

**Raj Shah:** Okay. Okay. Yes, that's all from my side, sir. Thank you.

**Rakesh Rambhia:** Thank you.

- Moderator:** Thank you. Participants, you may press star and one to ask a question. Next question is from Kushal Jajodia from Kushal Jajodia and Associates. Please go ahead.
- Kushal Jajodia:** Hi, good afternoon. So by checking the balance sheet, I could see there has been an increase in the intangible assets by INR1.19 crores. So if you can highlight what is the investment made in this regard, intangible asset? First part of my question.
- Saurabh Shah:** May I reply to your question, Mr. Kushal?
- Kushal Jajodia:** Yes, Yes, please.
- Saurabh Shah:** This is with respect to conversion of the investment made in the software during the last three years regarding WIP converted into the capital. We have created certain softwares to give the boost to our digital platforms and to utilize the benefits of digitization of the contents for which purpose we have -- in a period of time, we have acquired the software.
- Kushal Jajodia:** Sir, basically I wanted to understand, you have a subsidiary Dijaa, right? So all these expenses regarding the technology thing and all, are you capitalizing in the subsidiary? Or what is the nature of division between Dijaa is only the OTT platform, right?
- Rakesh Rambhia:** Right. So, Mr. Jajodia, it's a combination. So certain -- so for example, the certain hardware, which were required as a server was installed on the Dijaa platform. And at the same time, in publishing segment, we have invested the digital content, especially with the change of syllabus or example, '25, '26, there were three standards which changed six, seventh -- fourth, sixth and seven. Now the content of that had been drastically changed. So, we had to make a new video.
- Kushal Jajodia:** Okay, okay. One more question I had. Are we thinking on that lines, we are only dependent on the schools? Are we trying to sell the OTT platform or the other variants you have got directly to the end customer via -- have you -- are you thinking on that lines as well?
- Rakesh Rambhia:** Yes, we just developed very successfully we developed, even it will be like a B2C. But right now, the coming two years, focus will be purely on the school segment. The only reason for that is once the trustee or the school principal agrees, average, we get around 1,000 customers altogether at a time.
- But we also made a provision of B2C where, for example, if you have your own, say, some program on finance or maybe accounting, you can put your lectures on the platform and any child or any parent or any human can get connected by paying a SaaS model, and that will be distributed among three layers. One portion of the revenue will

go to the tech platform. Second will go to the person who is launching that video like, for example, yourself. And third will be to the Chetana.

**Kushal Jajodia:** Okay, okay. Just last question I have, sorry, I'm asking too many questions. Last questions. So, FY '25 opening, how many schools we were distributing? And as on '26, what is the number of number of schools? How many numbers of schools have we increased in FY '25, '26?

**Rakesh Rambhia:** So, you're talking for the digital or the overall publishing?

**Kushal Jajodia:** If you can bifurcate between digital and publishing, that will be a good number for me.

**Rakesh Rambhia:** Okay. So digital was the first year where we had around -- active school is around 75 to 80.

**Kushal Jajodia:** Okay, okay.

**Rakesh Rambhia:** Yes. So coming year, we expect at least 300 schools to come in. As far as the number of school for publishing, it is a little tricky because the dynamics are a little changing. Most of the schools earlier, they used to buy directly from the publisher, but that is slowly shifting through dealer network.

**Kushal Jajodia:** Okay. So, you are presently having dealers for your books now?

**Rakesh Rambhia:** We have around 450 plus dealers actively distributing Chetana.

**Kushal Jajodia:** Okay. Okay. Okay. Thank you so much. Thank you.

**Moderator:** Thank you. Participants, you may press star and one to ask the question. Next question is from the line of Riya Jain from Orient Capital. Please go ahead.

**Riya Jain:** Hello. Am I audible?

**Rakesh Rambhia:** Yes, yes.

**Moderator:** Yes, ma'am.

**Riya Jain:** Okay. So sir, you mentioned in the presentation that DOTTSTAR has already been deployed across 155-plus schools. Could you share the unit economics of this platform, including average annual renewal per school and gross margin?

**Rakesh Rambhia:** Yes. So basically, out of 150 school, around 80 schools are on the Barter system. What is Barter is basically they have to procure books from Chetana. Against that, we have given 1-year subscription free of cost. And there are -- as I mentioned earlier, there are

around 75 schools which are paid version for which we clocked the revenue of around INR75 lakhs net on net from these schools.

**Riya Jain:** Okay. Okay. And it appears to be a promising platform, but what makes it offering sufficiently differentiated and defensible against larger tech players with greater scale and resources?

**Rakesh Rambhia:** The only distinction what I see right now, it's a personalized channel. That's point number one. Point number two, we have given option to the schools. They can upload their own videos, and there is no restriction on the overall GB. So the whole idea is it is going to take one or two years. But in next two years, we see that schools start uploading their videos so that the customer -- for me, the customer is student. The student can be retained to watch every day.

**Riya Jain:** Okay. What are the key competitive advantages that management believes will help sustain long-term adoption?

**Rakesh Rambhia:** Ma'am, honestly, I've not seen any single personalized OTT channel so far. And if it is there, I'm not aware about. So, I can't comment on that.

**Riya Jain:** Okay. Okay. Thank you. I'll wait back in the queue if I have any more questions.

**Rakesh Rambhia:** Yes. Yes.

**Moderator:** Thank you. Next question is from the line of Kapil Aggarwal from Daksh and Associates. Please go ahead.

**Kapil Aggarwal:** Hello.

**Rakesh Rambhia:** Yes.

**Moderator:** Go ahead, sir.

**Kapil Aggarwal:** Hello. Yes. So my question is regarding what is our dividend policy right now. Right now, we are having good profitability since a couple of years. So how management is thinking about to distribute dividend going forward?

**Rakesh Rambhia:** You have asked my wish question. So, we just had an IPO 1.5 year back. So, by '27, we will be eligible to ship to the main board. Hopefully, our first dividend will start from '27 onwards.

**Kapil Aggarwal:** Okay, okay. And our -- this OTT division where we can say in five years, what kind of revenue split we see like right now, we are at INR100 crores run rate. So around -- after five years, where we will be in -- we can say -- approximately, if you can give

any idea where we will be in top line? And what will be the revenue split from the traditional business and this new OTT or new platform business?

**Rakesh Rambhia:** So, our group company, what we are looking as of now as a Chetana Education as a whole, we would be targeting at least next three years, we would be targeting at least 50% to 60% jump on top line.

**Kapil Aggarwal:** Like right now, we are at INR100 crores, we can say INR150 crores or INR160 will be target for the for next three years, we can say, by FY '29, we can say?

**Rakesh Rambhia:** As far as DOTTSTAR is concerned, it's a very new -- it's just a one year old, and we were having a lot of small, small teething issues, which has been sorted. Like, for example, YouTube suddenly changed their policy just 2.5 months back -- three months back. So, it took us almost 20 to 30 days to get the approval from YouTube. So now I think everything is streamed well. So it is very difficult at this stage to give any number as far as the OTT DOTTSTAR is concerned.

**Kapil Aggarwal:** I am not the exact number, like what is your vision or target like in that sense, what is your target?

**Rakesh Rambhia:** Our focus right now, main target is in next two years, we want to get at least 1,000 schools on board. Now those 1,000 schools out of that, maybe 25%, 30% school may be given a barter system just to experience the platform where we want children to use it. The whole idea is next three years; we would love to have at least anywhere between 5 lakhs to 10 lakh students coming on board.

**Kapil Aggarwal:** Okay. So, what will be we can say top line with that approximately if we achieve that target?

**Rakesh Rambhia:** So, sir, right now, the revenue model is INR360 per child per year.

**Kapil Aggarwal:** Okay.

**Rakesh Rambhia:** Yes. So, we expect at least reaching to around maybe from here, at least five full time.

**Kapil Aggarwal:** Okay. So, like in three years, if we say 1 lakh students will be there, then INR60 per student, then approximately INR3.5 crores or INR4 crores of revenue we are expecting like that?

**Rakesh Rambhia:** Yes, definitely.

**Kapil Aggarwal:** Okay. Okay. And another like what is our vision for the now stationary business? I have seen that we have mentioned something about stationery. So, what are our plans for the stationary business going forward?

**Rakesh Rambhia:** So, stationery, our plan is very clear. We don't want to get into B2C. We don't want to get in a retail. The stationery line has been started -- restarted, in fact, especially for the only to school supply because under the SSP, as I mentioned earlier, we just launched a program called Smart School Project where we want to change Chetana as a brand, not only book publisher. We are going to supply stationery. We will be supplying educational books. Along with that, we will be giving them OTT star platform to use.

Now technology stationery and educational book will be provided along with, we are going to make the school digit. That's why it is called Smart School program. So, we will digitize entire school. Like, for example, there are 20 classrooms. We will provide them 20 IFP panel in the school becomes digitized. Against that, the schools will assure us giving revenue for next three years.

So, we are trying to retain customer for next three years because there's a huge change in the syllabus and we would love schools to be retained with Chetana. And now that is possible only if we provide this. Now IFP will be given absolutely free of cost as a package.

**Kapil Aggarwal:** Okay. And last question, like we are targeting our turnover like in the ballpark of INR150 crores to INR160 crores in three years. So, like what can be our PAT like similar kind of PAT growth or it will be -- we will -- we can see improvement in the same going forward?

**Rakesh Rambhia:** No, definitely, there will be an improvement on the PAT side. Even if you see stand-alone, there was better than compared to '25 just because this is government policy and the little initial investment on the OTT. But overall, the PAT growth will be much better than what is there today. So around -- we have around -- if I'm not mistaken, it's around 12.5%. We expect this PAT to be anywhere between 15% to 16%.

**Kapil Aggarwal:** 15% to 16%, so it will translate our net PAT in range of INR22 crores to INR25 crores per annum by '29.

**Rakesh Rambhia:** Absolutely.

**Kapil Aggarwal:** Okay, okay. Thank you. Thank you. That's it from my side.

**Moderator:** Thank you. Next question is from the line of Anjana Nambiar, Individual Investor. Please go ahead.

**Anjana Nambiar:** Hello, am I audible, sir?

**Rakesh Rambhia:** Yes.

- Moderator:** Yes, ma'am.
- Anjana Nambiar:** Sir, I'm new to this company. So, can you please explain me your OTT model? Like what is it and how do you operate it and also how you are scaling it?
- Rakesh Rambhia:** So, OTT is a SaaS-based model. So, in nutshell, I can -- in one line, I can say when I talk, you assume -- I'm talking about Netflix. So this -- or YouTube. This will be a purely private YouTube channel for the school and the student. So the school has to select Chetana books whatever book they select, the digital content, what we have today, all the digital content will be uploaded on the TV as, I would say, as an episode or I would say, as a movie, like 10 standard mathematics is a movie for a child.
- So, there will be display on the TV, the 10 standard mathematics cover pages. They have to click that page. Once they select that subject, there will be a chapter-wise videos available. And once they select Chapter number three, so they can learn the mathematical concept as per the syllabus. So, we have created for State Board, Maharashtra State Board. At the same time, we have created for CBSE as well. Maybe in coming future, we may tie up with somebody for ICSC, which is I'm not sure.
- So this streaming platform like a Netflix or like a YouTube, where schools will be given free hand, they can upload their own content, maybe one of the teachers' lecture or maybe a teacher's day or maybe sports day. Now anything which is there in the school, they can record, they can upload. The parent sitting at home can view those videos where their children are performing. So this is a streaming platform and for which we are going to take a SaaS-based model. For this, we tied up in '25, '26, we tied up with three prominent companies.
- One is Physics Wallah, where their foundation year program, which makes students learn for 11, 12 competitive exams. So they have given us the video to upload on our channel. So, any school who prefers their children to edge for competitive exam, they have to pay instead of INR360, they have to pay INR720. Same way, we also tied up with Aditya Birla Education Trust, which they run a mental health program. They have a lot of videos. Those are also uploaded.
- Then we recently -- just six months back, we tied up with Mr. Chintu Bhosle, who is Saregama's, he's a nephew of Asha Bhosle. Unfortunately, she expired very recently. So they have created a lot of pre-primary based on NEP, a lot of videos. Those have been uploaded. So schools will get all this additional material so that the channel is live. I hope you have understood.
- Anjana Nambiar:** Yes. Sir, also, what is the current revenue contribution? And what will be the revenue contribution in the next two years?

- Rakesh Rambhia:** It is already given in the balance sheet. The current revenue is around INR95 lakh or INR1 crores somewhere. And we see at least coming next two, three, years, we see three to fourfold growth in the revenue.
- Anjana Nambiar:** Okay. Okay. Thank you, sir. I'll join back in the queue.
- Rakesh Rambhia:** Yes.
- Moderator:** Thank you. Next question is from the line of Ganga Tolani, an Individual Investor. Please go ahead. Ganga Tolani, may I request you to unmute your line and proceed with your question?
- Dhanraj Tolani:** Hello?
- Rakesh Rambhia:** Yes.
- Moderator:** Go ahead.
- Dhanraj Tolani:** I'm audible?
- Management:** Yes. Yes.
- Dhanraj Tolani:** Yes. Actually, it's Dhanraj Tolani, not Ganga.
- Management:** Okay, okay.
- Dhanraj Tolani:** So, I have a couple of questions with me. So, I just wanted to ask, if I say, what digital products will be more profitable than the textbook publishing, if we could compare?
- Rakesh Rambhia:** So, right now, I would like to tell all my investors. Right now, what I see, OTT channel is not as a individual company generating revenue. What I see, seeing the current scenario, it's a booster to sell Chetana educational books. It's a supporting system, because seeing that competition, what is there in the market.
- Now, the OTT channel will be given only to those schools who prescribe Chetana books. So, right now, our focus is to how to increase the number of copies to be sold year-on-year, that's point number one. And once the school adapts the system, once schools are comfortable by seeing the students are watching every day then we'll focus more on the revenue side.
- Dhanraj Tolani:** Okay. But if I say a textbook growth appears a bit slow, but co-publishing seems mature. So, what is the expected growth for traditional books over the next two, three years?
- Rakesh Rambhia:** You're talking about publishing, right?

- Dhanraj Tolani:** Yes. Yes.
- Rakesh Rambhia:** Yes. So, publishing...
- Dhanraj Tolani:** Co-publishing seems mature.
- Rakesh Rambhia:** Yes. So, publishing, ...
- Dhanraj Tolani:** For traditional books what is the expected growth?
- Rakesh Rambhia:** Yes. So, publishing we are seeing at least double-digit growth for next three years, because there's quite a lot of changes are happening with the new syllabus. At the same time, the dynamics of customers are also changing. So, only top few publishers who has a capacity of digital as well as physical will crack market.
- Dhanraj Tolani:** Okay. If I could speak on like a Smart School, so what is the average revenue for school and the contract, what would the tenure?
- Rakesh Rambhia:** So, the Smart School Project is a three-year contract.
- Dhanraj Tolani:** Okay.
- Rakesh Rambhia:** Yes. And it's more about the acquiring the school as a whole. And against that, we will provide them IFP panel, which will be free of cost. Considering the depreciation value for the IFP, we see anywhere around 15% to 20% margin.
- Dhanraj Tolani:** Okay. And also, you highlighted the Stationery Division as an emerging growth vertical. So, if I'm not wrong, you have active orders of 100-plus. So, I just wanted to know the expected revenue contribution from this segment in next financial year, after '27, and what would be the long-term strategic significance within the overall business portfolio?
- Rakesh Rambhia:** I'm a little sorry, because I just missed your in-between line. Can you just repeat it again sir?
- Dhanraj Tolani:** Okay. As you highlighted the stationary division, ...
- Rakesh Rambhia:** Stationary, okay.
- Dhanraj Tolani:** If I'm not wrong, you have 100-plus active orders currently. So, I just wanted to know what would be the expected revenue contribution from this segment in financial year FY '27 and what would be the long-term strategic significance within overall business portfolio?

- Rakesh Rambhia:** Yes. So, we expect that stationary division will clog revenue of at least 5% to 7% of the overall turnover for FY-'26-'27. But whereas the FY-'27-'28, we will see at least more than 10%.
- Dhanraj Tolani:** Okay. Okay. Got it. Okay sir. Thank you for answering. That's all from my side.
- Moderator:** Thank you. Participants, you may press star and one to ask a question. Next question is from the line of Murtaza from PinPoint X Capital. Please go ahead.
- Murtaza:** Hi, sir. Good evening. Thank you for the opportunity. I just wanted to understand regarding the tie-up you were mentioning with Physics Wallah. I just wanted to understand whether is this exclusive to our platform or such arrangements are there with the other publishers or how exactly does that structure work with PW?
- Rakesh Rambhia:** The arrangement is definitely exclusive as far as the other publishers are concerned. But they can have their own content on their own platform. That's a different story. But as far as publishers are concerned, outside of Physics Wallah, this alignment is only with Chetana.
- Murtaza:** Okay. And sir, how does revenue sharing structure work with this?
- Rakesh Rambhia:** So, revenue sharing is per school any school opt for Physics Wallah program or syllabus, I would say, that school's revenue may say certain percentage royalty will go to Physics Wallah. And once these children out of that school, anybody after 9th standard, anybody who opt to go, so, like, for example, there are 100 students who want to understand, who want to learn foundation year.
- And out of that, say around 20 students who really want to do competitive exam, who want to go JEE/NEET, the Physics Wallah will take over. And after that, Physics Wallah will share the revenue to Chetana.
- Murtaza:** Okay. Understood. Understood sir and sir secondly, another question I wanted to ask was regarding the NEP. So, it seems like a tailwind. But because of this, I feel there'll be a lot of revising of our content. So, like, can you give me a sense of how much of this revision of content is done or probably we will be doing or it's already done? I just wanted to understand that.
- Rakesh Rambhia:** Yes. So, NEP is more of a teaching methodology. That's point number one. And based on the teaching methodology, government started changing the syllabus year-on- year, so, every year, around three to four standards going to change. For CBSE, the already 8th standard had been changed. '26-'27, there will be a change in the 9th grade and '27-'28, there will be a change in the 10th grade.

- Murtaza:** Okay.
- Rakesh Rambhia:** 11th and 12th, I'm not very sure. And as far as Maharashtra State Board is concerned, '26, '27, there will be four standards. '27, '28, there will be another four standards. And '28, '29, there will be another three standards.
- Murtaza:** So sir, so, I just wanted to understand this in that context that, what sort of content development cost actually has to be incurred, because it may impact our margins in that sense.
- Rakesh Rambhia:** Yes. Yes. But of course, there will be a cost to make content. There will be a cost to make certain revision in the videos. But generally, as a publisher, we consider that cost and we are approximately divide that cost into three years time because syllabus will not change – after the syllabus will not -- officially syllabus will not change five to six years. Right now, the change of syllabus happened after 10 years.
- Murtaza:** Okay. So, we kind of capitalize it for three years and depreciate it over.
- Rakesh Rambhia:** Yes. Yes. Correct.
- Murtaza:** Understood, sir. And just an outlook-oriented question, as the digital adoption is accelerating and with ourselves trying to move towards tablet and including online content with it. I just wanted to understand what do you guys feel the role of physical books will have in our revenue some five years down the line? I think just a ballpark figure or your understanding.
- Rakesh Rambhia:** It's a really good question. And with my experience, I could see that there won't be any downside as far as the physical books are concerned, especially for Chetana because we are mainly into K-12 segment.
- So, K-12 segment, every child needs to carry book. School generally, only the most ultra-luxury schools is a different story, which is not even half percent of the entire population. But otherwise, children are not supposed to carry mobile or laptop or tablet in the school.
- And children, especially age group of two and half years to 15 years, they need to write, they need to draw, they need to do art and craft activities, only because, otherwise they won't be able to develop their motor skills. So, books will always remain.
- As far as digital is concerned, the digital is a support for the education. It is not the replacement. The replacement started coming in a graduation level, where students

don't buy books, they may use ChatGPT or they may use a tablet. But as far as up to 12th grade, the books will be required. That is what I see right now.

**Murtaza:** Understood, sir. Understood. Thank you very much for your answer, all the best for the future. Thank you.

**Rakesh Rambhia:** Thank you.

**Moderator:** Thank you. Next follow-up question is from the line of Vinod Shah from VS Ventures. Please go ahead.

**Vinod Shah:** Hello.

**Rakesh Rambhia:** Yes.

**Vinod Shah:** Good evening, sir. Am I audible?

**Rakesh Rambhia:** Yes, yes, absolutely.

**Vinod Shah:** Yes. So, I joined in a bit late, but can you explain despite the revenue growth and cross margin also improved for about 60%, but EBITDA and PAT have declined. So, like, EBITDA margin and PAT margin in percentage terms have declined. So, what were the reasons behind this margin compression? And like is this temporary or what?

**Rakesh Rambhia:** No, it is absolutely temporary. The first and foremost most important thing is with the, as I mentioned earlier, since you've joined late, by the government recently introduced a provision of the gratuity. So, it's a labor law.

There is a massive change in the labor law. And to make company aligned with that, we have taken a hit of around INR55 lakhs on the provision for the gratuity. Secondly, the Dottstar being a new company, the efforts were full on to make a profitable, but first year only on the expenditure on human capital, we showed a loss of around INR50 lakhs, INR55 lakhs.

**Vinod Shah:** Okay. Okay sir.

**Rakesh Rambhia:** Yes. Because of these reasons, the PAT remained flat.

**Vinod Shah:** Okay sir. And sir why is our cash interest at INR12 lakhs? And can you just give us overall labor of operating cash flow, cash conversion cycle?

**Saurabh Shah:** Please repeat.

**Rakesh Rambhia:** Yes. Can you repeat?

- Vinod Shah:** Yes. So, like why is our cash at, like balance sheet is just at INR12 lakhs? Can you give us just a flavor of cash flow, like operating cash flows, like what is the cash conversion cycle?
- Rakesh Rambhia:** Cash conversion cycle. I think I'll have to get back to you on this. You can send the email...
- Vinod Shah:** Working capital cycle. Can you?
- Rakesh Rambhia:** So you're talking about the ratio, debt equity ratio or you are?
- Vinod Shah:** No, sir, working capital.
- Rakesh Rambhia:** Yes. Working capital is a cyclic in nature because of the business.
- Vinod Shah:** Can you just give us a story, like why our cash interest at INR12 lakhs currently?
- Rakesh Rambhia:** Yes. Yes. Okay. Okay. Okay. He will just explain.
- Saurabh Shah:** Yes. Here, as you are aware, our industry is a cyclical industry, which mainly does the business between Jan-to-June. So, working capital fully utilized during that period in between the March comes in. So, financials are looking a bit different than the normal companies here.
- So, cash flow, if you see, you will feel that we are utilizing to a maximum extent. But overall basis, the business cycle and business module itself is like that where we are doing main business with CBSE during Jan-to-March.
- And post-April-to-June, we do mainly with Maharashtra board. So, cash utilization is high in terms of this period as my debtors as well as the inventories are very high. We have to maintain.
- Vinod Shah:** Okay. Okay, sir. And sir, can you just provide some guidance on FY '27?
- Rakesh Rambhia:** As I mentioned earlier, FY '27, we see double-digit growth from here on.
- Vinod Shah:** On our revenue and PAT as well?
- Rakesh Rambhia:** Yes.
- Vinod Shah:** Okay. Okay, sir. That's all, sir. Thank you.
- Moderator:** Thank you. Next question is from the line of Mahesh Shetty from EY Capital. Please go ahead.

- Mahesh Shetty:** Hello. Can you hear me?
- Saurabh Shah:** Yes.
- Rakesh Rambhia:** Yes. Yes. Please go ahead.
- Mahesh Shetty:** Yes. Sir, I just had one question. So, I wanted to know like our receivable days remain elevated at around over 245 days despite some improvements. So, like what will be a clear roadmap and timeline to bring this down meaningfully and improve cash conversion efficiency?
- Rakesh Rambhia:** Yes. Very, very valid question and this question also was there in our board meeting. So, we are going to emphasize more and we are going to control as far as the receivables are concerned.
- Mainly, we actually we introduced cash discount in '25. Generally, Chetana don't give cash discount. We introduced, but still we have not placed the mechanism perfectly. So, coming a financial year, we expect that we will drastically reduce this number of days at least by 20%.
- Saurabh Shah:** And mainly, -- hi, this is Saurabh Shah. Mainly, the receivables are on account of the sales incurred during Jan-to-March with respect to CBSE board and mainly that is the reason it is always higher on the March end proportion.
- Rakesh Rambhia:** So, around Jan-to-March, the revenue of the company was almost around INR67 crores. Now, all these shows as the outstanding and we see the number of days have increased. But as you rightly asked the question, there is a concern as far as the number of days as a credit period is concerned, which we plan to get down to at least below 220 days to 210 days.
- Mahesh Shetty:** Okay. Okay, got it. Thank you for answering.
- Moderator:** Thank you. Next question is from the line of [Vidhi Puruhan 0:46:27] from Finesse Capital Group. Please go ahead.
- Vidhi Puruhan:** Hello.
- Rakesh Rambhia:** Yes.
- Vidhi Puruhan:** So, can you help us to understand like, what is your go-to-market strategy? And do you also have in-house marketing team?

**Rakesh Rambhia:** So, we have on field, we have a sales team of around 250 people, where we reach out to more than 25,000 schools or education institutes like coaching classes, dealers and schools. So, we have on field staff. They all are on payroll. That's one.

And the whole idea of coming out with the SSP, that is Smart School Program is to how to retain customer not for one year, but for next three years. That's point number one. Point number two, how to increase revenue from for example, today, one school if I'm doing a revenue of INR100 rupees.

Now, the whole idea is to how to get INR150, how to get INR200 rupees from the same client. So, that's our strategy. And for that, we came up with a one-stop solution in the terms of we introduce stationery, we introduce OTT platform, we have given QR enabled books.

A so digital technology available with Chetana, educational books available with Chetana and stationery is available and hopefully, very soon there will be next year also some announcement which I can't say on that official record. The whole idea is to whatever school required for children, for student, for their benefit and for teacher's benefit, we are going to introduce one-by-one. get this?

**Vidhi Puruhan:** Okay. Okay, sir. That's all from my side. Thank you.

**Moderator:** Thank you. A reminder to all the participants, you may press star and one to ask a question. Next question is from line of Deeya from Sapphire Capital Partners. Please go ahead.

**Deeya:** Hi sir. Thank you for taking my question.

**Rakesh Rambhia:** Yes.

**Deeya:** So, just to clarify, the paper stationery division comes under the Smart School Program, right?

**Rakesh Rambhia:** It is not only Smart School. The paper stationery division can be offered to any school who don't want to come into Smart School Program. It's basically a strategy of cross-selling advantage. Like there are schools, who prefer Chetana books, but for stationery, they have to approach to some other vendor. And that's how the stationery division started.

**Deeya:** Understood, sir. So, the Smart School Program has a 15% to 20% margin, you said, right?

**Rakesh Rambhia:** Absolutely.

- Deeya:** This is on EBITDA level, right?
- Rakesh Rambhia:** Yes, EBITDA level.
- Deeya:** And what sort of revenues are we targeting for FY '28 or FY '29?
- Rakesh Rambhia:** As I mentioned, coming next 2 to 3 years, Chetana is targeting to take at least 50% to 60% growth on the existing current growth turnover.
- Deeya:** Over next 2 to 3 years. Okay, sir. Understood. Thank you.
- Rakesh Rambhia:** Okay.
- Moderator:** Thank you very much. As there are no further questions, I would now like to hand the conference over to Ms. Sakhi Panjiyara for closing comments.
- Sakhi Panjiyara:** Thank you for joining the conference call of Chetana Education Limited. If you have any queries, you can write to us at [research@kiranadvisors.com](mailto:research@kiranadvisors.com). Once again, thank you everyone for joining the conference call. Thank you, Rakesh sir.
- Rakesh Rambhia:** Yes.
- Sakhi Panjiyara:** Thank you, Saurabh.
- Rakesh Rambhia:** Sakhi, I would like to request, I would like to invite any investor who wants to understand the working detail pattern of the OTT or the stationary. Please feel free to invite them on behalf of Chetana.
- Sakhi Panjiyara:** Yes, sure, sir.
- Rakesh Rambhia:** Yes. Thank you. Thank you very much.
- Sakhi Panjiyara:** Please reach out to us for any further queries.
- Rakesh Rambhia:** Yes. Thank you.
- Moderator:** Thank you. On behalf of Kirin Advisors Private Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines. Thank you.

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