



DACHEPALLI PUBLISHERS LIMITED

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Date: 30th October, 2026

To,
Compliance Department,
Bombay Stock Exchange,
Mumbai.

Scrip Code: 544667

Dear Sir/Madam,

Subject: Submission of Transcript of the Earnings Conference call held on 28th October, 2026, Wednesday at 04:00 PM.

Ref: Regulation 30(6) read with Schedule III Part A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

With reference to our intimation dated 23rd October, 2026 related to the Earnings Conference call, the Company is submitting the transcripts of Earnings Conference call of the analyst/investor conference call which was held on 28th October, 2026, Wednesday at 04:00 PM to discuss the Unaudited Financial Results of the Company for H1 of FY 2026-27.

Submitted for your kind information and necessary records.

Kindly take the same on your records.

For DACHEPALLI PUBLISHERS LIMITED

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JOSHI**

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“Dachepalli Publishers Limited H1 FY’27 Earnings Conference Call”

October 28, 2026



MANAGEMENT: **MR. HARISH DACHEPALLI – EXECUTIVE DIRECTOR –
DACHEPALLI PUBLISHERS LIMITED**
**MR. ABHINAV DACHEPALLI – EXECUTIVE DIRECTOR –
DACHEPALLI PUBLISHERS LIMITED**

MODERATOR: **MR. GAUTAM – EQUIBRIDGEX ADVISORS PRIVATE
LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Dachepalli Publishers Limited H1 FY27 Earnings Conference Call.

As a reminder, all participants' 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 the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Gautam. Thank you, and over to you, Mr. Gautam.

Gautam: Thank you, Siddharth and a very good evening to everyone. Welcome to the H1 FY27 Earnings Conference Call of Dachepalli Publishers Limited.

Joining us today from the Management Team are Mr. Harish Kumar Dachepalli, and Mr. Abhinav Dachepalli, Executive Directors of the company.

We will begin the opening remarks from the management followed by the question-and-answer session.

With that, I would like to hand over the call to Mr. Abhinav sir for his opening remarks. Thank you and over to you, sir.

Abhinav Dachepalli: Good afternoon, everyone. I welcome all the investors, analysts and participants joining us for Dachepalli Publishers Limited H1 FY27 Earnings Conference Call. Thank you for taking time to be with us today.

The first half of FY27 has been a positive period for the company. We reported total income of Rs.70.06 crores registering year-on-year growth of 74% while net profit increased by 29% to Rs.9.71 crores. EBITDA for the period stood at Rs.14.63 crores compared with Rs.11.71 crores in the corresponding period last year.

We are pleased with the progress made during the period and remain focused on building the business in a steady and sustainable manner. Our publishing business continues to be the center of our operations. Over the years, we have developed relationships with schools and institutions by providing books aligned with their academic requirements.

These relationships and our understanding of the education market give us a good base to expand our offerings. We see an opportunity to serve our existing customers more comprehensively rather than limiting ourselves to textbooks alone. One of the key steps we have taken in this direction is entering in-house notebook manufacturing.

With the acquisition of notebook manufacturing machinery, we are working towards greater control over product quality, customization, and supply timelines. This also gives us an opportunity to reduce our dependence on external suppliers. Along this, we have introduced our own notebook brand, PageCraft.

We plan to introduce it gradually to our existing schools, relationships, and customers' networks, keeping market demand and execution in mind. We are also developing Pelican EduSupply to bring different educational requirements together under one offering. Schools require textbooks, notebooks, and other academic supplies throughout the year, and our aim is to make it easier for them to access these products through a more integrated approach.

We believe that our existing relationships can help us introduce these offerings in a practical way and build on the trust we have established with our customers over the years. And another addition to our educational offering is our arrangements with Wiki Kids for interactive classroom displays. This allows us to explore opportunities beyond printing learning materials and broaden the range of solutions we can offer to schools.

As classroom requirements continue to evolve, we believe it is important to understand these needs and gradually expand our presence in related areas. An important part of this journey will be to build on our existing relationships rather than approach each initiative in isolation. Our established network gives us an opportunity to introduce new products to customers who already know and work with us.

At the same time, we will remain mindful of market demands and the pace at which each initiative develops. Our focus is to build these offerings on a sound footing while ensuring that our core publishing business continues to receive the attention it deserves. Looking ahead, we will continue to focus on execution, operational efficiency, and meeting the requirements of our customers.

These new initiatives are being developed alongside our existing business, and we will take them forward in a phased manner. We believe this approach will help us strengthen our position in the education market and create opportunities for the company over the longer term. So, before we move to the Q&A session, I would like to thank all our Investors and analysts for their time, continued trust, and support.

I now invite our director, Harish Dachepalli, to lead the Q&A session and answer your questions.

- Harish Dachepalli:** Hello everyone, I am Harish Dachepalli. It's nice to have you all here today, and I am ready to take any questions if you have. Please go ahead.
- Moderator:** Thank you. The first question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.
- Madhur Rathi:** Hi Harish, good to speak to you again. So, Harish, basically congratulations for the good top line, but I think we missed our margin guidance. So, what is the reason for the same?
- Harish Dachepalli:** Hello sir, I am glad to see you again this year. There are certain parameters like because of the war; some paper prices have gone up and down. So, that was one reason.

And we have spent more money on marketing and sales this year so that in the next two quarters we will be generating more margin. So, that is why usually our average margin should be considered with the Q4 and Q1, the next two quarters. That's when the whole average of together at the promised returns what we have offered.

Madhur Rathi:

So, what I understood Harish is that can we expect for the full year the NPM to be around 14% as guided?

Harish Dachepalli:

Yes sir, pad will be around 14% to 16% like previously shown. And in the first two quarters what happens, our expenditure is more, income is less. And in the next two quarters our major turnover kicks in and the expenditures on marketing and sales will come down.

So, automatically the profits will average here and there. And now because of the paper price increase, we purchased a lot of raw materials in advance. 90% of raw material is purchased and production is going on.

Another 10% we will purchase on the need basis in the next two quarters whenever required. But that probably will the price of that paper will be at a higher side. But since it is only 10% of the overall production, it won't affect the pad on that greater scale.

Madhur Rathi:

Understood. Now also Harish, our receivables have gone up. So, what is the number as of now?

Harish Dachepalli:

Sir, receivables have gone up is because the turnover also has gone up. So, that is the only thing. But overall, like we said in that six months of working capital time, whatever it is, more major amounts have been paid, received, and our salaries have been paid from the receivables.

And we are also taking up a new company and Hara Communications, which we will be introducing in the next quarter. So, then we will have more land and space. So, the receivables is that cyclical nature of this business, it is going to look like a large amount of outstanding being there.

But that is, it is not an issue. And please don't worry about it. This discussion has been there over and again in the last calls also.

Madhur Rathi:

Right. So, Harish, since you mentioned that Hara Communication that we are in talks to acquire, what exactly is that company doing? Can you shed some light on that?

Harish Dachepalli:

That company previously was an Atech vertical, but then they were not performing that great. But we had some great advantages with that one with the servers, employees, as well as the assets of the company, which were very close to where we are located. So, then we thought it is a very sensible decision to take over that particular plant.

And when we take over that company, we will also not only get their software along with us, because they were not able to sell the software just all by themselves. But if our offering where

we club the software as well as the textbooks together as a bundle to schools, so that with their software and our existing software, it is going to become a stronger position in schools. And they have assets also that will help us in our production and other.

So, like land and all is there, land and premises is there, all together we are purchasing.

Madhur Rathi: So, what kind of outgo are we looking at, Harish?

Harish Dachepalli: Around like 10 crores to 15 crores.

Madhur Rathi: Okay. Understood. So, now lastly, Harish, last year we did minus 23 crores operating cash flow. So, do you think in this now in the first half, again, the operating cash flow is negative. So, for the full year, can we expect at least a positive operating cash flow?

Harish Dachepalli: Yes, sir. That is our effort. In this year, we want to achieve that positive cash flow. And then we have been working with our customers also telling them, we are offering them cash discounts and other things to receive the money faster. This year, definitely we will be seeing a positive cash flow.

Madhur Rathi: Got it. Sir, just one final question, our inventories have increased from 35 crores, 36 crores during Q1 end to close to 55 crores currently. So, why is this increase so much?

Harish Dachepalli: Because the new production, the new material is also into the inventory now. And right now, when we purchase the raw material, we got in advance, we knew the paper price are going up. So, 90% of the paper was purchased at a price of Rs. 78. to Rs. 81.

Today, paper price is Rs. 93. So, when we have the purchase and production is in-house, we have been producing and then we have been accumulating the inventory so that we are ready for the coming season. Got it.

Madhur Rathi: And sir, what kind of debt do we expect to close FY27 with on our books?

Harish Dachepalli: Debt?

Madhur Rathi: Yes.

Harish Dachepalli: Are you asking about debt?

Madhur Rathi: Yes, sir, yes. Debt.

Harish Dachepalli: Yes, so if you are taking up this RR communications, we were looking to raise some debt of around 7 crores to 8 crores and balance we will use from the receivables to purchase this particular plant. So, we are going for that Rs. 7 crores to Rs. 8 crores bank loan increase. But then we will also get an asset with that rate like land and machinery and so forth and other things. So, land itself will be around that price, the bank loan price.

- Madhur Rathi:** Got it. Absolutely. So, including the working capital as well as long-term debt, what kind of overall debt do we expect by FY27 to have on our books?
- Harish Dachepalli:** No, whatever debt right now we have around Rs. 14 crores to Rs. 16 crores plus Rs. 7 crores. And this debt is in the EMI model. So, we have been paying that. Reduction will be happening through the EMIs we are paying only. We will not make any bulk payments to clear that debt.
- Madhur Rathi:** Got it. Sir, thank you so much and all the best.
- Harish Dachepalli:** Yes, thank you.
- Moderator:** Thank you. The next question comes from the line of Disha from Sapphire Capital. Please go ahead.
- Disha:** Yes, thank you so much for this opportunity. Sir, our revenue growth has been very good for the first half and given H2 is seasonally high, what sort of overall number are we targeting for this year?
- Harish Dachepalli:** We are targeting around Rs. 150 crores plus or minus 10%.
- Disha:** And for the next year, how is growth looking? What sort of numbers are we targeting?
- Harish Dachepalli:** Around Rs. 225 crores to Rs. 230 crores.
- Disha:** Okay. So, if I look at your margins, your margin profile used to be very high. Currently, your margins are around 20%-21%. When do you see these margins going back and reviving back to the level that we were operating previously?
- Harish Dachepalli:** So, these margins have come down because of the raw material only, nothing beyond that. But this also because of the war and other climate overall world scenario right now. As and when the thing stabilizes across the world, then paper prices will come down drastically again.
- So, this is a raw material issue. Apart from that, in the operation side, there is not much problem. But yes, we have spent a lot of money on marketing, but that will eventually bring us a lot more business.
- So, it will average out in the next two quarters. Likewise, whatever we said 14%16% of PAT, which we were promising from before, we will be seeing that even at Rs. 150 crores today and Rs. 250 crores -Rs. 230 crores in the next coming years also.
- Disha:** Okay, okay. And what is the trading revenue in this process?
- Harish Dachepalli:** I am sorry?
- Disha:** Trading, what is the proportion of trading revenue?

Harish Dachepalli: I don't understand. What do you mean by trading revenue? Hello?

Disha: The number of books that we are also involved in trading, right?

Harish Dachepalli: You mean the revenue of trading.

Disha: Yes.

Harish Dachepalli: I got it. So, previously, the notebooks were the major traded product, which was around 10%-12% of the total turnover. And stationery was also a traded product, which was around 7%-10% of the total turnover. But we understood that overall, because of the textbook adoption, notebook adoption, since every school needs textbook as well as notebook, from 10%-12%, it was going to 25%. So, then it made more sense for us to start our own production unit.

That's where we got PageCraft, we bought our own machinery and manufacturing. And because of that, the margins from trading to manufacturing, obviously, margins also will grow. But stationery, we have not reached the scale where we can manufacture our own stationery.

Right now, we are at 60-70% capacity. The moment we reach that 100% capacity, good enough to start our own manufacturing, that point of time, we probably will white label certain products from China and bring it and sell it here.

Disha: Okay, So, this notebook manufacturing, how much capacity are we putting?

Harish Dachepalli: Like around Rs. 30 crores-Rs. 40 crores we can manufacture in our machinery.

Disha: That's the peak?

Harish Dachepalli: That's the amount of machine we have right now. But beyond that, we might be needing more machinery.

Disha: Okay. And so, just on the e-commerce side of the business, what has been the revenue contribution from there and the first half? And what is the margin that we made for the e-commerce side?

Harish Dachepalli: Right now, in the e-commerce, last year, we have achieved around 50 schools. We did a turnover of around Rs. 25 CR from that. And this year, we have signed, onboarded around 100 schools.

Another 20 pipeline, but we are also restricting it because looking at the size and our warehouse capacity to pack all this and distribute on time. So, we want to limit it around 100 schools, which will generate a turnover of around 50 crores. The PAT on this is less right now because here 60% of product is in-house and 40% is traded here.

So, the PAT is averaging to around below 10% right now. But the and more companies' product get adopted into this particular school, then our PAT will start increasing.

Disha: Okay. Fair enough. Okay. That is it, sir, from my side. Thank you.

Harish Dachepalli: Thank you so much.

Moderator: Thank you. Next question comes from the line of Guneet Singh, who is an Individual investor. Please go ahead.

Guneet Singh: Hi, sir. Thank you for this opportunity. So, firstly, I would like to understand what is the current revenue and profitability run rate of Hara Communications Private Limited?

Harish Dachepalli: That company right now is not into profits, but they have very good software and also assets which are useful for us. So, that is the reason we are taking it over.

Guneet Singh: Got it...

Harish Dachepalli: They are selling the whole company at the value of the asset only. So, asset value is itself more than 10 crores.

Guneet Singh: Got it. So, it will be consolidated next quarter onwards in our numbers, right?

Harish Dachepalli: Mostly by the end of November and with that whole share swap and everything should be happened. I think by December it should be reflecting in our balance sheets.

Guneet Singh: Got it. So, currently what kind of a negative path do they have?

Harish Dachepalli: I think around 50 lakhs or 40 lakhs around that.

Guneet Singh: Got it. So, that is so much. And...

Harish Dachepalli: But we are only purchasing it at the asset level, not at the turnover. We did not give them any valuation. We said, okay, this is your assets. These are evaluated at this particular price in the market today and we will take it over at this price. If you are okay only, we will buy. Then they were okay. Then we started doing our due diligence to figure out if all these prices are at par with the market prices. We are getting at a very reasonable deal, frankly speaking.

Guneet Singh: Got it. So, their major asset is land itself or I mean do they have some...

Harish Dachepalli: Land and software, Software is not necessary.

Guneet Singh: Can we expect to deliver from the assets that we are acquiring from them?

Harish Dachepalli: So, whatever we promised at 150, 220, that will be our target. We will be using their particular land to increase our production capacity. We will be using their particular software to offer better things to schools. So, it will help us to scale this also faster.

Guneet Singh: Got it. So, for the next financial year, our target is about --What is the revenue target?

Harish Dachepalli: Rs. 225 crores to Rs. 230 crores.

Guneet Singh: Got it. What additional investment do we need to restart?

Harish Dachepalli: Right now, since the existing receivables as well as the funds in the company will manage to reach this Rs. 150 crores. Beyond that, we might trade another Rs. 10 crores or Rs. 20 crores. But we will see that on the need basis. If the receivables are coming faster, then I don't think we would need much of a cash. If not, then we might go for another raise or whatever. But that call will take once we achieve today's target.

Today is because we want to go realistically. Once we reach this Rs. 150 crores target, when we set up our budgets for the next year, if we are falling short, we might probably raise. But I don't know. I can't give an exact ballpark figure. This is the amount we will be needing.

Guneet Singh: Got it. And you mentioned in the last call that most of the receivables are created by October-November. So, what are the trade receivable as of now?

Harish Dachepalli: The receivables for whatever happened for the previous season, by October-November, we have received 80% of the payments. 40% are there. And then the new invoices have also been formed on Q2 and all. So, that receivable is this. I will take another 30 days - 90 days to recover those payments.

Guneet Singh: Got it. So, of the Rs. 85 crores, only 20% is still outstanding.

Harish Dachepalli: Last year's turnover was around Rs. 91.5 crores, right?

Guneet Singh: No, I am saying that the tail receivables currently are around Rs. 85crores, right? In our numbers, balance sheet.

Harish Dachepalli: But in that new receivables, new businesses also come in. Around Rs. 40-45croress, new businesses come in.

Guneet Singh: Right, but out of that Rs. 85 crores, only 20% is outstanding.

Harish Dachepalli: Last year, when we closed it at a Rs. 91.5crores turnover, out of that, 80% receivables have been received. Because this is a seasonal business. So, now whatever that Rs. 70 crores which we raised, this is new money. This will be recovered in the next 30 days-90 days.

Guneet Singh: So, what is the receivables as of date? I want to know the figures.

Harish Dachepalli: Exactly. Okay, we will let you know shortly. I am also outside. Once we speak to my accountant, I will get you back.

- Guneet Singh:** Got it. And our new launch, PageCraft. So, what kind of revenue potential do we see from this in the current year, in the coming years? And what are the new initiatives are we taking? And are we on track to get 100 schools in the pelican education, as you mentioned?
- Harish Dachepalli:** So, in pelican education supply, we have already closed 100 schools tie-up this year. That is one thing. From the notebook, we will be expecting around 20 crores-25 crores of turnover, which is an expectation rather than confirmed orders. And when we said Rs. 150 crores of turnover, which includes all these things.
- Guneet Singh:** Got it. And as of date, so you are saying that PageCraft alone will give us Rs. 25 crores of turnover?
- Harish Dachepalli:** That is the expectation right now, because the machinery and all is good for that. And we do not even have to look for a new customer. We are only trying to convert 20%-30% of our existing customer sales. If we do that only, it will be around Rs. 20 crores. From our existing customers, even if we take 20% of their notebook share from each of them, that will give us that particular 20 crores turnover.
- Guneet Singh:** Got it.
- Harish Dachepalli:** But again, there is a timeline to delivery of this product. This product has to be manufactured after receiving the order and deliver it by that time. Because in some states, somebody is using 80 pages, 160 pages in some states, somebody is using 172 pages. So, there is a challenge here. But with our existing team and capacity, we are hoping that easily Rs. 20 crore we should be able to achieve.
- Guneet Singh:** Got it. So, currently what is the turnover for this PageCraft? And is this Rs. 20 crores-25 crores completely incremental turnover? Is it that we are substituting our traded notebooks with this Pelican brand?
- Harish Dachepalli:** No, PageCraft is a notebook division altogether. So, textbooks, Pelican is an e-commerce vertical In e-commerce vertical, till last year, we have traded notebooks in e-commerce vertical. Now, we will be converting everything to PageCraft.
- Guneet Singh:** Got it.
- Harish Dachepalli:** Yes. We will not be purchasing from ITC or Nominate or anybody. We will not be purchasing from them. And since we have our own product, in every e-commerce school where we have taught, we will introduce our product instead of a traded product.
- Guneet Singh:** Got it. So, this won't be incremental. This will just be shifted from the traded to PageCraft, right?
- Harish Dachepalli:** Yes, traded to manufactured. So, their margins will increase.

Guneet Singh: So, currently, if you can just give us the number of our traded notebooks in terms of revenue and margins, and how will they change with PageCraft?

Harish Dachepalli: In the e-commerce model, let's say if I am generating Rs. 25 crores of turnover, in the e-commerce margin, around Rs. 3 crores-4 crores of that was from the notebooks which we were trading outside.

Guneet Singh: Okay.

Harish Dachepalli: So, now that Rs. 4 crores turnover has come to in-house product as well as another Rs. 15 crores-16 crores, we are able to generate from the market because wherever our existance there, till now we have not pitched somebody else's product because it is not our product. We use it wherever we need it. Now, it is our own brand.

When we pitch, it is easy for us to generate that business. Out of every client we deal, even if they are 20% of the business, if we are able to take Rs. 20 crores-30 crores, easily we should be generating.

Guneet Singh: Got it. So, basically, currently traded notebooks is around 4%-5% and with Pelican, you are saying that this will go up to Rs.

Harish Dachepalli: 20 crores-25 crores. In Pelican only, it is Rs. 4-5 crores, but we have traded notebooks even in the supplies also. That will be more than that.

Guneet Singh: I was saying that currently it is around Rs. 4 crores-5 crores and with this PageCraft, it should reach about Rs. 20 crores-25 crores.

Harish Dachepalli: Yes.

Guneet Singh: Got it. And what kind of a margin will this PageCraft have?

Harish Dachepalli: In the traded product, we had a pad of around 67%. Now, we will have around 12%.

Guneet Singh: Got it. sir. I think that's all. I mean, if there are any more other new initiatives that you can throw some light on....

Harish Dachepalli: Yes, sir. Because the schools have started asking us for IFT panels also, which is the smart boards. We were not dealing with that before. And now, we have tied up with Wiki Kids because we are already giving the textbook software as well as notebooks.

In the hardware partner, we have taken Wiki Kids as a sole distribution for India. And then we will be promoting their IFT panels where we will be making a margin of around 10% on every panel sold.

- Guneet Singh:** Got it. And within our existing schools, what kind of revenue can we expect from these panels in the coming, say, 2 years-4 years?
- Harish Dachepalli:** We are actually doing a pilot right now. So, even we can't give you an exact ballpoint figure. But we are doing a pilot right now.
- We are looking at the adoption rate, how many people want to move to technology in schools. There has been some backlash in the past because no screen time and other things. But again, schools are encouraging with the screen time.
- So, now here and there, we are pitching wherever there is a requirement. We are pushing that particular panel. We will be able to give you a correct figure only in the next coming financial year only. This year, we want to go slow. We are only piloting. We want to see how much revenue and what are the challenges we face by selling this product.
- Guneet Singh:** Got it.
- Harish Dachepalli:** Because there is a service issue and it is hardware, right? So, there will be service issues, installation issues and other things. So, we also know because this is the first time we are dealing with it. The moment we get our proper expertise in it, then we will tell you how much we can target for the next year.
- Guneet Singh:** Got it, sir. Thank you very much. Wish you all the best.
- Harish Dachepalli:** But the only advantage is, we don't have to look for a new client for any product we will introduce. We are sticking to schools like we promised in the beginning. We will only be doing business with schools. And also, we will be introducing only those products which can be sold in the school.
- Guneet Singh:** Got it.
- Harish Dachepalli:** Okay. Thank you.
- Moderator:** Thank you. The next question comes from the line of Madhur Rathie from Counter Cyclical Investments. Please go ahead.
- Madhur Rathie:** Sir, thank you for the opportunity. Hello?
- Moderator:** Yes, sir. Please go ahead.
- Madhur Rathie:** So, if I look at your June quarter trade receivables, Rs. 9 crores was spending more than one year. So, if you can give us a break of how much is spending more than 6 months as of now?

- Harish Dachepalli:** Around 20% will be there, sir. And 9 crores was spending because that was a big institution in the south. I can't take their name but we gave an offer at a longer credit because it was a very big order for us. But out of that also, 50% is recorded.
- Madhur Rathi:** And sir, out of the Rs. 87 crores-Rs. 88 crores receivables that we have as of September, you mentioned that 20% is spending more than 6 months.
- Harish Dachepalli:** Sorry? By September now, sir. So, in that Rs. 30crores, the business has come from the Q2 only, no? Out of the Rs. 80 crores.
- Madhur Rathi:** No, sir. So, the Rs. 9 crores, you mentioned that 50% has been recovered.
- Harish Dachepalli:** Yes.
- Madhur Rathi:** And I was asking that the Rs. 87.55 crores that we have as of September end, how much of that would be more than 6 months?
- Harish Dachepalli:** That won't be more than 6 months, sir. It is less than 6 months. And this will be recovered in the next 30 days to 90 days. And out of which, if it is anything more than 6 months, it will hardly be like Rs. 5 crores or 6crores.
- Madhur Rathi:** Okay, Got it. Sir, so one question was that most of the publishing companies have a very strong H1 versus H2. But for Dachepalli, H2 is almost similar or stronger than H1. So, why is that?
- Harish Dachepalli:** Because what has happened this year, we have promoted all these. These notebooks have gone, new orders. We have booked the orders earlier. Then we have dispatched the notebooks faster. That is one thing. And wherever the repeat orders have come, like every 4 years, I remember I told you that the army schools have changed. So, the transfer of army personnel happens in every 4 years. This was the 4th year. So, new admissions come, you know, once they transfer. So, many orders came after July also. August, September, like that. So, that was also one reason.
- Madhur Rathi:** Sir, I think my question was about H2. So, the December and March quarters seem to be almost equivalent or higher for Dachepalli versus our competitors like Navneet or Chetana who are very high in the April and June quarters. So...
- Harish Dachepalli:** Yes, but Navneet doesn't sell only school textbooks. Navneet sells guides, college textbooks, general stationery, and also notebooks. So, you cannot compare our sales with Navneet's. And also, Chetana's reach of business. Chetana's 90% business comes from Maharashtra state. So, all his business cycle and demographics are dependent in the Maharashtra business.
- But I do business more in 13 states. So, for example, if my Northeast business has already started kicking in now in Q3 with all the Manipur, Meghalaya, Shillong, Guwahati and all that. But by the time the Maharashtra and West Bengal's business start, it will be Q4. This particular diversity

is not there for Chetana. And Navneet is not just school business it has college books also. So, their model is different.

- Madhur Rathi:** Got it. Sir, just two final questions. Sir, on the Pelican, you mentioned that 100 schools have been on-boarded and Rs. 50crores is the revenue for this year expected or the next year.
- Harish Dachepalli:** Last year.
- Madhur Rathi:** Okay, so FY27, Rs. 50 crores would come from Pelican.
- Harish Dachepalli:** See, what has happened here is, some schools counter start for us maybe in March. Some start maybe in April. Both schools reopen in June only. So, we have closed 100 schools for the coming academic year. We have no relation with financial year. So, if the schools counter is starting before March, for us it is in the coming academic year only --. academic year only.
- Madhur Rathi:** Got it. And sir, the benefits of lower working capital will come going forward.
- Harish Dachepalli:** Yes, in the next two quarters, yes. Because now major spends are going on marketing as well as purchasing of raw materials. In the next two quarters, purchase of raw material will be almost negligent and marketing will be over, only sales will be kicking in. So, automatically the margins are higher in the next two quarters. Usually, it is the dispatch time where we dispatch pack and dispatch the stock across the country.
- Madhur Rathi:** Got it. Sir, just one final question, sir. We have taken a Rs.95 lakh loan from some Totium Financial at Rs.13.5 versus our banker HDFC is giving it at Rs.8.5. So, I would just encourage the management to close this loan out...
- Harish Dachepalli:** That loan is already closed.
- Madhur Rathi:** Okay, closed. Perfect, sir. That is amazing to hear. Sir, thank you so much and all the best.
- Harish Dachepalli:** Yes. Thank you.
- Moderator:** Thank you. The next question comes from the line of Charchit Maloo from Genuity Capital. Please go ahead.
- Charchit Maloo:** Hi, sir.
- Harish Dachepalli:** Hello, sir. Yes, please go ahead.
- Charchit Maloo:** Hi, just one quick question. My majority of the questions have been answered. So, as we have said earlier that we have stocked up the inventory this quarter. So, going forward in the next quarter, how much inventory gain are we expecting?

- Harish Dachepalli:** So, we are making ready to keep the inventory ready for the Rs.150 crores of target which we are keeping. If we do plus or minus 10% of the turnover, but the inventory will be ready for Rs.150 crores of business.
- Charchit Maloo:** The guidance have included all the gains and margins are also included.
- Harish Dachepalli:** I am sorry, what are you saying?
- Charchit Maloo:** I was asking the guidance that we have given of Rs.150 crores and the 14%-15% EBITDA margin.
- Harish Dachepalli:** Yes.
- Charchit Maloo:** So, this includes all the inventory gains, right?
- Harish Dachepalli:** If I have inventory only, I will be able to achieve the target.
- Charchit Maloo:** Yes.
- Harish Dachepalli:** Because we cannot produce on the spot. School textbooks should be produced in early 2 months-3 months in advance and keep it ready for the season coming. Because what happens is season order kicks in very fast. Like every day, at least a crore, 2 crores, 3 crores worth of stock should be going out. And if we are not having our stock, schools cannot wait till we produce and sell. They will automatically give it forward to another player or another competitor or peer. If we are not able to arrange that particular stock.
- Charchit Maloo:** Understood.
- Harish Dachepalli:** Yes. So, that is exactly why publishers print and keep it ready.
- Moderator:** Mr. Charchit, I am not able to hear you. Could you please come closer to the mic? If you have any other questions. Mr. Charchit please.
- Charchit Maloo:** That's it for my side.
- Moderator:** Okay. Thank you. The next question comes from the line of Shahid Chokshi from Alom Securities Services Pvt. Ltd. Please go ahead. Shahid, your voice is breaking. Could you please repeat?
- Shahid Chokshi:** Sir, my question is in the line of, as you mentioned that we have got paper at the price of Rs. 80-Rs. 81 while the paper price has been increased to Rs. 91 And there has been power cut so to achieve our target which we have given 150 color plus or minus. The capacity or the paper quantum which is needed to achieve this target. Do we have already bought it or we would require more?

- Harish Dachepalli:** 90% of the raw material required to achieve that target is purchased. Only delivery is pending. Some have been delivered and some are in transit. 10% we will only place order on need basis. Depending on the turnover or which product we will need later. But that particular 10% of the raw material will be priced at a higher price. We are estimating by the time we place the 10% raw material. The paper price will go up to Rs. 100 this year.
- Shahid Chokshi:** Okay.
- Harish Dachepalli:** So, that is exactly why we booked it at 79 and 81. So, we have a 20% cushioning on the paper price this year. And to keep it as a safer side, we have planned to increase the MRP's also by 10%. So, average we will be netting that particular percentage of PAT we promised.
- Shahid Chokshi:** And sir, just to, if possible, can this also provide some light on when we actually decide that we should stoke more on paper as the price has been increasing. So, do we actually store quarter-on- quarter or do our purchase decision quarter-on-quarter? How we do it?
- Harish Dachepalli:** Usually, we purchase whenever it is cheaper. Because by June 15, the schools reopen and July, major payments kick in. And from August, September and all, we start looking at the paper prices. And the reason we look at when the price is less. We also find out what is the market scenario. Whether there is any export order or there is any war like situation. Anything, you know, any production issues across the mills.
- Depending on all that, we take a call. So, this year, I think we were very lucky to take a call at Rs. 79 and Rs. 81. And now, you know, even today, I have enquired paper, it was around Rs. 93. So, there only we made a 10% less on the raw materials. And every year, there is an amount of hard work goes on in figuring out the right time. Usually, it is the price and also these paper vendors and their lobbyists and distributors. Everybody will have an idea that how it is going up and down. So, we take their advice also in judgement and then we take a call.
- Shahid Chokshi:** So, sir, actually, for the guidance that we have given, 15%-16% PAT margin. So, have you accommodated this sale line for a 10% price increase into this PAT margin? Or this PET margin could be more with this inventory gain?
- Harish Dachepalli:** It could be more, but we are only promising 14%-15%.
- Shahid Chokshi:** Yes.
- Harish Dachepalli:** This is back in the easy bet for us. So, we are expecting more than that. But yes, 14%-15% definitely we will achieve.
- Shahid Chokshi:** Okay. Thank you, sir. That's from my side.
- Moderator:** Thank you. As there are no further questions, we have reached the end of question-and-answer session. I now hand over the conference to Mr. Gautam. Please go ahead.

- Gautam:** Thank you. On behalf of Dachepalli Publishers and EquiBridgeX Advisors, I thank everyone for taking time to join today's conference call. If you have any queries, you can connect us on info at equibrijx.com. Once again, thank you for joining the conference. Thank you, Harish sir. Thank you, Abhinav sir, for taking time.
- Harish Dachepalli:** Thank you.
- Abhinav Shah:** Thank you.
- Moderator:** Thank you. On behalf of Dachepalli Publishers Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.