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EDUCATIONAL CONTENT MANAGEMENT
TO DELIVERY SOLUTIONS

May 25, 2018

To,
BSE Limited,
P. J. Towers,
Dalal Street,
Mumbai – 400001
(Scrip Code : 532687)

To,
National Stock Exchange of India Ltd.,
Exchange Plaza,
Bandra Kurla Complex,
Bandra East, Mumbai – 400051
(Scrip Symbol – REPRO)

Dear Sir / Madam,

Sub: Transcript of the Conference Call held on May 24, 2018

Please find enclosed the transcript of the Conference Call conducted by the Company on May 24, 2018.

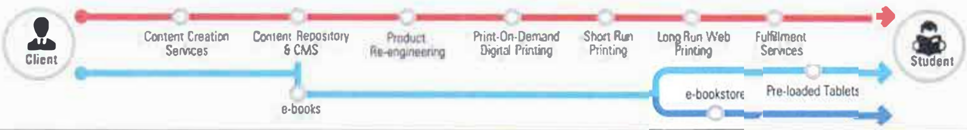
This is for your information and records.

Thanking you,

Yours faithfully,
For **Repro India Limited,**

Kajal Damania
Company Secretary & Compliance Officer

Encl: As above



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“Repro India Limited Q4 FY‘18 Earnings Conference Call”

May 24, 2018

MANAGEMENT:	**DR. PRAMOD KHERA – EXECUTIVE DIRECTOR, REPRO INDIA LIMITED** **MR. MUKESH DHRUVE- FINANCE DIRECTOR, REPRO INDIA LIMITED**

Moderator: Good day ladies and gentlemen and welcome to the Repro India Limited Q4 FY18 Earnings Conference Call. 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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Mukesh Dhruve. Thank you and over to you sir.

Mukesh Dhruve: Good afternoon all friends. Welcome back to this con-call of Repro. I am sure you must have seen the results. But we would like to you through the presentation which we do every quarter-on-quarter. I will just hand over to Pramod let him take through everything and after that we will answer your question answers.

Pramod Khera Thanks Mukesh. Good evening to everybody. As a normal practice I will run through the presentation. I hope all of you have received the presentation which has been mailed to everybody and also uploaded to the website.

To start off, this is the results that we announced this quarter are for the full-year, it being a last quarter of the year 2017-18 let's first begin by looking at what was the strategic direction for the company that we had outlined at the beginning of the year. So beginning of the year we had said that our focus will go in to the grow the e-retail business, the books on demand and business which was seeded in the previous year we wanted to take it from proof of concept to an actual business that starts contributing to the overall P&L of the company. Then we said that as far as the print business is concerned we want to focus on the right customers and when we say that customers those include MNCs and both in domestic as well as in the global market.

The other focus was on the financial side; financial consolidation, focus on cash flows, collections and reduction of expenses. So these were the focus areas for the year. Going forward to the next slide we can see that these have yielded result and we are seeing impact of this in the overall results that we announced today. First and foremost, books in demand business, today we have reached, we are selling around 7500 books per day, if you will recollect last quarter as shared with all of you that we have reached to the sale of 5500 books per day so it's a jump of almost 2000 books per day. This we have been seeing quarter-on-quarter in the last full year and going forward also we are quite confident that there would be good growth that we will see in the coming year too.

On the print side; the MNC publisher focus has yielded results. Almost 25% of the sales is coming from clients like Oxford University players, Cambridge University players, Macmillan, Pearson etc. For the year at a consolidated level we have announced an EBITDA of 42 crores and the PAT has reached 16.39 crores which was negative in the previous year a negative of 0.55 crores. So company has turned around and has shown good growth in the bottom line and while also showing good growth in the new businesses. If you look at the Quarter 4 specifically, the top line has grown from 72 crores to 87.22 crores. This is compared to the previous quarter, Quarter 3 versus Quarter 4. This growth has mainly come from the books in demand business and a little bit from the publishing services, the print business too. The initiatives that we have taken on reduction of cost both at the employee level as well as on all other expenses overhead yielded a reduction of over 25 crores in the costs. This has resulted in the better bottom line that I just spoke about. Also the debt equity ratio today if you see has come down to 0.65 at the consolidated level which was 1.47 in the last year, on the standalone level it is down to 0.52 from 1.25. The EPS earning per share, consolidated level is 13.7 and standalone is 25.39. So these are the financial highlights of the results that we have announced.

Going to the next slide; if you look at the books on demand business, from 5500 books to 7500 books for quarter-on-quarter last year we have been showing the growth both of almost 25% to 35%, a healthy growth. Now we have invested and built strong relationships with e-commerce companies like Amazon, now Flipkart also is becoming a important channel for us for selling the books and other players like Paytm, Snapdeal etc. Ingram's relationship has a global connect to our program is giving us access to a lot of international titles for selling them in India, so millions of titles we are getting from them, we are selling them in India. Within India also the relationships that we have with publishers, we are leveraging those and acquiring more and more titles and we also adding more value to the publishers so that they see benefit in tying up with us. So, things like pre-orders, bundling offers, then promoting and marketing the titles so that will improve the visibility of the title and generate more sales. So this is fairly helping us to grow the business with the publishers who we have tied up and also attracting more and more publishers to come on board with us.

Now the next slide talks about the publishing services, our print business. Like I mentioned 25% of business is from MNC customers, now what does that mean? One we enter into contractual models which makes the business more predictable and which allows us to do better planning and execution. Because of this we have also zeroed down on some strategic customers with whom we want to work and many of the one-off customers we have removed from customer list. So we have around 120 strategic customers now whom we are working which used to be 220 last year and this trend is going to continue as a focus more and more in adding value to the customers that we are working with and we increase the size of our business with these strategic customers. What has also helped us is to give customized solutions for this customer so for that we need to understand the business model, we understand the strategies of the publisher and then align our offering so that that addresses their pain-points and give them a full customized solution which again helps in tying them up with us for long-term.

In Africa too we are following a similar strategy and Africa is now a reviving market. I will talk about this little bit more in the subsequent slides.

Going to the next slide EBITDA 42 crores is for the full year which did a lower turnover compared to the previous year but EBITDA is higher. One is that the Surat facility, we are able to produce the books with better efficiencies and we are going to put in the right product mix which is suited for that facility. We have done 232 crores from one facility today. So the capacity which is been lost due to the closure of Mahape plant is not really impacting the overall revenues of the company. Also the cost rationalization that I spoke about of 25 crores, 10 crores of this has come from savings on people's cost and 15 crores from the other overheads, other operating expenses, so that's the breakup.

Now just get down to looking at books on demand business in little bit more detail. So I have been talking about this in my previous conference calls also. The Indian book market is the sixth largest book market in the world. So globally if you see the books market is $128 billion, India is around $6.5 billion and fastest-growing market. We are growing at over19% and expected to double in the next few years to around $12 billion. So that's the market that we are addressing from Repro.

The next slide talks about the impact of Internet and e-commerce having on the books business. Like I mentioned the total books business $128 billion, now more and more sale of books is happening online. If you look at the US market, there more than 50% of the books are being sold online and India is hardly 3%-3.5%. So with the increased penetration of Internet users in the country which is expected to cross 625 million people by 2021 we expect the share of online sales of books to go up and it could definitely reach 10% of the overall market. Now till the market goes up to $12 billion, 10% would be $1.2 billion which is around 8000-9000 crores. So that's the size of the online books market that we expect to be by the year 2021 and that's the opportunity that we're addressing and that's where we see that going forward there is a big opportunity in front of us to capture a large share of that online books market in the coming years. So how are we doing that? So if you look at this publishing industry is highly unorganized, the print industry, the publishing industry and also the distribution, the supply chain. There are very few large players and the largest would have turnovers of 200-300 maximum 400 crores not more than that in each of these offerings, whether it's printing, whether it's publishing or whether it's supply-chain. This leads to a lot of high cost wastages of obsolescence, inventory pile-ups plus this gives limited reach to the publishers for distributing the books and also has a lot of problems in the collection, returns coming in from the retail market. So these are all the pain areas that currently the publishers are facing and which we are trying to address by using technology that's offering that we are building and we have builtover a last couple of years.

So if you look at next slide, now what happens the technology platform that we have created that is disrupting this entire supply chain. Now today we are producing the book after book is sold. So the book once i sells on any of the e-commerce platform immediately we get an alert and we print the book and the book is ready for dispatch on the same day. So what does that mean we don't have to print the books in the advance and keep them in stock. So all the issues of working capital blockage of inventory, obsolescence, warehousing etc. these are eliminated. So we are building disruptive technology platforms that are disrupting the publishing process and which is helping the publishers reach the readers anywhere. They can be anywhere because of the reach of the internet they can do sitting in any part of the country or even with our Ingram relationship that we have we are able to offer to the publishers the entire global market for selling their books. So that is the power of technology that we are bringing to the publishers into this industry.

So next slide – it shows what we can do for the publisher and make him happy. What I mean for the publisher is that zero upfront investment, there is no working capital investment required for generating inventory and keeping it. There is no forecasting required as to how much should I print, so here based upon the order one will print. Now if you are forecasting you are never going to be accurate so that's results in obsolescence which again is eliminated here and there are other benefits in terms of zero return, zero freight cost, zero loss in sales because we're always in stock.

The other aspect of printing a book in advance and keeping it sometimes when you can't really project the demand accurately, you are out of stock and not able to supply when this demand generates in the market. Again, the one book model that we have Pioneer in the country comes to rescue here because we can always print. We have the fine arrangement print whatever the demand, so the solution that we have created that is to reach more readers directly to the students. We also are looking at various different ways of leveraging the online platform of reaching their books to students, to bookstores, to sub-distributors anywhere in the country. Online channels by aggregating, digitizing, listing the titles on online stock front, producing on demand, delivering anywhere in the world that is our proposition.

The next slide talks about how we have invested in relationships with e-commerce channels. Today for us Amazon is the biggest channels on which we are selling the books, Flipkart is also becoming bigger and going forward we see Flipkart also contributing quite significantly to overall share of sale of books. Paytm is also getting aggressive in the market. We have got Snapdeal, Rediff, Infibeam, Shopclue, so these are all the channels on which we are selling and of course the global connect program with Ingram which one helps us to sell the Indian titles globally plus also gives access to like I mentioned millions of international titles for selling them in India.

We are also this year looked at how we can reach out to the millions of students and deliver books to them and we have pioneered with Amazon, a school specific program where we are bundling books required for the school for the particular grades and the students get the books delivered at home. So this has been piloted and we have seen good results and going forward maybe in the next academic year, this should again become significant segment for our overall revenues.

Next slide gives the number; last quarter I had said that in January we have done 5.3 crores which we have hit 7.24 crores in the month of April. So you can see like I mentioned quarter-on-quarter growth coming in. In the beginning of the year we started at 1.4 crores, April '17 we've reached 7.24 crores and now we are selling almost 7500 books per day. When I am saying 7.2 crores that is almost 85 to 90 crores per annum's run rate, so that's where we have reached and this trend will continue in the coming quarters also we are quite confident of that.

Moving forward to the publishing services, the printing business; the focus that we wanted to bring in this business of partnering with the publishers rather than being a vendor to the publisher that has worked quite well which has given as more predictable business, users long-term view, we are able to plan better. And the solution that we are offering for the publisher also, we are able to get the right product at the right time as well as in the required time because we know the annual requirements much in advance and were able to plan properly.

So the next slide talks about some of the client with whom we have been working; the multinationals in India and globally, we have been working with most of them; Macmillan, Oxford, Cambridge, Scholastic, Pearson and Xavier, so these are some of the big clients with whom we worked in the previous year. Like I mentioned more than 25% of the business came from such clients. Here are the advantages are of course it's predictable business plus security of payment and better credit cycles that we get from them. Another important segment that we are targeting are the integrated education publishers who have their own content and they tie up with schools for delivering all the content to the school also training the teachers and also introducing newer and better ways of pedagogy and teaching in the schools. So players like Xseed, ASTRAGEN, EZ Vidya, BGM Policy, Samrtkids these are some of the new integrated education publishers emerging in the K12 space and we're working with all of them. We worked with all of them because they have a huge requirement for printed material for the schools that they tie up with.Many of them we are working with them exclusively to fulfill this need for the printed materials. In addition, of course we have regional publishers like Vision, Marina, Target, Vikram, Maria, this is from all parts of country, North, West, East, South and again we are the print partners for most of this publishers.

Africa – as you are aware because of the oil price going back to $70-$80, the foreign-exchange position in the country of Nigeria has improved.While again we are seeing good business coming in from that country, learning from our previous experience we have broad-based our exposure in the market and today we have many more countries in Western Africa, in Eastern Africa and southern Africa where we are doing business. So that is not dependent on one market for all our requirements. So market is reviving, is picking up and going forward we see this contribution in the exports to our overall business growing. Now many of the multinationals also operate in Africa and the way they operate is yes, they are local arms based in African countries, so the book delivery happens to them whereas the payment comes from their global parent company which are based mostly out of UK again which gives us a clear payment mechanism.

I had talked about expanding our digital print capabilities and the spending capacities both in the existing plant in Mumbai and also setting up two more facilities, one in Delhi and one in the South. The work is progressing in Mumbai because of the expansion that looking at in the capacities we have to move to a larger place so that movement is currently on. It should get completed in next couple of months and after that the work on the other two facilities will also start. We also have POU unit in Mumbai where we are able to service requirements of multinationals for printing their books and distributing them in the country.

So with this description of what's happening on all the businesses I come to the financial part of the presentation. While some of the highlights I talked about in the beginning, some more details:

We opened this current year ‘18-19 with a very healthy order book of 54 crores. Out of which 12 crores was from export market and domestic business was 42 crores. So this really gives us a good visibility as to what how the Quarter 1 of the current year is going to pan out. And during the quarter also we are seeing the trend of more and more business coming so that Quarter 2 we should be able to sustain what we are hoping to do in Quarter 1. The table below that gives a split of the business as per the segments. So we have in the last year done 180 crores from the Indian market which was 227 crores in the previous year, exports is 51 crores which was 64 crores in the previous year. The total print we did 231 crores as compared to 292 crores, so the lesser revenue from print was mainly because now we are operating only from one printing facility. The proportion of exports and domestic is more or less the same.

RKCL is the unit under which we are doing the digital business. Now digital business as you can see has grown from 39 crores to 67 crores so that's where the growth is coming. So that the overall revenues of the company are at almost 300 crores compared to 321 crores last year.

The next slide, talking about the debtors; the debtors and you will see exports have reduced compared to the previous quarter. Domestic has gone up because in the last quarter we did lot of domestic business which was build around March of the previous year, so that has added to the receivables which will get realized in due course as per the credit terms that we have used, so overall gross debtors are 123. The provision from 50 crores have come down to 34 crores mainly because the provisions which were made out of that around 17 crores were debtors have been written-off on the book. Now of course this does not have any impact on the P&L that we already provided for them in the previous quarters. But net debtors today as we see they stand at 89 crores.

The next slide is on the borrowings:

The borrowings as you can see, long-term debt is coming down quarter-on-quarter, so repayments are happening every quarter. Short-term debt has gone up from 68 to 93 because of the higher turnover we did in the previous quarter plus also there is an increase in the finished goods inventory which would have got built in the month of April. This has resulted in a higher working capital, so overall debt stands at 143 crores. this is again almost 100 to less than the peak debt that we had almost a year back, 236 crores which is come down to 143 crores.

So the last slide is a one page results which have been also uploaded on the website and on the stock exchanges, plus has been emailed to all of you which gives the consolidated financial result quarter-on-quarter as well as year-on-year.

With this I come to the end of my presentation and now we can open up the floor for questions.

Moderator: Thank you very much sir. Ladies and gentleman, we will now begin the question and answer session.The first question is from the line of Vikrant Kashyap from Kedia Securities.Please go ahead.

Vikrant Kashyap: I have one question on your CAPEX. What has been our total CAPEX in FY18 and how much we have planned for FY19?

Pramod Khera: For the previous year the total CAPEX was around 13 crores and this was mostly the normal CAPEX which around we have been saying around 10 crores is our normal CAPEX every year and in addition to that in the current year we have planned the CAPEX for expansion in digital print facilities that we are setting up and expansion of capacity in Mumbai which could be in the range of anywhere between 15 to 20 to maybe 35 crores.

Vikrant Kashyap: But that will majorly go in to expansion of digital printing?

Pramod Khera: Correct.

Vikrant Kashyap: Can you please give me the number for cash flow, how has been your cash flow in FY18 if you have ready numbers?

Pramod Khera: I don't have it in front of me. I think if anybody requires that you can send us an e-mail and we can send it to you. We don't have it ready in front of us right now.

Vikrant Kashyap: You have guided for similar kind of performance in books on demand that we have done in FY18 and we are trying to tap the K-students, the K12 market that we have made in presentation. So as our understanding says most of the schools directly provide books, stationeries to students that's the major source of their business. How are we going to crack this market, what are the strategies?

Pramod Khera: What you are saying is correct I mean that is the current model which is being followed. But that current model is very cumbersome, and it has a lot of inefficiencies built into the whole supply chain leading to a lot of hassles for the schools, for the parents, for the publishers and we believe that wherever there are such inefficiencies that means that's an opportunity for us to bring in technology and smoothen the whole supply chain over there. So if we are able to show value and if we are able to show to the parents that they can sitting at home get the books at one shot if we can show to the schools that they don't have to do the hassles of getting stocked from multiple publishers and putting them together and giving to the students and if we can also demonstrate to the publisher that by this a lot of problems that they face today in terms of huge inventory that they have to keep because they don't know what the demand is going to be and get returns, etc. So for everybody in the whole supply chain we feel that we will be able to demonstrate value and then if we are able to do that why shouldn't they switch over to the new system, so that's the way we are looking at it.

Vikrant Kashyap: My last question is you have talked about revival in African markets, so on the consolidated basis what would be our guidance for FY19 for top-line and bottom-line?

Pramod Khera: We don't give any guidance. We have time and again said that our policy is to not to give a guidance for future. But like I mentioned, exports is picking up and going forward as we expect that the share between domestic and exports should go up compared to the previous years.

Moderator: The next question is from the line of Anirudh Shetty, who is an individual investor. Please go ahead.

Anirudh Shetty: My first question is agreement that we have with Ingram, what would the tenure be of that?

Pramod Khera: The legal agreement I think is around five years but I think what is important here is the relationship that we have built; we are bringing in more and more areas where we are operating together where they are seeing a lot of benefit by associating with us. We are seeing a lot of benefit by working with Ingram and as the strength of our relationship grows and become wider we expect this relationship to last many more years than the agreement term of five years.

Anirudh Shetty: The understanding that we would have is through build a much longer relationship and globally the global connect program with the relationship that it has with other print companies in other countries would you get a sense of how long has their relationship sustained?

Pramod Khera: They started off with Germany and Germany is still going strong. They are working in other markets with the other global connect partners and in every country they have one global connect partner that's their policy. So they have worked with that partner and I don't recollect of any instance where they have broken up except in one case where to found that there was some area where the partner was unethical. Otherwise they were not in the reasons for breaking away and today out of all the global connect partners we have become their largest partner which attach a lot of importance to and they are keen to work more and more with us in many more areas, so we are very comfortable and confident that this relationship will be the long-term relationship.

Anirudh Shetty: My other question was Amazon they have this company called CreateSpace. I don't exactly understand whether this CreateSpace is it to create the demand or it's a business model different as compared to Repro?

Pramod Khera: CreateSpace is a self-publishing company that Amazon has created. There are lot of self-publishing companies across the world and Amazon also have one which is called CreateSpace. So that is for actually providing services to authors, so they provide services to authors for getting their books edited and compiled and printed and sold, so just like any publishing company. However the promotion marketing is not done by the self-publishing company that is normally done by the individual authors. So that's a model of CreateSpace, so CreateSpace is totally different from what we are doing.

Moderator: The next question is from the line of Kunal Parikh, who is an individual investor. Please go ahead.

Kunal Parikh: How many Ingram titles have we loaded in this quarter? Earlier we used to give that figure in our presentation.

Pramod Khera: Last time if you recollect that's a 2.5 billion title. We have got a large number of titles from Ingram and which in terms of listing they are listed more than 4 million titles today. However what is happening is now because the number of titles becoming so huge. On a daily basis we get a continuous feed from Ingram where titles get added and deleted, so it's very dynamic. The delta feed which comes it runs into lakhs of titles because publishers sometimes withdraw titles, they add titles, they do lot of editing in terms of the matter-data, the pricing. So it's a very-very dynamic process and as Ingram and as the publishers are seeing that their sales are growing more and more publishers are opening up for the Indian market and we definitely feel that the entire repository that Ingram have which is $14 million will be available with us very shortly.

Kunal Parikh: I think because earlier we had mentioned 13 million titles is the contract of…

Pramod Khera: No, there is no contract like that. What we said there is a 14 million titles is a repository which Ingram has for the global connect program and we are growing. Last I met them they said they got 15 million. So like I said this is something which is a continuous process and for us also we are adding month on month.

Kunal Parikh: As the previous speaker one minute should think about self-publishing, so lulu.com is I think Ingram's self-publishing, in India we don't have any strong self-publishing business and since we want to provide more value-added services, so should we not be considering self-publishing right now because there is a big vacuum in our company?

Pramod Khera: Lulu is not a self-publishing company of Ingram. It's a separate independent company but it is self-publishing company, you are right. Ingram has another company called IngramSpark which is a self-publishing company. In India also there are players Pothi, Educreation etc. which are doing self publishing. We are working with all of them. We print their books, we sell their books. That is an opportunity; yes in the book publishing industry and going forward it's going to become of big opportunity, so let's see how it goes. Currently opportunity that we have in front of us in books on demand, online selling that itself is so big that we want to focus on that and grow that first.

Kunal Parikh: If I calculate we are selling 7500 per day and the revenue which we have so that gives us approximately Rs. 320 revenue per title and this is constant for last quarter also.

Pramod Khera: Correct.

Kunal Parikh: So do you think this is less or is it reasonable or can you push this more what is your sense on this revenue per title figure?

Pramod Khera: This 325 average selling price that we are talking of is a mix of Indian titles as well as international titles. But if you look at the Indian titles, average selling price is much lower--it's in the 200s--and this is a selling price, this is not MRP. This is after discount. So going forward as this whole online market matures we feel that the discounts on books will reduce. And once Amazon, Flipkart, Snapdeal stop fighting with each other the discounts will reduce. So ones that happens, obviously the ASPs will go up. But compared to the other distributors in India who are selling only Indian books, our ASPs are higher because we are also selling international where the ASP is higher.

Kunal Parikh: We are still doing the exports business through LC because we have not had good experience last year and we had mentioned on various con-calls in last couple of times or three times that we are doing mostly on LC although the situation has been better but since oil prices are quite volatile, what is your sense now for exports?

Pramod Khera: Actually we are—thanks for reminding us again but again and again—we have decided we will do business only with secure payment and we are doing that.

Kunal Parikh: And the Mahape strike is not, it's still continuing and there is no resolution in strike.

Pramod Khera: These things will take time, so we are not in a hurry. But as and when opportunities coming we are settling some workers who—some of workers who have not gone on strike—we have already settled them. So this is a process which has its own life, it will take its time.

Kunal Parikh: Our current capacity utilization, can you give a sense or color on that?

Pramod Khera: The capacity utilization for books on demand?

Kunal Parikh: Yeah?

Pramod Khera: I have been talking in the previous conference calls also that we are doing around 2000-2500 books per day on the book on demand. Now this is almost 30%-40% of utilization of our install capacity for one book model and beyond this if we have to grow we have to add more capacity. The balance capacity is used for digital printing for publishing services for doing short runs for publishers, so we are utilizing 100%. But for the books on demand business 30% to 40% is a maximum utilization that is possible and hence now we are expanding the capacity in Mumbai and in Bangalore and in Delhi.

Moderator: The next question is from the line of Kumar Saurabh, squeeze an individual investor. Please go ahead.

Kumar Saurabh: In terms of debt reduction for next 2-3 years, how do you see the debt reduction happening and is there any chance of any kind of equity dilution in near future?

Pramod Khera: As far as the debt is concerned we are not growing our publishing services business. So the need for working capital over there is now capped. The print on demand business does not require any working capital so there will not be any need for any additional working capital, short-term capital for the print on demand business. We do need funds for expansion and for CAPEX and that will come from long-term debt plus whatever equity that we have raised in the past plus internal accruals which are going to be generating cash like we have EBITDA of 42 crores last quarter. So going forward the debt definitely will be under control and it will keep reducing looking at the overall nature of the business that we are in.

Kumar Saurabh: So I understand even with the crude has improved and you might get export opportunity, you're not going to do it at the cost of high working capital.

Pramod Khera: Yeah that doesn't make sense.

Kumar Saurabh: Do you see any kind of reaction from your competition on books on demand because it's a very differentiated model, but do you see any kind of reactive measure from the competition so far in India?

Pramod Khera: The current operators in the market were distributors, if they distribute printed books and whenever any new figure comes in the market there will be obviously reactions. But those are normal and there is nothing which is very alarming or causing is concerned because the market is huge, it's a big market. Like I said the largest player is 200-300 crores, 400 crores the market size is 43,000 crores, so there is room for many-many more players to come in.

Kumar Saurabh: Do you have any idea what has been this year's online overall book market growth rate?

Pramod Khera: Our estimate there is no real published, our estimate is that the online books market is growing around 40% that's based on various sources.

Kumar Saurabh: Can you give some color on your regional distribution books on demand like not exact number but what are the key regions made you are generating your sales as of now and some range?

Pramod Khera: Main markets are North, South and West and East of course but it's a smaller market. Again the type of books which sell in these regions are different for example in the South we sell more of IT and IT related books, in the north it is more of competitive exams especially for job-related exams and Western is more general and educational books. So there are different types of books, so these are the three key markets.

Kumar Saurabh: And you distribution is pretty balanced?

Pramod Khera: Yeah it's pretty balanced right now. But see the point is also that since we are based in Mumbai they are selling from Mumbai. We get more sales from the Western region because the closer you are to a customer you are able to sell more. So going forward when we set up facilities in Delhi and in the South, our sale from North and South will also match up maybe will become better than Western region since also.

Kumar Saurabh: And my assumption is the literacy rate comparatively higher in South India so I believe the kind of growth you should see that should be relatively higher as compared to North, is it good case or any comment?

Pramod Khera: You are right. However most of the growth which is coming in the books market in India is from the areas where literacy levels are low because the maximum books get sold are education books. More than 90% of market in India is education books. So as more and more thrust on studying education is there by the government, the requirement for books is increasing and that's why the market in India is going to about 90%. There is more thrust on education than leisure reading or just fictional or reference books as of today.

Moderator: The next question is from the line of Krutika Vispute from Envision Capital. Please go ahead.

Krutika Vispute: On the CAPEX side we have been planning to ramp up the capacity from 6 to 20 and now we are saying that 30% is the maximum that we can use for books on demand. So would the additional capacity expansion would be same?

Pramod Khera: Today when I'm selling 7500 books per day one-third of it is what I am spending on the one book, the balance two-third I am keeping stock, I'm printing an advance and I'm keeping the stock so I don't have to print the day I'm getting the order. But I anticipate the demand for next one week 10 days, I print it without taking too much of rest in terms of over stocking. So the digital machines are used for doing the preprinting. So when I said that 30% to 40% that is for the one book which is printed immediately when the order comes so current capacity whatever we have you are using for doing one book for doing preprinting and whatever spare capacity is left out they are also using it for providing printing services to publishers. We just want the books to be printed and delivered back to them on short quantities, to 50-100. So the capacities are being utilized fully 100% what I mentioned was that 30%-35%-40% of the capacity is used for one book. So the expansion plan, you are right is going to create a capacity for around 20,000 books. Now if you take 30%-40% of that is around 8000 books, now it thousand again if they represent one third of the total book sale that we do that means our total book sales would be around 24,000 books. So with this capacity we are going to sell 24,000 books per day at least 24,000 books per day if not more.

Krutika Vispute: If you can give us some rough timeline as to when we can complete this CAPEX?

Pramod Khera: Like I mentioned currently the expansion in Mumbai is underway and that should take a couple of months, so maybe by end of July that should be in place and then we will start the process for Delhi and Bangalore which should take another 3 to 6 months. All the three will happen in the current financial year.

Krutika Vispute: On the integrated publisher side you said there are opportunities, so any revenue estimate that we can expect from this side or if you can tell us how the market is for this segment?

Pramod Khera: That segment I will explain little bit more where what happens is that players like ASTRAGEN and the ones which I mentioned over there, they go to the school and they tie-up with the schools saying that we will design the syllabus curriculum, we will design of content for you, we will give you the books, we will train your teachers, we will also put into place things like your homework assignments, the whole thing. So they take over the entire education content requirements. These are integrated publishers. So those they have their own content and they print them and supply to all the grades in the school and of this sort of a business model is moving quite well in the country and there are lot of such large integrated which have come into place. For them what is important is that their content should be a good quality, should be printed on good material and have a level on time and what they are seeing is that by partnering with Repro, Repro is able to deliver them all this service is pretty well. So it's part of our publishing services business and like I mentioned multinational is one segment that we are targeting, this is another segment then there are large Indian domestic players and also regional players.

Krutika Vispute: And how big would this market be?

Pramod Khera: I wouldn't have any estimate but we are doing almost 15%-20% of our business from such…

Moderator: Thank you. Sir there are no more questions.

Pramod Khera: Let me just wind up this session. Thanks a lot to all of you for being here and participating in this conference call, look forward to see you all again in the next quarter. Thank you very much.

Moderator: Thank you very much members of the management. Ladies and gentleman, on behalf of Repro India Limited that concludes this conference call. Thank you for joining us and you may now disconnect your lines.