



# DACHEPALLI PUBLISHERS LIMITED

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Date:- 18th February, 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 16th February, 2026, Monday at 05:30 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 11<sup>th</sup> February, 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 Monday, 16<sup>th</sup> February, 2026 at 05:30 P.M to discuss the Unaudited Financial Results of the Company for Q3 & 9M FY 26.

Submitted for your kind information and necessary records.

Kindly take the same on your records.

For **DACHEPALLI PUBLISHERS LIMITED**

**ANAND  
JOSHI**

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“Dachepalli Publishers Limited  
Q3 and 9 Months FY '26 Earnings Conference Call”  
**February 16, 2026**



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

**MODERATOR: MS. CHANDNI – EQUIBRIDGEX ADVISORS PRIVATE  
LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to Dachepalli Publishers Limited Q3 and 9 Months FY '26 Earnings Conference Call hosted by EquiBridgex Advisors Private Limited. 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 touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Chandni from EquiBridgex Advisors Private Limited. Thank you, and over to you.

**Chandni:** Thank you, Moni. A very good evening to everyone. Welcome to the Q3 and 9 Months FY '26 Earnings Call of Dachepalli Publishers Limited. From the management team, we have with us Mr. Harish Dachepalli, Executive Director; Mr. Abhinav Dachepally, Executive Director. The management will begin with the opening remarks, after which we will open the floor for Q&A.

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 Dachepally:** Good evening everyone. I am Abhinav Dachepally, Executive Director of Dachepalli Publishers. Thank you for joining us today for the earnings calls of Dachepalli Publishers Limited. This is an inaugural earnings call following a successful IPO, and we truly appreciate the time and interest of our investors, analysts, and stakeholders.

This period is particularly meaningful for us as it reflects the company's steady progress as a listed organization, marked by disciplined execution, improved profitability, and a sharper focus on long-term value creation. Dachepalli Publishers Limited has a rich legacy in the Indian publishing economy.

Over the years, the company has built a strong reputation in education and academic publishing, catering to a wide spectrum of learners through well-researched, curriculum-aligned content. Our focus has consistently been on delivering value-driven educational materials supported by long-standing relationships with authors and distributors and a deep understanding of regional and institutional demand.

This foundation has enabled us to build a resilient and scalable business model. This quarter is important for us as it is among the first reporting periods after our IPO listing. The transition to a listed company has further strengthened our governance, transparency, and operational discipline.

The IPO has also enhanced our financial flexibilities, enabling us to plan growth initiatives in a more structured and sustainable manner. The encouraging investor response reinforces our confidence in the long-term direction of our business.

During the third quarter of FY '26, the company delivered a stable and profitable performance, reflecting consistent demand and disciplined cost management. Total income for the quarter

stood at INR1,477.77 lakhs, while profit before tax was INR274.69 lakhs, and net profit for the quarter was INR144.31 lakhs, translating into a net profit margin of approximately 9.78%.

Earnings per share for the quarter stood at INR1.28. These results demonstrate our ability to maintain profitability while continuing to operate efficiently in a competitive environment. It is also important to highlight the seasonal and academic nature of our business model. As a school textbook publisher, our revenue cycle is aligned with the academic calendar.

Q3 is traditionally a comparatively moderate quarter for textbook sales and largely consists of repeated institutional orders, holiday homework books, and purchases arising from interstate student transfers. The primary textbook procurement session typically aligns with Q4 and Q1, depending on boards like CBSE and SSC structures and academic schedules.

Additionally, during Q3, the company strategically increased investments in expansion initiatives, including sales network strengthening, marketing efforts, and promotional activities in preparation for the peak academic session. These expenditures were consciously undertaken to enhance future revenue generation capability and expand our market presence. Accordingly, Q3 performance should be viewed in the context of the broader annual academic cycle rather than in isolation.

The Indian education and publishing industry continues to remain on a positive trajectory, supported by sustained focus on education, curriculum revisions, increasing adoption of regional and academic content, and steady demand across institutional and retail channels. Within this environment, Dachepalli continues to grow steadily.

Our strong editorial capabilities, curriculum-aligned product portfolio, and long-standing distribution relationships position us well to capture industry opportunities while maintaining financial discipline. We remain confident in our growth strategy and long-term outlook, supported by improved financial flexibilities post-IPO and a scalable operating framework.

Thank you for joining us today and for your continued interest in Dachepalli Publishers. We will now open the floor for questions.

**Moderator:** Thank you very much. We will now begin the question and answer session. Our first question comes from the line of Disha from Sapphire Capital. Please go ahead.

**Disha:** Yes, thank you so much for this opportunity. Firstly, coming on to the seasonality, you mentioned Q3 is a moderate quarter, and Q4 and Q1 we primarily see having a higher proportion. So what sort of revenue contribution do we see from Q4 and Q1 as compared to the full year?

**Abhinav Dachepalli:** This financial year we projected a turnover of around INR90 crores, and we have already achieved INR55 crores, and we have confirmation orders of almost INR25 crores to INR30 crores. So we are, as per the promise what we made to the public, we will be achieving the INR90 crores turnover because we have confirmation orders.

**Disha:** So what I was trying to ask is, in general, Q4 and Q1 contribute to what percentage of our overall revenues?

- Abhinav Dachepalli:** 90% of the business comes from Q4 and Q1, ma'am. Because if you understand, we are selling school textbooks. So Q4 is usually when CBSE and ICSE schools place orders, and Q1 is usually where state board schools place orders across different states. So 90% to 95% of the business comes from Q4 and Q1 only.
- Disha:** Okay, okay, all right. And so for the margins, because you said that this quarter we do higher spends for the coming quarter, so what is the steady-state margin level you see going ahead?
- Abhinav Dachepalli:** Usually, in the past experience, we have noticed a PAT of around 18% to 20% PAT. But in Q3, PAT is reasonably less because most of our money is spent on sales and marketing and approaching new schools and other working capital needs or purchasing raw material for the coming business.
- Disha:** Right, right. So on an overall consol basis, we can see 18% to 20% PAT going ahead?
- Abhinav Dachepalli:** Yes, ma'am. Yes, ma'am.
- Disha:** Yeah. Just my question was around our capacity. So our current capacity utilization is around 40%. So what sort of ramp-up plan do we have for this? And what's the revenue potential from the existing capacity at peak utilization?
- Abhinav Dachepalli:** Two things we have to understand here. Dachepalli is solely a publishing company, and printing press is just an ancillary unit for our existing production. We previously used to produce our products in outside printing industries where there was delay in time and there were quality issues. So we slowly set up our own machines.
- Then we pushed 90% of our production in-house and 10% still goes outsourced. That is due to the seasonal nature of this business. And also about the capacity utilization, in printing industry, usually capacity is measured at a 22-hour shift. But in our case, in a 22-hour shift, our machines are at 40% capacity, but at an 8-hour shift, we are at 80% capacity.
- Disha:** Okay. So this is -- so what's the peak utilization that we can achieve there?
- Abhinav Dachepalli:** In terms of utilization in the quarters, if you see, Q2 and Q3 is majorly peak utilization happens because that's when we produce the books for the coming academic year. And Q4 and Q1 usually goes for reprints or any emergency printing on such matters.
- Disha:** Okay, okay. All right, all right. Okay. That's it from my side. Thank you so much.
- Moderator:** Thank you. Our next question comes from the line of Rohan Kamad from LNPR Capital. Please go ahead.
- Rohan Kamad:** Yeah, hi sir. Thank you for the opportunity. Sir, my first question is margins remained strong at the nine months level but declined in Quarter 3. What margin range should be considered sustainable over the medium term?
- Abhinav Dachepalli:** Annually, if you see, margin will be on a PAT of 18% to 20%. In Q3, PAT will be lesser because we don't have revenue coming in Q3, but more expenditure is going out of the company for Q3

for the coming academic year sales generation, like promotional activities, marketing activities to get orders from schools.

**Rohan Kamad:** Okay. My next question is operating and selling expenses are increased during Quarter 3. Were these primary preparatory expenses for the peak academic season, and should we expect normalizing in the coming quarter?

**Abhinav Dachepalli:** Yes, sir. Operating expenditures will come down in Q4 because it's usually revenue generated, and most of the production is already been done and kept ready for the coming academic season. So by Q4 and Q1, when the major revenue kicks into the business, automatically operating cost will come down because the cost of production is almost negligible at that point of time.

**Rohan Kamad:** Okay. The inventory levels have increased as of nine months FY '26. How confident is management about liquidation during the peak textbook season, and what is the expected inventory cycle?

**Abhinav Dachepalli:** So the reason why inventory is high because we were very clear that after IPO we will be spending more on sales and marketing and then entering new geographical locations where we have business, and also, we brought in lot more new products like the NCERT workbooks, like the financial literacy textbook which was not there prior to this. And we have changed certain sales and marketing team in the states where we have existing business.

So overall with the confirmation of orders and then with the previous years' business and with all the required reports, we have come up with this stock level, and we are very sure that this will be finished in the next two quarters.

**Rohan Kamad:** Okay. How should investors assess working capital requirement and cash flow movement across the academic year and given the seasonality of the business?

**Abhinav Dachepalli:** So usually in school education business, what happens is in Q4 and Q1 major orders kick in where we start dispatching our supply. And from Q1 end to Q2 is major our revenue income starts coming back to the company. So usually the working capital cycle is around four to five months.

**Rohan Kamad:** Okay. How many schools were added during nine months FY '26 and what is the average revenue per school?

**Abhinav Dachepalli:** Right now, our present is around 10,000 schools. So we can't give an average just like that because some school might be just using one product from our company or one subject and some schools must be using 40% to 50% of the average. Let's say if all the 10,000 schools where we are supplying, if all of them have a similar strength of around 500 to 800, then average order value will be around INR1 lakh, INR1.5 lakh. But that's not possible because in India school strengths are different from 300 to 2,000. So in that case, measuring average value per school gets not reasonably correct.

**Rohan Kamad:** Okay. What is the current status of curriculum integration partnership and how does this partnership enhance revenue visibility and long-term growth?

**Abhinav Dachepalli:** So last year when we introduced this curriculum integration and partnership with schools, we tied up with only 10 schools where we did our handholding with the schools, and where our editorial team or the training team has gone into the schools, they did handholding, they taught the teachers on how to teach the textbooks to the students, we helped them with integration of technology inside the school. And this year we tied up with 60 schools, and going forward we are anticipating around 200 schools in the next coming year.

**Rohan Kamad:** Okay. Thank you. That's from my side.

**Moderator:** Thank you. Our next question comes from the line of Harini from Lorvet Consultancy Services. Please go ahead. Harini, your line has been unmuted. Please go ahead with your question.

**Harini:** Sir, could you give us a clear update on IPO fund utilization? Have we cleared the dues of INR6 crores term loan, and are we using that INR25 crores for working capital?

**Abhinav Dachepalli:** Hello ma'am. Thank you for the question. Yes, like what we mentioned in our RHP, we have cleared INR6 crores loan with HDFC Bank where we had a term loan with them. And out of the INR25 crores, we bought raw material, bulk raw material, where we get good cash discounts and bulk discounts which are likely to get higher profit margins going forward, in the next quarter you will be seeing that.

And also, we have brought in multiple things. One, we have got into distribution of notebooks and stationery as well to our existing customers because prior to that we were only dealing with school textbooks and we never entered into this particular vertical. But post IPO, yes, we have got in the distribution.

And right now our distribution network for notebooks and stationery is at a reasonable quantity of around 10,000 to 20,000 pieces per CBSE or ICSE standards. But going forward, the moment once we reach a 25,000 capacity of each product like for example each geometry box or stationery or notebook, we will start manufacturing our own line. So far, we want to depend on the distribution model by procuring the material and supplying to existing customers only.

And then apart from that, we have a new e-commerce vertical called Pelican Edu Supply. What happens here is our tech team generates a link for each and every school. The school then forwards that link to the parents where the parents get to purchase the textbooks, notebooks, stationery, and other requirements of the school through that link, where we pack that in our warehouse, that box is shipped to the parents like how Amazon or Flipkart does the delivery.

And last year we did a pilot project of around 3 schools, we raised the revenue of around INR2 crores, and this year we tied up with 50 schools, and we are expecting a revenue of around INR30 crores from these 50 schools. Going forward, we want to scale up this industry. With the space constraint in our existing plants and plant, we also purchased a new land recently where we will be building around 60,000 square feet of shed where we will use this place only to scale our e-commerce vertical. And going forward we are estimating around 300 to 400 schools in the next coming year. That's one thing.

And NCERT workbooks is one new demand where we were not in this product before. Since our business is consistently growing in each and every state where we are entering, NCERT workbooks are a common product which could be sold across all the states in the country. So we've got that product into line.

And financial literacy is another product where this particular, after the new education policy was introduced, schools have been made mandatory to teach financial literacy from class 1 to class 10th. So we launched that product also this year. And since we were the first mover in the market, we have already sold close to 20,000 pieces of each class, and our reprints are going on now. So these are all the new updates what we did post IPO. And our IPO just closed like 30 days back.

**Moderator:** If you want to ask more questions, please go ahead.

**Harini:** Yeah, yeah. So just one more question. Why are receivables days so high? And what sort of normal trajectory do we expect for these receivables days?

**Abhinav Dachepalli:** Ma'am, there are multiple reasons. One being, see what happens is, this industry works in a different model. What happens is we usually tend to get orders from CBSE schools in the month of January to March, CBSE and ICSE, and State Board schools orders come from April to June. But usually our payments start kicking in only when the school reopens.

Across India, in any state if you see, 90% of the states open, schools reopen on June 15th. But then orders are procured 3 months, 6 months before. The reason being is, let's say my product is sold in 10,000 schools. I cannot dispatch 10,000 orders in one month or two months. I need proper 3 to 4 months to pack, distribute to schools across various states, various districts, various mandals, talukas. So in that process it takes a while **[Inaudible 0:18:43]**.

And in every vicinity, the set of schools are tied up with a vendor. You can call him a bookseller or a distributor. This particular distributor procures material from multiple vendors like us, like multiple textbook publishers, stationeries, notebooks, and he makes a basket for that particular school. Once he makes that basket for the school, he sends that basket to the school, and at school level they again make class-wise sets for the students.

And then once the parents start to take admissions around June, June 15th, they start procuring this material. Once the reopen happens, we go collect, our distributors or us, we go collect the money, and then that money comes back into the system. So that's why this particular procedure is long. And because we are sending stock early, that doesn't mean that only, it is that means we have invoiced the product early, it doesn't mean the invoice is actually accrued to us.

**Harini:** Okay, so what's the normalized range for these receivable days?

**Abhinav Dachepalli:** Usually it will be around 100 and 150 days.

**Harini:** Sorry, I couldn't get that.

**Abhinav Dachepalli:** It will be around 180 to 200 days, ma'am. 150 to 200 days.

- Harini:** 180 to 200 days.
- Abhinav Dachepalli:** Yes, yes. Because, six months goes in season time. Once the, so usually when June 15th the school reopens, by September, October 90% of our payments are recovered.
- Harini:** Okay, so basically by Q2 end we see most of the payments coming through.
- Abhinav Dachepalli:** Yes, yes. And also the pricing on the products are also MRP'd like that, which covers that four months or six months of interest cost also. And this model has been in India for almost 100 years, in terms of textbook publishing.
- Harini:** Okay, okay. Alright. That's clear, sir. And what sort of growth are we targeting for the next year?
- Abhinav Dachepalli:** This year we will be closing at around INR90 crores turnover, ma'am. Next year with the e-commerce vertical also kicking in, we will be planning to do around INR150 crores of turnover.
- Harini:** INR150 crores.
- Abhinav Dachepalli:** Yes.
- Disha:** And currently I think we're supplying to 10,000 schools, right? Where do we see this number say in next 2, 3 years?
- Abhinav Dachepalli:** So post IPO what we did, we started, before IPO we used to do one state at a time depending on the revenue from the previous year's business or the profit we made from the company. But post IPO, now instead of doing one state at a time, we started doing four states at a time. This year we started Gujarat, Rajasthan, and sorry, Assam, and another state. And next year we will be doing four states at a time. In the next three years we want to do around 25,000 schools across 28 states and 8 union territories of the country.
- Harini:** In next three, three to four years.
- Abhinav Dachepalli:** Next three years, yes.
- Harini:** Okay, okay, okay. That's very clear. Thank you so much, sir. That's it from my side.
- Moderator:** Thank you. Our next question comes from the line of Jayesh from HDFC Securities. Please go ahead.
- Jayesh:** Yeah, thank you so much for the opportunity and good evening. So sir, see the top 10 customers have contributed significantly in FY '25. So how should investors view customer concentration risk going forward?
- Abhinav Dachepalli:** I'm sorry, I didn't get your question. Can you ask again? The voice was not audible.
- Jayesh:** Yeah, yeah, yeah. See my question is that the top 10 customers have contributed significantly in FY '25. Okay. And so how should investors view customer concentration risk going forward in the future?

**Abhinav Dachepalli:** So the top 10 customers came from multiple group schools where we procured orders last year, which was not the previous method of business. So we got into group schools like Pudami and Sri Chaitanya, Narayana, where each school has around 150 branches. So because the number of schools on that particular brand is high, so the revenue coming from them looks like on the top 10 customers.

Also what happens in our industry is every time a book gets prescribed in a school, the book stays in the school for almost four years. So this particular top 10 customers from the similar revenue will definitely stick for the next four years. And then we'll also be adding new and new schools across different states and different verticals. So the concentration risk is very less in that way.

**Jayesh:** Okay, so we can say that these customers are definitely sustainable. Sustainability is there.

**Abhinav Dachepalli:** School textbooks usually, it's very difficult to get prescribed in a school, but the moment it gets prescribed, it stays for four years minimum. That is minimum, but there are some customers of mine who have been using my product for almost 18 to 20 years also.

**Jayesh:** Okay, okay, okay. Maximum 18 to 20 years.

**Abhinav Dachepalli:** No that is, that is higher end. But I'm still promising only four years. Because that reasonable change happens in every four years. But there are customers to the company who's been using the same product in continuous so many years also. So if there's a top 10 customer giving more revenue in this, if you see that in FY '25, they'll continue for the next three years definitely.

**Jayesh:** Okay. Three to four years minimum. Okay.

**Abhinav Dachepalli:** Yes.

**Jayesh:** Okay. And sir, what steps are being taken to diversify the customer base further? Any specific steps that you would like to mention or specify?

**Abhinav Dachepalli:** Diversify the customer base as in we are doing the same business, right? We are not, so what we are doing is we were only making school textbooks and selling prior to this. But post IPO we realized what other things can we sell to the existing customer. That's exactly where we got into notebook distribution, stationery distribution, then we got into home delivery of the products of e-vertical. So all these are not diversifying the customer, is getting new products into the existing customer.

**Jayesh:** Okay. Okay. So actually the question was regarding customer base actually, customer base diversification.

**Abhinav Dachepalli:** No, see the thing is, previous, before the e-commerce vertical were launched, mostly our customer was the school. But now after e-commerce vertical has launched, we got too much data from the parents and you know what state, what standard the student is in, or you know, we have used some certain AI tools to understand what is the need of that particular class or what products is being focused more.

So we are using that data now to sell other products to the same, to B2C. That is the parents and the school, like you know, pushing holiday homeworks, additional STEM kits, educational toys to those parents. So that's how we've been diversifying our customers.

**Jayesh:** Okay, okay, okay. Okay. And sir, as far as the growth aspect is concerned, so which segments of the company is seeing the fastest growth, such as textbooks supplies or etc.?

**Abhinav Dachepalli:** 90% to 95% of the business comes from the textbooks. It has always been like that. So going forward also textbook will be the major contribution of revenue. And we are slowly adding other revenues so that we get multiple sources of income from the existing customer or from the existing network. So revenue source, major turnover for the company comes from textbooks.

**Jayesh:** 90% to be precise. And 90% to be precise from textbooks, correct?

**Abhinav Dachepalli:** Yeah, because we are a school textbook publishing company.

**Jayesh:** Yeah. And sir, what about the supplies part?

**Abhinav Dachepalli:** So here the supply network works, if you are doing the textbook, we are into two different modules. One model where the textbook is supplied to schools is for, let's say out of the 10,000 schools could be around 10 different states of the country. These textbooks are, for every district there are multiple schools, the multiple schools have a vendor. Now they procure -- that particular vendor, they procure the stock from them, let it be textbooks, notebooks, stationery, or even uniform, and also shoes.

So that particular vendor, once he gets orders from the schools, he'll make the basket for that particular school and then he procures from us. So we have a supply chain with all these distributors around 300 to 400 of them across the 10 states where we are operational right now. And every time we get an order, it takes 2 to 3 days to dispatch and then in depending on the locality also.

If it is in the South, it probably reaches in 3 days. If it's in the North, it takes up to 4 to 5 days. But we use transport companies like VRL, Gati, Navata for transportation. In and around 150 kilometers radius from Hyderabad, since our office's head office is Hyderabad, we give them door delivery in our own vehicles.

**Jayesh:** Okay, okay. And sir, how much of the revenue currently comes from the repeat school customers versus the new ones, new customers?

**Abhinav Dachepalli:** Sir, out of the revenue, 70% is from the repeated customer and 30% is from the new customers. 70-30 ratio is there. Because since, like I said, the book continues for three-four years, so that 3, then our existing sales and marketing team try and pitch this product to new schools where our business is not there. So that generation is 30%. This was post IPO, but after IPO this will change because now we are rapidly increasing into new states where we were not present previously. So that revenue is also, once it kicks in, it'll go down to 60-40 ratio.

**Jayesh:** Okay, okay. Okay, thank you sir. And sir one last one from my end, that can management comment on the pricing power in the current academic publishing times?

**Abhinav Dachepalli:** Yes, we can comment on the MRPs. And actually, what favor thing is, many publishers in India do not have their own printing line, but in our case, we have our own complete production unit. So because of our production unit, there are higher margins compared to our competitors, and because of that costs are also less. And we are, our margins are still very reasonable because the paper prices have been down from the last four years and we kept the same MRPs.

But compared to our competitors who are dependent on third-party printing units, their MRPs are increasing slightly increasing 5% to 7% every year. So we still have that leverage because we haven't changed the MRPs for four years. And that has been a great advantage in the schools because the title keep continuing, they can continue with the same price list again and again. But now even if I increase my MRPs by another 10% to 15%, the market wouldn't mind because my competitor's MRPs are still higher. And with existing MRPs I am still getting more margin is because my production is also in-house.

**Jayesh:** Okay. So sir, but depending on the situation and in future times as well, so price can change as well, price or the prices of the books, textbooks, MRPs?

**Abhinav Dachepalli:** Prices will change if the raw material, see 70% of our raw material is paper. If the prices of paper prices change, then automatically the textbook prices also will change. But if you just to give an example, in 2020 I bought paper at INR150 per kilo. This year I purchased paper at INR70 per kilo. And last year also around INR70, then previous year it was around INR75.

So paper price only been declining. So at my MRPs right now are priced at a paper price when it was INR150 per kilo. Today at INR70 MRP also, cost also per paper, I haven't reduced my MRPs, I just kept it the same.

**Jayesh:** Okay, okay, okay. So that was nice to hear. And okay, so it will depend on the materials itself, raw materials.

**Abhinav Dachepalli:** Yes, 100%.

**Jayesh:** Okay. Okay sir, okay. Thank you so much for all the information. That was it from my side. Thank you.

**Abhinav Dachepalli:** Thank you so much.

**Moderator:** Our next question comes from the line of Sahil Raj from Samadareeya. Please go ahead.

**Sahil Raj:** Yes. Sir, my specific question on this utilization of your capacity. What capacity utilization are you targeting for this year and the next year?

**Abhinav Dachepalli:** So actually we, like I said, for a 22-hour shift of printing industry, we are at a 40% utilization, but at a single shift of 8 hours, we are at an 80% utilization capacity. But the moment we will - the moment our capacity, we don't want to do a 22-hour shift of printing, because our business is seasonal in nature. And also printing is not our main business.

It is just an ancillary unit for existing publishing school textbook business. So going forward, whenever our production increases at more than 80%, we ourselves will buy an additional machinery. So this year we are noticing that for a single hour shift our production is going more than 80%, and in the next quarter, I mean after Q2, we are planning to buy more machinery to stabilize that.

**Sahil Raj:**

And what would be the cost of these machineries that you are trying to get in after Q2?

**Abhinav Dachepalli:**

Printing machines vary. If it is an international machine, it comes around INR4 crores to INR5 crores, and Indian machine comes around INR1 crore to INR2 crores. But the quality difference is 50%, and the speed of the machine, let's say a Manugraph machine, which is an international make, gives around 30,000 forms per hour, whereas an Indian machine, for example Orient, gives at a 15,000 forms per hour.

And the quality difference between both machines in terms of printing, it is around 50%. And price obviously is also double the price. And life also is different because an international machine usually stays for more than 20-25 years, and Indian machine lasts for 5 years.

This is about, this is in terms of web, but in terms of sheet-fed, that is like in printing there are two types, vertical machines and horizontal machines. What I just told you about is about vertical machines. But about horizontal machines, if it's an international machine, it'll be going -- for a first-hand machine it'll be going around INR20 crores to INR25 crores.

But in India right now even 1970 machines are still operational because these horizontal machines' life is around 100 and 150 years. Even right now in our printing unit, we have around 2003 model and 2000, 2002 model also, which are very efficiently running and the great quality they give us. So if you maintain them well, easily these machines last for 70-75 years.

**Sahil Raj:**

Okay. And have you thought of going for maybe getting these printing done from someone else rather than purchasing your own machinery?

**Abhinav Dachepalli:**

Yes. So eventually before we were actively involved into the business where my father and my uncle were taking over, they were 100% dependent on outsourcing of the production. But when we reached, when we came and joined my business, me and my brother, we noticed that we are not getting our books on time, quality is not being maintained, the paper quality which was promised to us is not coming out on time.

And also in reprints time when the peak season going on, if any particular title we need, the printing presses have already taken commitments from other publishers, so the turnaround time was getting late and we were continuously losing orders. That's when we decided that, why don't we start in our place.

So initially we got some small units, some binding and printing equipment, and we saw our break-even time, and how much we are getting benefit of it. Slowly over time in the last 5 to 6 years, we started buying more and more machinery, then we have taken a better rented premises, then we moved into a company-owned warehouse production unit now.

So it has been growing very stand-alone. But 90% of the production happens in-house still, and 10% still is outsourced. One due to the seasonal nature of this business and some products can still not need more machinery to produce some products. But since it is only 10% of the production, we are happy to send it outside.

**Sahil Raj:** Okay, sir. And in terms of your heavy quarters for the year, be it the Quarter 1 or Quarter 2, you don't face any challenges with respect to capacity because you said that you can get more machinery as and when required, and raw material is also fine. So no capacity constraints as such, right?

**Abhinav Dachepalli:** No, no. But we are at full -- for a single hour shift we are right now at a full capacity.

**Sahil Raj:** But you can scale that up, right? As and when needed.

**Abhinav Dachepalli:** Yes, yes. We can scale it up anytime.

**Sahil Raj:** Okay, thank you for answering.

**Abhinav Dachepalli:** Thank you.

**Moderator:** Our next question comes from the line of Neha Sharma, an Individual Investor. Please go ahead.

**Neha Sharma:** Good evening, sir. Thank you for the opportunity. Sir, first question is what is the current scale of the Pelican platform?

**Abhinav Dachepalli:** Ma'am your voice is not audible?

**Neha Sharma:** Sir what is the current scale of the Pelican platform?

**Abhinav Dachepalli:** Last year we did a pilot project with 3 schools, and this year we tied up with 50 schools, which will generate around INR30 crores of revenue. But this revenue will be split between Q4 and Q1 because schools reopening dates are different across different states. So and going forward, next year we want to push it to 150 schools. And after that it'll be 300 schools.

**Neha Sharma:** Okay. Sir, what are the unit economics and margin profile of the Pelican model versus traditional publishing?

**Abhinav Dachepalli:** Actually traditional publishing model is, profit margins are higher because we are manufacturing that own product, but in terms of the e-commerce model, there are multiple things. One, our product is there inside it, other publishers' textbooks are there, stationery is there, and notebook is there. But stationery and notebook right now we are only trading it, we are not manufacturing it.

So as and when, when we start manufacturing because we need a minimum quantity to manufacture that particular product. When we get, when we reach that stage like once we reach a 100 schools, we will be having a minimum quantity to manufacture that product, and then the margin from that vertical also will be as good as what we are getting from the textbooks.

- Neha Sharma:** Sir, what investments are planned in AI?
- Abhinav Dachepalli:** This year?
- Neha Sharma:** AI and analytics capabilities, sir?
- Abhinav Dachepalli:** Ma'am, your question is not clear, ma'am. What investments?
- Neha Sharma:** Are planned in AI?
- Moderator:** There is a lot of background noise.
- Neha Sharma:** What investments are planned in AI and analytics capabilities, sir?
- Abhinav Dachepalli:** So when we cleared, when we brought in the Pelican Edu Supply e-commerce vertical of delivering this particular educational material to parents home-delivered, we've got more information of the students' needs and their classes, whether it's a male or a female, and which background of the parents, which kind of school they are studying.
- AI, we developed an AI tool which helps us identify that particular parent and his purchasing capacity. And with that, till now we've been on the B2B model of supplying textbook to schools and other needs. But once this vertical opened, our AI model helped us generate information of different students of across different economical backgrounds, different states, different needs.
- So now we started our own e-commerce model, where we have a website where all this data is pushed and then we send notifications to parents through email and WhatsApp and other places, to push other things apart from textbooks, that is educational toys, STEM kits, and Olympiad books, and other things which are which are for higher education.
- So usually when a customer becomes a customer for the company for 3 to 4 years, but through this model, we are trying to make that customer stay with the company for at least 10 to 12 years across his educational journey.
- Neha Sharma:** Thank you sir. What percentage of schools are currently adopting the WeStudy digital platform?
- Abhinav Dachepalli:** So WeStudy is a complimentary tool for textbooks. What happened is, we've noticed that, schools are interested in technology. So when we ended up creating this technology, we realized that the cost per student or cost per book is actually very small. So instead of trying to sell this model, why don't we give it for free as a complimentary along with the textbooks that are purchased.
- So then we started pushing this technology for free because the amount of investment we spent on that technology or creating the technology including the server charges, when it comes to divide by number of textbooks we are selling, it's hardly coming to INR3 to INR4 per book. So then what we did, instead of trying to sell this product, why don't we increase the MRPs on the books by another INR10 and start providing this technology for free.

So we are rapidly pushing this technology for schools to get adopt, use our videos, use our test generator tools. And even we've integrated AI in the test generator where if a teacher teaches certain topic today, she can push a mock test on that particular topic to the students' app where the students can solve that particular test

And AI gives a result saying that whether the student has understood this particular topic or not or whether the teacher has to come back tomorrow and revise this topic again before going to the next particular chapter or next particular paragraph. And in case of mathematics, AI also helps them that, if there are questions in addition or subtraction

And then the AI notices that the students are not performing well in addition, it pushes additional worksheets of addition to their email ID where they can download and practice that particular worksheet. They can take a screenshot, post it in the school app. Through the LMS the teacher gets to know what the student is doing, how well is he performing. So AI is helped very much in the reports also.

WeStudy come, with all these tools WeStudy is coming as complimentary, but still we have only noticed 30% adoption rate of technology in schools because there is a lag in schools of using technology, but we are continuously pushing it, we are trying it to give it for free. Because tomorrow if any edtech companies or anybody trying to come and sell technology, the school itself will tell them that this technology is already available for free and we are using it.

**Neha Sharma:** Thank you sir. And the last question is what risks does management foresee in executing the D2C parent commerce strategy?

**Abhinav Dachepalli:** D2C parent.

**Neha Sharma:** Commerce strategy?

**Abhinav Dachepalli:** Commerce? Ma'am can you please be little more audible.

**Neha Sharma:** Commerce?

**Abhinav Dachepalli:** Yes, yes. So our major business is selling textbooks to schools. So that will be 90% of the revenue. And we are trying to get additional revenue through these e-commerce verticals through parents. With an increase in number of schools, I'm guessing the revenue will be a 10% of the total business.

And going forward that margin will increase when we adopt more and more schools in the e-commerce portal of delivery of textbooks. So now this year we tied up with 50% -- 50 schools. And next year we are in line with doing around 150 schools. Actually right now also we can tie up with more schools, but space is also and time are two constant things.

Next year our new factory will open, and with that we are easily concentrating around 150 to 200 schools. And right now we are doing a pilot project with our uniform also. And once we understand the challenges with the uniform, we'll try to scale that up also.

**Neha Sharma:** Okay. Thank you sir. Thank you very much. All the best.

- Abhinav Dachepalli:** Thank you.
- Moderator:** As there are no further questions, I would now like to hand the conference over to Miss Chandni for closing comments.
- Chandni:** On behalf of Dachepalli Publishers and EquiBridgex Advisors, I thank everyone for taking the time out to join today's conference call. If you have any queries, you can connect to us at [info@equiprojex.com](mailto:info@equiprojex.com). Once again, thank you for joining the conference. Thank you, Harish sir. Thank you, Abhinav sir.
- Abhinav Dachepalli:** Thank you, ma'am. Thank you so much.
- Harish Dachepalli:** Thank you, ma'am.
- Moderator:** Thank you. On behalf of EquiBridgex Advisors Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.