

August 11, 2016

To,
Mr. Sanjeev Kapoor,
General Manager,
Corporate Services Department,
Bombay Stock Exchange Limited,
Floor 1, Rotunda Building,
Dalal Street,
Mumbai – 400 001
(Scrip Code : 532687)

Fax No. 22723121/2061/2041/2039

K/A: Mr. Shyam Bhagirath/ Mr. Troydon Bird.

Mr. Hari K
Asst. Vice President,
The Listing Department
National Stock Exchange of India
Bandra- Kurla Complex,
Bandra
Mumbai- 400 051
(Scrip Symbol – REPRO)

K/A: Ms. Pramila

Dear Sir / Madam,

Sub: Transcript of the Conference Call held on August 08, 2016.

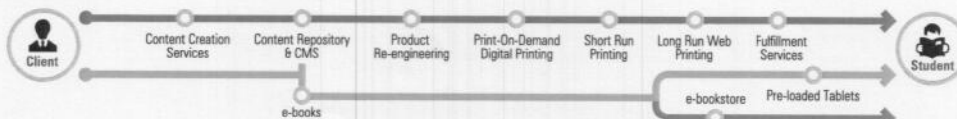
Please find enclosed the transcript of the Conference Call conducted by the Company on August 8, 2016.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,
For **REPRO INDIA LIMITED**

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“Repro India Limited Q1 FY-17 Earnings Conference Call”

August 8, 2016



**MANAGEMENT: DR. PRAMOD KHERA – EXECUTIVE DIRECTOR, REPRO
INDIA LIMITED
MR. MUKESH DHRUVE – EXECUTIVE DIRECTOR AND
CHIEF FINANCIAL OFFICER, REPRO INDIA LIMITED**



Moderator: Ladies and gentlemen good day and welcome to the Repro India Limited Q1 FY17 Earnings Conference Call. As a remainder 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 the conference call, please signal an operator by pressing '*' and then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Mukesh Dhruve – Executive Director of Repro India, thank you and over to you sir.

Mukesh Dhruve: Good evening ladies and gentleman, all our investors, stake holders, I welcome you back with this con-call of Repro India Limited. As you know, we have declared our results on last Saturday for the first quarter and a complete detailed analysis of the results have been sent by us to all of you. I will hand over to Dr. Pramod Khera, who will take you through the entire presentation and then will answer questions.

Dr. Pramod Khera: Thanks Mukesh, good evening to all of you, I hope you have the presentation open in front of you, I will just run in through all those slides.

The first slide gives the flow of the presentation – we are going to talk about e-Retail, Rapples, existing business and the financials but before that I have one couple of slides, the next slide will be executive summary. If you look at the directions that we have set up for the financial year 2016-2017, we have said that as far as e-Retail is concerned, we want to move from proof of concept to proof of delivery to creating a platform for exponential growth. So we believe that now we have reached a stage where the platform is ready and we should be now getting into the favor of exponential growth. I will share some details with you in my subsequent slides.

Rapples, we have said that we have implemented this in some schools. This year our endeavor is to breakeven and then see how we can grow the business. On the existing print businesses, the strategy was to focus on consolidation of the right customers, when you say the right, that means where our receivables, moneys are safe and also focus on MNC client for the domestic and global businesses.

Financial consolidation, cash flows, collections and most important the deduction of expenses, so that has been our strategy and I will outline how and what impact this is having on the overall performance of the company. So next slide, if you look at the sales for this quarter, vis-à-vis the sales of last quarter, the top line is virtually the same Rs. 81 crores, however, the PBT, we have posted a loss of almost Rs. 5 crores this quarter as compared to Rs. 15.28 crores last quarter now as you will recollect, last quarter, we have taken a one-time hit of more than Rs. 15 crores, so if you remove that actually last quarter, we have made a small profit of Rs. 59 lakhs, so Rs. 59 lakhs vis-à-vis Rs. 5 crores is the comparative number, so why this difference in the PBT when the topline is the same, while the topline is not actually the same; one if you look at the FOB sales, if you remove the freight and commission etc., then the turnover is

down the almost Rs. 3 crores from Rs. 76 crores to Rs. 73.25 crores and there too if you look at the change in inventory which has happened that means there was a lot of un-billed inventory from the last quarter which you have billed this quarter, for the actual product if you see, we have done a production of around Rs. 66 crores this quarter compared to Rs. 89 crores last quarter, so that is where the big difference lies, now why did we do lower production because we had a lower volume of business, so business has reduced because of which we have done lower production. Now, we were anticipating this, in fact, some of you who were present in the last call would recollect me saying this that next 2 quarters are going to be subdued because exports are going to be down, we are not taking export business which is not where the money were not guaranteed as a result of which export business was expected to be lower in this quarter also the coming quarter, so if you historically see our sales, the first 2 quarters we were dependent quite largely on the exports business, quarter 3, quarter 4 is when the domestic business chips in. So realizing that yes our turnover is going to be down we had also initiated a lot of measures to control the cost both the operating expenses as well as the employee expenses which have had some impact this quarter and had we not taken those initiative our loss would have been much higher than the Rs. 5 crores. Having said that going forward many of these measures will impact in the coming quarter, quarter 2 and in quarter 2 if we end up doing a similar level of turnover say around Rs. 65 to Rs. 70 crores, we will be much closer to be breakeven, so that is the scenario as far as the last quarter and the current quarter is concerned, so the focus continues on receivables and debtors and improving the cash flows.

As far as the domestic business is concerned like you said, we should start seeing the impact from quarter 3 and quarter 4 onwards. We should see some jump in the total turnover, this is of the existing print balance, on the e-Retail business, last time we have talked about doing around I think 1000 books per week which have gone up to almost 2500 books per week, that was 2 months back and this 2500 books per week are contributing almost Rs. 10 lakh in revenues to the company. We have more than Rs. 2 lakh, in fact the figure today if you check on Amazon it is close to, it is slightly over Rs. 3 lakh of titles which we have listed and on various channels, so next slide, e-Retail is an exciting opportunity for us. We are seeing more and more internet users embarrassing e-commerce and shopping online, this trend is increasing in India and as a number of users go from 25 million to 40 million by end of this year as it is projected, we are seeing much more growth coming from e-Retail.

So, next slide I talk specifically about publishing, as was mentioned last time also around 19% to 20% is the CAGR growth in books market and more and more books are being sold online which is around 10% to 15% of overall sales; however, if you look at globally, sales are much higher more than 70% and that this trend is going to happen in India too, so there is slide which gives the entire schematic the next slide of how this whole business works. So, there is a publisher, who is the content owner, then there is Repro, we are the content aggregators, so we get content from the publishers. We aggregate the content and we have a production facility to one book factory and the fulfillment facility, so as far as the publishers are concerned, they need not store any stock any book for the zero inventory, zero forecasting, zero freight cost for

the publisher. We are able to sell this books in the Indian market through retailers and to the distribution channels and through our partnership at Ingram, we are also able to put the Indian titles closely, globally, so that is the schematic of the entire business model that we have implemented for the e-Retail business is concerned and from Ingram, we are also getting the global titles into India which we are selling in India. So next slide gives what are the benefits to a publisher. For the publisher, this makes a lot of sense because there is zero upward investment, they just have to give away title, they don't have to spend any money, they have zero inventory, they don't have to print and stock the book, there is more danger of obsolescence of any printed book, they don't have to forecast because as and when we get the sales, the orders after we get the orders we do the printing and zero book returns and zero freight cost, so publishers are finding this model to be quite attractive and more and more publishers are signing up with us Today, you can see in the next slide, we are there on 7 e-commerce channels, Amazon, Shop Clues what we added recently, Flipkart, Rediff, PayTM, Infibeam and Snapdeal. So, we have listed Indian titles as well as the titles from Ingram on most of these channels.

So, when we talk about creating a platform for exponential growth, how are we going to monitor our month-on-month progress. One, in terms of number of signed up publishers, today we have close to 60 publisher signed up, I think I talked about 40. We have more than 2 lakh titles in our depository today that is the second metrics; the third metrics is for how many channels you are selling in, we are selling in 7 channels and number of books sold; 2500 books per week these are what were we have reached giving a revenue of Rs.10 lakhs and this is growing week by week, so every week, we are seeing first the number increasing as the number of titles and the subsidy increase plus and getting the more and more of promotion and marketing on the e-commerce channel.

So, the next slide gives a snapshot of the Amazon page where our books are listed so as we can see, this stocks about 2.13 lakh titles. If you go today and take a similar snapshot, it will be more than 3 lakh titles. Rappels as you are aware, Rapples is a solution that we provide in schools where we take the e-books and give to the students on tablets. In terms of number of schools signed up, we have not really made initially if we can progress over the last quarter for a bit more to penetrate deeper into the schools where we already are existing and also we are trying to looking at live model which is Rapples classic model, where we just give the e-books to the students without the backend LMS so that the adoption becomes simpler and easier for the parents to accept and a hybrid model with also a printed books and we also have e-books and once we get used to technology then we can migrate to a full-fledged solution of Rapples, so that is the strategy. The original strategy for the outline for year, where we want to break even remains we are heading towards breakeven within this financial year.

On the existing business already discussed Africa still remains a challenge getting out outstanding payment out of Africa, we are really working hard to do that because of foreign exchange restrictions placed in some of these countries, it is difficult to get money out of those

countries but gradually we are seeing the money trickling in. As far as the domestic business is concerned, focus is on good quality client especially the multinationals. We are engaging with at least 4 large multinationals, Oxford, Cambridge, where we were looking at a global empanelment as a printing vendor, Oxford has already happened and the balance three we are looking at a similar global empanelment happening very soon, in fact from Oxford, we already started getting business from some countries like Mozambique etc.

The last slide gives the numbers which I have already explained to you. How it compares with the previous quarters, that is all that I have in a presentation, now we will open up for questions. If you have any questions, then we can have those answers.

Moderator: We will now begin the question and answer session. We have the first question from the line of Rahul Bhanshali, who is an individual investor. Please go ahead.

Rahul Bhanshali: Sir, could you talk about likely working capital requirement and the kind of EBITDA margins in our existing business, now that we will shift focus more on the right kind of customers you know such as Oxford and Cambridge.

Dr. Pramod Khera: Yes, sir, see in our traditional print business, our EBITDA had been in the range of around 12% to 15%.

Rahul Bhanshali: Right.

Dr. Pramod Khera: And that is the EBITDA that we see happening once we stabilize in this business.

Rahul Bhanshali: Okay, because for some exports in Africa, I think we used to get EBITDA in the range of 20% to 25% as well, so do we plan to cater to that business once things become better or is the focus now going to be solely on the MNCs.

Dr. Pramod Khera: Yes, the focus is going to be on clients where our payments are secure and that we believe as far as MNCs are concerned the payments come on time and they are secure. The trade of there is of course in terms of margins we might not be able to see the type of margins that we were seeing earlier, right but is the conscious strategy that we adopted.

Rahul Bhanshali: Okay, but Sir you know because at 12% EBITDA margin, return on capital goes significantly lower you know 7% to 8%, so I completely understand the focus to secure our finances but then how do we plan to balance that vis-à-vis generating a good return on capital.

Dr. Pramod Khera: Yes, so the new business that you are talking about we are seeing a much better EBITDA coming from those businesses and as they start contributing to your topline you will be seeing our EBITDA growing more and more from 12% to 13%, wherein new businesses it could be much significantly much higher than what we get in the traditional business.



- Rahul Bhanshali:** Okay, and now on the e-Retail business, the sellers which are on Amazon right now are those all the distributors or are they players like ourselves as well who actually do the printing and sell as well.
- Dr. Pramod Khera:** No, sir they are distributors mainly, no printer is there who is selling the books so the model that we have adopted, nobody else is doing it, we are the only people in India who is doing it. There are some publishers who are selling directly but mainly most of them are selling through distributors.
- Rahul Bhanshali:** Got it. And then sir first some books Amazon, you know we offer the best rate for that book and for some other book there are 7 to 8 other sellers who are offering better rates so how do we decide the price of a book and then how do we differentiate from these sellers?
- Dr. Pramod Khera:** See if you look at Amazon, when you buy anything on Amazon and click on that, there is one seller who comes in the buy box and then there are lot of other sellers who are selling the same product at different prices, so our endeavor is to come in the buy box because 90% of the sales on Amazon happens through buy box, how buy box criteria, there are multiple criteria which decides who comes in the buy box, price of course is one of them, the others are the SLAs, the delivery times and their nobody can beat us because we are not stocking books, we don't have to get the books import the international title so we are able to give 24 to 48 hour lead time to delivery. Nobody else, so that is our USP vis-à-vis the other sellers, then there are other criteria like customer satisfaction etc., which now that we have started operating on Amazon is building that up and it is improving on a day-to-day business, so we are quite confident that we are going to match other distributors on all the criteria and get the buy box.
- Rahul Bhanshali:** Okay, but sir, I feel that the price of the book is generally you know the major factor in deciding who to buy the book from so should not we actually be offering the most competitive rate for many books since we are removing one part of the channel altogether.
- Dr. Pramod Khera:** Yes, so see the whole thing is that we don't want to get into price war with other people, distributors they are able to some of them are stuck with stocks so they don't want to liquidate the stock, they start discounting.
- Rahul Bhanshali:** Right.
- Dr. Pramod Khera:** That will get over very soon, that is a short period of time, after that nobody have the stocks so only we are the people who can supply the books.
- Rahul Bhanshali:** Okay, got it, right and sir could you give an example of 2 or 3 books where you know the cost was actually much higher because we had to import the books but now that Repro has come in the cost of the book has gone down significantly and also now we can ship the books in less time, could you give an example of couple of books.



- Dr. Pramod Khera:** Yes there are some books from international titles especially computer books are there and you can check it out, our price is almost less than one-fourth of the international titles which our price which are being sold, I would not like to name the publisher here.
- Rahul Bhanshali:** Sure.
- Dr. Pramod Khera:** But there are books if you go to and search for some computer books, you will find that.
- Rahul Bhanshali:** Got it and sir we have said that we have increased the number of publisher from 40 to 60, sir are these only the Indian publishers that we are talking about or does this number also include the INGRAM publishers.
- Dr. Pramod Khera:** There are only Indian publishers that I am talking about. We are getting out of the 2 to 3 lakh title that we have listed, we are getting publishers from more than 3000 and 4000 publishers, international publishers whose books we already listed.
- Rahul Bhanshali:** Okay, this 60 is only the Indian publishers and these books we will be selling now across the world and we will be getting a fee from that.
- Dr. Pramod Khera:** Correct.
- Moderator:** We have the next question from the line of Chirag Vekaria of Budhrani Finance. Please go ahead.
- Chirag Vekaria:** Sir, I just wanted to get a sense from you why do you think this volume of 2500 books per week can be scaled up to say by quarter 4 of 2017, I mean what is your sense sir.
- Dr. Pramod Khera:** See, like I said 2 months back when I was talking to you it was 1000 books per week and week-on-week we are growing. Now I would not like to put a number but as to what level we will reach by end of the year but definitely when I talk to you say 3 months down the line, you will see a significant jump from where we are today and the whole potential if you look at it today there are 2 lakhs books per day which are being sold online in India so there is a huge potential and as we go along, once we are able to get more and more titles into repository from different publishers, we should be able to garner a much larger share of that entire market which exists.
- Chirag Vekaria:** I just wanted to understand see last time around it was 1000 books, now it is 2500 books, so quarter-on-quarter is it 150% or 100% growth that we can think is it possible?
- Dr. Pramod Khera:** See right now the base is very small, so percentages can be deceptive but like I said every week we are growing, right, so I would not like to put a number there today.



- Chirag Vekaria:** Sir, just two accounting thing, sir this cost of material could you just re-explain that from Rs. 61 crores this has gone to Rs. 38 crores, so what was.
- Dr. Pramod Khera:** See like I mention, the total production that we did this quarter was around Rs. 65 crores to Rs. 66 crores compared to Rs. 87 or Rs. 88 crores last quarter. If you see the presentation the slide No. 3 that talks about that Rs. 89 crores vis-à-vis Rs. 65 crores, now to produce that type of books the cost of material has been given, now so the cost of production has come down because the numbers of books that are produced also come down.
- Chirag Vekaria:** The volume has decreased you mean to say.
- Dr. Pramod Khera:** Correct.
- Chirag Vekaria:** This line item the other expense has gone down from Rs. 26 crores to Rs. 21 crores, so any item in specific that you would like to specify where you are bringing a significant control?
- Dr. Pramod Khera:** See like I mentioned to you there are various cost control measures that we have been putting into place, now other expenses include a lot of expenses related to travel, to hotel, to contracts that we have with the various vendors, outsourcing vendors, the rent, and the housekeeping, so we are looking at each and every expense that we have. But if you look at the different heads you will see a drop in each and every expense and this trend is going to continue in the next quarter also.
- Chirag Vekaria:** Sir, then what level do you think this could stabilize?
- Dr. Pramod Khera:** So, like I mentioned even if we do a similar sort of a production next quarter which is around Rs. 65 to Rs. 66 crores, we should come very close to break even.
- Moderator:** The next question is from the line of Kushal Rughani of HDFC Securities. Please go ahead.
- Kushal Rughani:** Actually I have one or two questions. Actually I heard your commentary like you are moving away from this traditional business and all and you are keeping your focus on something different business like strategic directional shift but can you give some sense like in this year, what kind of revenue and what kind of EBITDA you can end vis-à-vis previous year some ballpark number I want, not exact number I want.
- Dr. Pramod Khera:** Yes, see you rightly said there is a strategic shift that the company has taken, while we are not seeing that we are going away from the traditional business, we want to do the traditional business only the ones which is of good quality and where our financials are secure. Having said that the new businesses that we are talking of those are growing and we are focusing more on that and we as I mentioned to you those have a better EBITDA and a better potential for growth whereas the traditional business these are highly competitive field where there is overcapacity in the market and as a result of which you cannot get very good margins and

good prices. In fact this has become like a commodity, so there is no sense in continuing to invest in that business, so that is why the strategic shift that we have taken that now we are going to sell the books, so if you look at the entire value chain of a publisher, the cost of printing is one part of it, then they have a cost of distribution and cost of inventory, warehousing, etc. So cost of printing is just 20% of the maximum 15% to 25% is of a MRP of a book is the cost of printing. So in a traditional business, we are catering to only that component of the value chain which is around 20%. Now we are addressing the entire 100% of the value chain – the printing, warehousing, distribution etc. so the scope of earning from there is much-much larger, that is the strategic shift. Having said that what is going to be 5 years down the line and I would not like to hazard a guess at this moment but like I mentioned to you the potential is enormous, today itself with only 10% to 15% of sales happening online it is 2 lakh books per day, now if you look at globally 70% to 80% of books have been sold online and the trend has been happening in India also, it might happen in 2 years, it might happen in 5 years, might happen in 10 years, so for this shift which is happening we are strategically very ideally placed to take advantage of this and grow with the entire growth in the online which is happening.

Kushal Rughani:

Okay, so will it be safe to assume that we will end up FY17 little bit lower than FY16 in terms of revenues and margins.

Dr. Pramod Khera:

FY16-FY17, see compared to last year like I said these two quarters are going to be flat, quarter 3 and quarter 4 we are going to see some growth coming in both domestic, so we might be able to come close to what we did in the previous quarter may be slightly lower we don't know but it all depends on whether we are able to get good business coming in, only then we will be taking that business, we are not going after topline as far as traditional business is concerned.

Kushal Rughani:

Exactly, so in full year will you be giving any guidance as such or.

Dr. Pramod Khera:

No, we don't give guidance but I have already given you some statements which indicates what the future is going to be.

Kushal Rughani:

And as you said from that Africa business related things, so as on date how much payment receivable outstanding is there from Africa or overseas geographies?

Dr. Pramod Khera:

Testing the figure is around \$8-10 million and it is coming down, it is moving. As we go along we see this reducing because we are not taking on further business from those risky markets.

Kushal Rughani:

So is this \$8-10 million, entire amount is on risk or it is not such that?

Dr. Pramod Khera:

No see the point is last year for example, when we were doing much more significant business it was around \$20 million, okay, so it has come down to \$8-10 million and as we go along

quarter-on-quarter we will see reducing, there might be some delays in collection but we will collect the money.

Kushal Rughani: Okay, so focus is on receivables main other than doing top line only. Are you I mean exploring any other geographies other than Africa and India?

Dr. Pramod Khera: Yes so see I talked about Multinationals and once we get empaneled at a global level then the business can come from anywhere in the world. Because these multinationals are present all over the world and we will be on level playing field for printing because we will be empaneled as a global vendor. So like I said we already saw some business coming from some different countries of Africa like Mozambique and we are seeing inquiry from South-East Asia and also from UK also home for multinational.

Kushal Rughani: Okay and one last question as on date how much receivables overall will be there on the books?

Dr. Pramod Khera: I think it is around 165 crores.

Kushal Rughani: And that is coming down gradually?

Dr. Pramod Khera: Yes it is coming down gradually.

Moderator: Next question is from the line of Sharana Basappa of Karvy Stock Broking. Please go ahead.

Sharana Basappa: Yes hi Sir, sir we do have this content repository right, let say customer comes and buys e-book from an Amazon basically from our content repository, so do we get revenue from that also, like if you buy the e-book?

Dr. Pramod Khera: Yes, sir this content repository that we are talking about currently we have bought titles which are ready to print, I am not talking about e-books, okay these are titles which are there which we can print in our one book factory. So e-books is something which we are not selling right now.

Sharana Basappa: Okay, sir how do you see the competition between the e-books and printout version of any books or like if you see the Amazon is pushing their devices like kindle and all, so how do you see that landscape in India?

Dr. Pramod Khera: See in India we are not seeing significant growth in the sales of e-books; in fact, some of the e-commerce channels like flipkart, etc., have moved out of the business of selling e-books. It is only Amazon which is selling and that too on their proprietary platform of the Kindle. Now the type of books which are being sold and the type of customers who are there they are mostly in large Metros and who are in our middle class, etc., because the cost of the device is something that not everybody can afford. So printed books are growing still in India, and we have the

capabilities to produce e-books, we have the capabilities to sell e-books. We have tied up with INGRAM to get the feed of e-books also to sell in India. However, we are waiting for the shift to happen in the market, only then we will get into that business. Right now we are not actually actively pursuing that business.

Sharana Basappa: Okay, may I know the capacity of the one book factory, what is the capacity per week?

Dr. Pramod Khera: Okay this if you look at the installed capacity theoretically we can do around 25,000 to 30,000 books per day. However, there is certain technology which has been put into place which is allowing us to have a capacity of around 6000 books per day so that is the current capacity, we can ramp it up to 25,000-30,000 books very-very soon with minimal investment.

Sharana Basappa: And what would be the CAPEX for that sir if you want to ramp it up to 25000 capacity?

Dr. Pramod Khera: Hardly anything, the CAPEX would be only on the IT part of it and not in the physical machine.

Sharana Basappa: So, and what will be the let us say if we reach the capacity of the current whatever it, so if I want to put another capacity of one book print factory, so what is the cost of it?

Dr. Pramod Khera: See, the whole thing is that this one book factory that we have put up while we are saying that capacity current is 6000 and we can go up to 25,000-30,000, we would not wait to achieve 100% capacity utilization before looking at another investment but we would rather look at an investment in a one book facility in other parts of the country like Delhi or South so that we can service the customer faster. Now to start off, we can start off in a small way with small investment and then gradually ramp it up, so the investments at this stage I would not like to state what are the plan for investment but setting up a new facility since we have done it in once, we can do it pretty fast and the initial investment will not be that significant if we have to do it.

Sharana Basappa: May I know what was the investment for this one book factory which we have recently put?

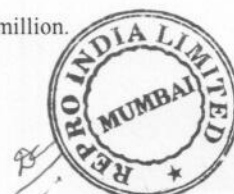
Dr. Pramod Khera: Investments have been on three fronts – one is on the physical infrastructure, second is on the data center for the content repository and third is the IT requirements.

Sharana Basappa: Like I mean the repository will be like one-time investment right like.

Dr. Pramod Khera: Correct. So, IT and repository is one-time investment which is around \$7-\$10 million.

Sharana Basappa: So, what will be the physical if I want to know?

Dr. Pramod Khera: So, the physical investment is in the range of around \$5 million.



- Sharana Basappa:** If, I want to put any next factory in the South so this will be the cost which will be.
- Dr. Pramod Khera:** No, that will be like I said at the peak capacity, we will not start with that type of capacity, we can start in a small way and then gradually ramp it up.
- Sharana Basappa:** And sir, do we have like what is the delivery system have we tied up with someone or we have our own?
- Dr. Pramod Khera:** See, how it works is that all the e-commerce channel, specially Amazon, Flipkart, they have a very strong logistics arms. They are proficient in handling the logistics. So what we do is we produce the books and they come at given time every day and pick up the books. As the volume increases, they will start coming twice a day, thrice a day, four times a day, but they will be handling the end customer delivery.
- Moderator:** We have the next question from the line of Rishit Shah of Riser Capital. Please go ahead.
- Rishit Shah:** Sir, I wanted to know with regards to your competition you said that currently we are the only ones that have a one book factory in India, we are the only ones doing this, so I wanted to understand what stocks you are sort of competition from also putting this up and seeking tie ups with people like INGRAM and specially when the markets sort of grows?
- Dr. Pramod Khera:** See, one effort this business model is concerned INGRAM is the largest in the world, they have got 14 million titles from 45000 publishers and growing everyday so we have that tie up in India and as long as we are selling INGRAM books in India and they are quite happy with the way we have progressed there is no reason as to why they would want to give that type of a feed to anybody else. So we have that first mover advantage with them and second thing is for the domestic publishers are concerned we have been working with these publishers for last two decades right and now for the publishers this is a new concept and to convince them to give titles for distribution requires a lot of convincing because they are scare of piracy, they do not know how many books will be printed and whether they will be cheated or not. Now with us they are already are giving us their titles soft copies for printing. We already have their books in our repository so they have that comfort, they have their confidence which makes it easy for us to tie up with publisher and get them involved. Somebody else to do it, it will take a long-long time to get content from these publishers, so that is the advantage that we have and as long as we keep on growing and we keep on adding the list of titles and the publishers and increasing the sales it will be very difficult for a competition to catch up just by investing the one good factory.
- Sharana Basatta:** Right, But, sir has INGRAM given any like you know even informally any targets because you know if, I mean assuming they are not like they see a far more potential for growth than you are doing it exclusively, so is there any sort of talk about minimum targets about performance or anything like that?

Dr. Pramod Khera: See, the way it works is that, if I am selling these books on all the channels in India, if somebody else is given same title they will also sell on the same channel. That means I will be competing with them so why would INGRAM want on their own channels competition on their own title why would want competition, right, so we are working very closely with INGRAM. We are working and we are deciding okay this is what we will do to increase our sales, this is how we are going to grow. So there is no need for them to look at any alternative because it is not going to add any value to the sales or any increase in the sales.

Moderator: As there are no further questions, I would like to hand the conference back to the management for any closing comments.

Dr. Pramod Khera: Let me thank all of you for logging in and participation in this question and answer on behalf of Repro Management Mr. Mukesh Dhruve and myself, Pramod Khera, thanks a lot and we will see you again in next quarter. Thank you.

Moderator: Thank you very much on behalf of Repro India Limited that concludes this conference. Thank you for joining us, ladies and gentlemen, you may now disconnect your lines.

