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IPO Note
24th Dec 2025

Dachepalli Publishers Ltd.

Netural

Rating: Netural	
Issue Offer	

Fresh Issue of 39,60,000 equity shares amounting to INR 400 Mn

Issue Summary	
Price Band INR	100-102
Face Value INR	10
Implied Market Cap INR Mn.	1,527.6
Market Lot	1,200
Issue Opens on	Dec 22, 2025
Issue Close on	Dec 24, 2025
No. of share pre-issue	11,016,000
No. of share post issue	14,976,000
Listing	BSE SME

Issue Break-up %	
Market Maker	5%
QIB Portion	47%
Retail Portion	14%
NII Portion	33%

Registrar

Bigshare Services Pvt.Ltd.

Book Running Lead Managers

Synfinx Capital Pvt.Ltd.

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	88.07%	64.78%
Public & Others	11.93%	35.22%

Objects of the issue

- To part finance the requirement of Working Capital
- Repayment of certain borrowing availed by our Company, in part or full
- General Corporate Purposes

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Dachepalli Publishers Limited is an Indian educational publishing company focused on developing curriculum-aligned textbooks, reference books, and academic materials for school and college-level education. With a strong emphasis on quality, affordability, and syllabus relevance, the company serves multiple educational boards across India. As of 2025, it offers a diversified portfolio of 600+ titles across six established brands Apple Book, Orange Leaf Publishers, Pelican Publishing House, Sangam Publishing House, and School Book Company supported by both print and digital formats to enhance reach and learning outcomes.

Investment Rationale

Strong Moat Backed by Legacy and Institutional Stickiness: Company derives a durable competitive advantage from its century-long operating history, which has translated into deep-rooted trust and credibility among schools, educators, and institutional buyers. In the highly regulated and relationship-intensive K–12 publishing market, where curriculum approvals, teacher acceptance, and reputation play a decisive role, such legacy is extremely difficult to replicate. Long-standing associations with schools typically extend across multiple academic cycles, leading to predictable order flows, repeat adoption of revised editions, and strong revenue visibility, thereby insulating the business from short-term competitive pressures.

Structural Margin Expansion with Scalable, Efficient Operations: The company has demonstrated a meaningful structural improvement in profitability, supported by operating leverage, disciplined cost management, and a vertically integrated manufacturing model with ~85% of printing and binding undertaken in-house. This integration reduces dependence on external vendors, mitigates supply-chain risks during peak seasonal demand, and ensures tighter control over quality and turnaround times. Notably, margin expansion has been achieved without material increases in MRPs, underscoring sustainable efficiency gains driven by scale benefits and cost optimization rather than cyclical tailwinds or one-off factors.

Integrated Print + Digital Ecosystem Enhancing Customer Lifetime Value: Company's focused K–12 strategy is further strengthened by its integrated print and digital ecosystem, with the proprietary WeStudy platform bundled alongside physical textbooks at no incremental cost. This differentiated offering enables schools to adopt digital learning tools affordably, bypassing expensive third-party solutions, while enhancing teaching effectiveness and student engagement. The hybrid model materially improves customer lifetime value through higher retention, multi-year relationships, and deeper institutional integration, positioning the company to benefit from gradual digital adoption without significantly increasing capital intensity or operating complexity.

Valuation and View:

The company is well positioned to sustain strong growth and profitability, supported by its entrenched brand equity, scalable operating model, and deepening integration within the K–12 education ecosystem. Continued operating leverage from in-house manufacturing, stable pricing discipline, and increasing adoption of its bundled WeStudy digital platform are expected to support further margin resilience and healthy cash flow generation. Overall, we remain positive on the medium-term outlook, with DPL likely to benefit from steady demand in the regulated K–12 segment and its ability to compound earnings through efficiency-led growth rather than aggressive capital deployment. **At the upper band of INR 102, the issue is valued at a P/E ratio of 10.02x, based on Annualized PAT of FY26 EPS of INR 10.02 . We are recommending a "Netural" for this issue currently.**

Financial Information

Particulars (INR Mn.)	FY23	FY24	FY25
Assets	800.1	929.7	1,043.40
Total Income	452.6	509	642.5
PAT	4.7	33.2	75.6
EBITDA	33.166	73.886	128.385
Net Worth	164.4	197.6	273.2
Reserves & Surplus	103.2	136.4	163.1
Total Borrowings	427.4	414.7	441.1

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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