

May 10, 2017

To,
Bombay Stock Exchange Ltd.,
P. J. Towers, Dalal Street,
Mumbai – 400001
FAX : 22723121/2061/2041/2039
K/A :Mr. Shyam Bhagirath/
Mr. Troydon Bird.
(Scrip Code : 532687)

To,
National Stock Exchange of India Ltd.,
Exchange Plaza,
Bandra Kurla Complex,
Bandra East, Mumbai – 400051
FAX : 26598237/38
K/A : Ms. Pramila/Mr. Nagesh Pai
(Scrip Symbol – REPRO)

Dear Sir / Madam,

Sub: Transcript of the Conference Call held on May 8, 2017

Please find enclosed the transcript of the Conference Call conducted by the Company on May 8, 2017.

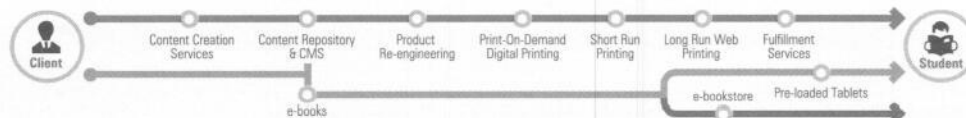
This is for your information and records.

Thanking you,

Yours faithfully,
For **REPRO INDIA LIMITED**,


DIMPLE CHOPRA
COMPANY SECRETARY & COMPLIANCE OFFICER
ACS: A21392

Encl: As above



Corporate & Registered Office
Repro India Limited
11th Floor, Sun Paradise Business Plaza,
B Wing, Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013, India
Tel: +91-22-71914000
Fax: +91-22-71914001
CIN: L22200MH1993PLC071431

Mahape
Plot No. 50/2, T.T.C. MIDC Industrial Area,
Mahape, Navi Mumbai -400 710
Tel: +91-22-71785000
Fax: +91-22-71785011

Surat
Plot No. 90 to 93,165 Surat Special Economic Zone,
Road No. 11, GIDC, Sachin. Surat - 394 230
Tel: +0261-3107396/97, 2398895/97
Fax: +0261-2398030

Chennai
No 146, East Coast Road, Vettuvankeni,
Chennai - 600115,
Tel: +91-44-2449 0130
Fax: +91-44-24490836



“Repro India Limited Q4 FY-17 Earnings Conference
Call”

May 8, 2017



**MANAGEMENT: MR. MUKESH DHRUVE – REPRO INDIA LIMITED
DR. PRAMOD KHERA – REPRO INDIA LIMITED**



Moderator:

Ladies and gentlemen, good day and welcome to Repro India Limited Q4 FY 2017 Earnings Conference Call. As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '**' then '0' on your Touchtone phone. I now hand the conference over to Dr. Pramod Khera. Thank you and over to you, sir.

Dr. Pramod Khera:

Thank you. Good evening to everybody. I hope you have received the presentation. My apologies to all of you for the late transmission of the presentation. But now it has been uploaded on BSE and NSE plus it has been sent to all e-mail IDs that we have.

So I will run through the presentation, I will go through it slowly so that you guys get a chance to absorb it.

The presentation is broken up into three parts. First, we will talk about the new initiative, then the print business and then get down to the financials. Before that just to recap, at the beginning of the year we had set out a certain strategy for the organization as a whole. Then your strategic direction revolved around one growing the e-retail business so that we were able to create a platform for exponential growth in the future. As far as Rapple is concerned we have said that we will sustain and try to reach a breakeven. The focus was on the existing businesses, the consolidation with the right customers, strategic customers, MNCs, focus on financial consolidation, cash flows and the ratio of expenses. If you look back now that the year is over, we have successfully implemented most of these strategies. Our export debtors which was Rs. 75 crores in September and had come down to Rs. 67 crores in December with our focus on collections this has come down to Rs. 49 crores as on date.

If you recollect at one time we had peaked at Rs. 120 crores, so a lot of effort has gone in collecting these export debtors. In addition to that we had embarked upon an aggressive cost reduction exercise across the organization. So because of the caution with which we took on more export projects, we did only Rs. 60 crores worth of exports in last year. This led to a drop in the overall revenues and also a strain on the profitability in Q1 and Q2 as you would be aware, we had announced losses in those two quarters. But Quarter 3 we turned around and Quarter 4 there has been a significant jump from Quarter 3 also. And we have closed the year with 10% EBITDA of Rs. 32.6 crores which is higher than last year, which was 7.8%.

So the exercises that we took in terms of cost reduction has paid dividends. Now in addition to that, the other strategic initiative that we had was to really push the e-retail business, which we are doing it under the name of Repro Books-On-Demand. Month-on-month that business has been growing and today we have reached a run rate of almost Rs. 2 crores per month. I will explain this in more detail as we go along.

So with that introduction, I will get down to Repro Books-On-Demand. As you are aware, the Repro Books-On-Demand is actually the business model as we generate the demand online and

fulfill it through our digital printing. So we have set up a plant at Bhiwandi which is a state-of-the-art one book factory where we print, bind, pack and dispatch the book within minutes. We are aggregating titles for the domestic publishers, and we are also getting international titles from Ingram with whom we have signed a partnership agreement. We are selling these books on seven channels Amazon, ShopClues, Flipkart, Rediff, Paytm, Infibeam and Snapdeal. Ingram content growth is the largest content aggregator from publisher in the US, who got 14 million titles from 45,000 publishers and as a partner in India we get access to these titles.

Currently we have around more than 1.2 million titles which we have got from Ingram which we were selling in India. We also have a reverse arrangement with Ingram whereby the titles that we are aggregating from the domestic publishers we are able to give it to Ingram for global selling and Ingram has a footprint across the globe through 39,000 sellers that it can retail its books through. So this platform gives an opportunity for Indian publishers to sell their books globally. So that is the biggest model.

Coming to the next slide, little bit about the opportunity. Indian books market is the sixth largest in the world. It is the third largest as far as English language books are concerned. As per Nielsen study which was done a couple of years back, this year the market is estimated to be around Rs. 37,000 crores and growing at over 20% year-on-year. E-commerce there were various estimate of growth of e-commerce in India and but looking at the online books which are being sold in India, it is around Rs. 1,200 crores slightly over 3% of the total books market of Rs. 37,000 crores. Our estimate looking at what is happened globally and in the US markets, and looking at the growth of e-commerce in India, for next three to five years the online books market in India could easily touch Rs. 8,000 crores to Rs. 10,000 crores.

And being a pioneer in books on demand and selling books online we feel that we are very well positioned to capture a large share of this market going forward. So the schematic at the bottom of the slide give us a whole model where we acquire content from the publisher or through aggregators like Ingram and we are able to sell in the Indian market and also globally the Indian content. Now that is one opportunity capturing a large share of the growing online books market. The second opportunity because of our tie up with Ingram, we are able to bring international titles and sell them in India. If you see in India in the past, international books are being imported into India and the imported books market is around \$75 million.

Of these books which are being imported are limited in number because it is not possible to predict demand for a large number of titles for people to import and sell them in India. So the distributors were importing, they are importing a select set of titles which are fast moving, or fast selling, whereas through Ingram, we are able to get entire catalogue from publishers and list them in India and these titles have never been sold in India. So that is an unfulfilled demand which is existing in the market today so we feel that we can really grow the international books market in India through this relationship with Ingram.

So that again is a big opportunity that we are sitting on. The third opportunity is the existing supply chain and we have an opportunity to really disrupt this supply chain which is in

shambles today. Their long credit terms, default, returns and the publishers are saddled with unsold stock, huge inventories, stock returns, payment defaults, and today they do not have any other alternative. So they are selling, they are giving the books to distributors, and distributors again pick up only the fast moving books so the entire catalogue never gets sold.

So when we are tying up with these Indian publishers, we go to them, we tell them that we can give you a model where there is zero inventory, zero obsolescence, zero book returns, zero freight cost, and we can sell your full catalogue, which nobody has done till now. And this is a proposition that really appeals to the publishers and more and more publishers are tying up with us for selling their books online so there lies an opportunity for Repro to disrupt the old distribution business and capture a significant market share of the book publishing supply chain.

Next slide gives the progression of Repro books in demand quarter-on-quarter. If you recollect last quarter I had said that we have around a million titles which were selling in India. Today April we have reached 1.25 million. Also we have said that we are doing revenues of around Rs. 30 lakhs per week. We have touched Rs. 50 lakhs per week as on date. Our current capacity for Mumbai I have spoken about it previously also is around 6,000 books per day. We are doing over 2,000 books per day now. So we have started investments in Mumbai plus we want to set up small facilities in Chennai and Delhi to cater to all the regional customers in all the three big markets in India and during the current year we will enhance this capacity to around 12,000 books per day which should solve the purpose of increasing our sales accordingly. So those are the plans as far as Repro books on demand is concerned.

So we are ready now with a fully automated integrated and a tested platform, we are ready for exploiting the three opportunities that I talked about, the growing online books market in India, the unexploited international books market and the inefficient traditional supply chains.

There are other opportunities in the self publishing market. Self publishing is big in the US, it is almost 18% of the market, in India it is recently just started, we are working with five, six self publishing firms and I do believe that this market is going to grow very, very fast and we are positioned ideally to service this self-publishing platforms because we can print books, we can distribute books and we can market the books.

Then the reverse global program which I talked about where we were talking about selling the Indian content globally through Ingram, that is also a big opportunity going forward. So the whole business that we are doing today is actually creating a disruption in the publishing industry and this type of disruption has been seen in other industries too. So as a content aggregator we are aggregating books, we do not own the books, similar to for example Uber which is an aggregator in the transport segment. They do not own the taxis or cars, or Air BNB they do not own the hotels, they are an aggregator.

So we are in a similar position today where we have a very asset like model with no working capital, and we can really grow this business by adding more and more titles from publishers domestically as well as internationally.

So that is the books on demand business model and the status as on date. As a step back and look at the print business as I mentioned the export business has reduced but the domestic business has increased. In fact, Quarter 4 we did 39% more business compared to same quarter previous year. Business visibility for Q1 of this current year is on track. We have been focusing on reducing debt so Indian business the domestic business is quite on track.

As far as exports is concerned, while Africa is reviving in terms of we are able to get some monies out of the countries and like I mentioned the export debtor which had peaked to Rs. 120 crores we have got them down to Rs. 49 crores and whatever the Rs. 60 crores of the business that we tied up in 2016-17 is all secured with LC etcetera, so we have been very careful in selecting new business.

Going forward we see that some amount of revival should happen in the market. We already have tied up business worth around a million dollars in the current quarter from Nigeria, and this is all secured business, where the payments are guaranteed.

Okay, so with that I will go to the financials. Sales as you can see from the previous quarter there has been a 12% increase from Rs.81 crores to Rs. 91 crores. But more important is the profitability which has shown improvement compared to the previous quarter. So we are showing a 15% EBITDA in the last quarter compared to 14% in the quarter before that. Looking at the cost, we have been focusing on reducing the cost and if you look at the next slide, our annual employee cost have come down from Rs.50.8 crores in the previous year '15, '16 to Rs. 44 crores in the last year '16, '17. Our other expenses have come down from Rs 93 crores to Rs.66 crores and finance cost has come down from Rs.19 crores to Rs. 15 crores.

If you see the debtors, export debtors as on 31/3 was 61.74 but like I told you they were reduced to around Rs. 69 crores as on date. Domestic debtor are Rs. 115 crores, these are high because most of the business in the domestic -Q3, Q4, so these are mostly current debtors.

The next slide talks about the year-on-year performance, so '15' '16 we did a total turnover of Rs. 388 crores, vis-à-vis that we achieved Rs. 323 crores last year. EBITDA margins have improved from 8% to 10% so though at PBT level we have shown a loss, we believe that the worst lower and today we have reached a situation where we are seeing a turnaround in the organization and we should be able to achieve much better performance going forward.

The last slide is a one page slide, consolidated results which I am sure all of you would have seen and that brings me to the end of the presentation. I will hand over to for any question answers.

- Moderator:** Thank you very much. Ladies and gentlemen, we will now begin with the question-and-answer session.
- We take the first question from the line of Jaineel Jhaveri from J&J Holdings. Please go ahead.
- Jaineel Jhaveri:** I just wanted to know that what was on the revenue in this quarter from the one book printing?
- Dr. Pramod Khera:** So one book was around Rs. 5.5 crores
- Jaineel Jhaveri:** Rs. 5.5 crores?
- Dr. Pramod Khera:** Sorry Rs. 5.5 crores was for the full year.
- Jaineel Jhaveri:** Okay and the last quarter would be, means this particular quarter would be?
- Dr. Pramod Khera:** One second I will just get back to you on that. Around Rs. 3.5 crores.
- Jaineel Jhaveri:** Rs. 3.5 crores, okay. And so what are your revenue expectations from this business for the next year, I mean are you giving any kind of guidance?
- Dr. Pramod Khera:** No, we do not give a guidance. But like as you can see from my presentation quarter-on-quarter we have been growing as far as our weekly reviews are concerned and that trend we are seeing continuing in the coming months also.
- Jaineel Jhaveri:** Okay. And these translate into your revenue, right, so when you say revenue per week, this is what you report?
- Dr. Pramod Khera:** Correct. So when I say in April we have reached a run rate of Rs. 50 lakhs per week.
- Jaineel Jhaveri:** That is Rs. 26 crores for the year?
- Dr. Pramod Khera:** Exactly.
- Jaineel Jhaveri:** Okay and is there a function between the number of titles you list and the revenue?
- Dr. Pramod Khera:** Definitely there is.
- Jaineel Jhaveri:** Or are these the most popular ones that you have listed so now like going from 1.2 million to 10 million you will not see that much difference?
- Dr. Pramod Khera:** No see, so there is a mix of domestic as well as international titles. Now the 1.2 million titles that we have listed, these are not necessarily the front titles, these are mix of front titles, back titles, old titles, mid list and going forward like I said Ingram has got 14 million titles. Now over a period of time we will be listing all the 14 million titles, which will be a mix of different

type of titles from different publishers plus from the domestic market also we are acquiring titles which are both front list and back list.

So while definitely by adding more titles we should see a growth in the number of books which have been sold per day. We are also seeing how we can look at in fact we have already started doing some sort of marketing and promotion activities to increase sales of certain books where we see that there is a good potential.

Jaineel Jhaveri

Okay. So what kind of promotion activities are those, like what exactly would you do?

Dr. Pramod Khera:

So the promotion happens from the publisher's side, they happen from the channels side and we also pitch in, so there are banner ads, there are keyword searches and different type of promotion that can be done and social media marketing etcetera.

Jaineel Jhaveri

Okay so what kind of money would you be spending per year on these promotions?

Dr. Pramod Khera:

Right now, like I said till, see till now what we have done was just listed the titles and start selling them. Now going forward whatever we spend, they would not necessarily be our expenses. Like I said if a joint exercise by the channels, by the publishers and by us. So at this stage it is difficult to put a number on it.

Jaineel Jhaveri

Okay. And in terms of I mean you do not separate this business from all the other businesses, but is this business already profitable, has it crossed its breakeven and when does it become profitable?

Dr. Pramod Khera:

Well if you look at this business specifically I mean we are doing it under subsidiary 100% owned subsidiary called Repro Knowledge Cast Limited and when you look at the final results of Repro that we will publish, you will see that in that subsidiary we have done an EBITDA of around plus Rs. 57 crores. Now though that entire business over there is not from one book, we also have digital printing business which happens from the same subsidiary. So while at the current level, I would not say for one book specifically we are profitable but very soon we are reaching a stage where I think we should be able to cross that milestone.

Jaineel Jhaveri

Okay, so means would you say that at 50% of your capacity you would cross your milestone, so you have your capacity is 6,000, at 3,000 you would become profitable?

Dr. Pramod Khera:

I would not like to put any figure at this stage.

Moderator:

Thank you. We take the next question from the line of Raj Sharma, an individual investor. Please go ahead.

Raj Sharma:

In last con call, you mentioned that you will be focusing more on category B and C type books which are mid margin and mid demand to high margin and low demand kind of books. Any percentage that you would like to put on the segment size?

Dr. Pramod Khera:

Yes, see I mean last time I was talking about different types or different categories of books so I did not mention that we are going to focus on any one of the categories because today we have a long way to go in terms of aggregating all that. My objective is to get all the titles listed and sell them. So the books will come from all segments whether it is education, whether it is trade, fiction, international, domestic and then later on and today also we are seeing that some international books that we are getting where nobody else is selling our margins are much better.

So all that type of segregation and that type of listing in the future we will definitely get into, but at this stage our effort is to increase the sales and to sell as many books as possible from whichever category where we see a potential.

Raj Sharma:

Okay, sir one more thing, this is regarding your competitors. While going through Amazon and other channels, we noticed that some of the books, the competitor is selling at a much lower price in spite of we having a kind of zero inventory model. Are they kind of undercutting it or selling at a lower margin or?

Dr. Pramod Khera:

See the other people who are selling the books online they are the traditional distributors. So what they do is they acquire stock printed book from the publishers and they sell it. Now there are large number of such publishers which are eight to ten in number and they all acquire the same titles because they want to sell the title which are selling the best. Now when you and me we go online to buy a book obviously the same book is being offered by ten different people, I will buy the lowest price book, right. So they compete with each other and then they end up discounting and then they do not make any money.

So we do not want to be in that gear. That is why we do not try to match that. So you will find in some cases they are selling at much lower price because we are not in the business of trying to just generate sales for the sake of sales. But because there is so much of opportunity because this publisher, these distributors who are selling today they have to have the physical books with them inventories with them and the largest one in India, he has got around 70,000 titles. Because beyond that it is impossible to stock more titles because we require the warehousing that you need and the system that you need will make it very cumbersome and they operate on a very, very thin margins because they are competing with all the others. Whereas we have got 1.2 million titles so there is much more potential of selling the other titles at a reasonable price and making decent profits, that is what we are focusing on.

Raj Sharma:

Sir, one question related to this. Is it difficult to replicate this one book factory or is it difficult to get the license to the title or access to the title?

Dr. Pramod Khera:

Sorry come again?

Raj Sharma:

My question is that the one book factory which we have right, is it difficult for our competitors to replicate that or is it difficult for them to get access to the titles? What is our age basically?

Dr. Pramod Khera:

It is a very good question. See the content that we are acquiring from the publishers for a publisher that is their most valuable asset and they are scared of privacy, they are scared that people would just take the file and print large number of books and not tell them and put it in the market. So they do not give their content to anybody and everybody. We have been working with this publisher for last two, three decades and we have been taking the files and printing so they have that comfort and confidence that their content is safe with us. So for somebody else to get those books is very, very difficult, it will take a lot of time and convincing.

Secondly, international titles that we are getting from Ingram again Ingram has done a very rigorous due diligence about our systems, automated processes to ensure that again to rule out any chance of any piracy or security concerns, and that is how we have been able to tie up with Ingram. Now Ingram has got 14 million titles and the second largest aggregator in the US is far, far behind Ingram. They have got 10% of the number of titles which Ingram has. So even if somebody else start they will never be able to get access to around 14 million titles as we are getting from Ingram.

So these are the competitors and of course we have a head start of almost two years we have invested quite a bit in the IT systems, in the processes, and we have established a very good relationship with the e-commerce channels. So we believe that while I am not ruling out competition coming in but we have a very good lead and if we continue keep growing month on month it will be for difficult for people to catch up with us.

Raj Sharma:

Sir, one last question. There was an intimation to exchanges regarding a strike in one of your locations. Is the strike over or is it still continuing?

Dr. Pramod Khera:

No, the strike is continuing, the plant is still running with some limited number of workers who has not joined the strike. And we are using the facilities from other plants and a little bit of outsourcing to ensure that our activities do not get hampered and our client do not suffer so we have been able to manage that.

Raj Sharma:

So, I can assume that right now there is no impact on the revenue from that strike?

Dr. Pramod Khera:

No, because quarter 1 typically is our lean quarter. So quarter 4 is the heaviest where we were able to achieve that turnover of that Rs. 90 crores and so that quarter we managed to complete it and then they went on strike so in fact from this quarter it is going to be, we do not believe it is going to be very significant.

Moderator:

Thank you. We take the next question from the line of Sahiti Chintapalli from Capgemini. Please go ahead. As there is no response we will move to the next question. We take the question from the line of Bhargav Karthik from Capgemini. Please go ahead.

- Bhargav Karthik:** I have few questions to begin with. You said you have access to 1.2 million books and will all these be listed on e-commerce platforms because as of now when I search in Amazon or any other website I could see roughly some few thousand books?
- Dr. Pramod Khera:** So see we are selling on Amazon in three different accounts because of certain technical reasons so Repro Books-On-Demand. If you look for a seller called Repro Books-On-Demand you will find those 1.2 million titles. On Flipkart, there would be lesser titles around 600,000 titles, other channels Infibeam, Snapdeal etcetera it is over a million titles.
- Bhargav Karthik:** Okay. And my next question is, sir, you have mentioned that in the coming three to five years we will be having Rs. 10,000 crores sales of books through online, rough estimate. Is that through the hard copy or both hard copy and soft copy like e-books etcetera?
- Dr. Pramod Khera:** Yes, we believe that in India it is going to be mostly the hard copy because even today the e-books market is very, very miniscule in India because the cost of the device itself is quite prohibitive and the cost of the book is very low the printed book is very low. So people find it much more convenient to buy a printed book and that trend is going to continue because even if you look at globally while the percentage of books which went digital the e-books sales which peaked around two years back has started coming down and printed books have revived in those markets also. So India for the next three to five years, we believe there is going to be mostly the printed books.
- Bhargav Kartik:** Okay. And sir, we also modify the content to play up Kindle, right?
- Dr. Pramod Khera:** Yes, we do that yes.
- Bhargav Kartik:** So, all that title which we are getting we will also have the right to convert them to Kindle?
- Dr. Pramod Khera:** Yes, we do. So, in fact we have also supplying those e-books to Ingram for global distribution. So we have the capabilities, we have the platform, we can start doing it any time but like I said currently we do not see very large markets for those type of books in India.
- Bhargav Kartik:** If not in India we might be having some demand in other countries?
- Dr. Pramod Khera:** Yes, that is what, so that is why I said.
- Bhargav Kartik:** We have a good opportunity?
- Dr. Pramod Khera:** Yes, so we are collecting the titles from Indian publishers and Ingram has a very good platform for distribution of e-books globally, we are giving the books to Ingram for global distribution.
- Bhargav Kartik:** Okay and last question, sir. We used to have some issues in Africa. How is the situation over there now compared to the previous?

Dr. Pramod Khera: Yes, so I like I mentioned in my presentation also, things seem to have revived a bit. We are able to recover some monies out of Africa because their exchange rates have become more reasonable and banks have foreign exchange to send it out of the country. So because of which we have been able to recover most of our debtors. As far as new business is concerned, yes, we are seeing some interest, some revival. In fact like I said we already we have a million dollar worth orders during the current quarter for Nigeria. So let us hope going forward things should improve more.

Bhargav Kartik: Okay and sir as per the talks you gave in the introduction, everything was looking cozy and good. What are the major threats we will be facing in two to three years maybe?

Dr. Pramod Khera: Yes, so see the point is that as far as our print business is concerned we are being very, very choosy about clients, with all the orders that we get they are secured by LCs etcetera so we are not very keen to grow that business aggressively. Our focus is on growing the Books-On-Demand business where we see that yes, we are getting good traction, today there is no competition and like I talked about the competition earlier, we have a head start for going forward even if competition comes they will find it difficult to catch up.

But those risks always remain in any business, competition will be there and with the thrust that the Indian government is giving on digital initiatives, online selling we believe will keep on growing, and with more and more people coming online and embracing internet and e-commerce and online buying that market should grow. So we intend to remain focused on that. And tomorrow that business should start contributing quite substantially to the overall revenue for the company.

Bhargav Karthik: Okay and sir, do we added new clients on the Kindle side?

Dr. Pramod Khera: On the?

Bhargav Kartik: On the Rapples, yes?

Dr. Pramod Khera: No, we have not added like I said we are sustaining we are continuing with, yes we added one or two more schools but nothing significant. Our attempt is to just sustain and give a good experience to the students so that going forward when we feel that the market is ripe and ready and we also have the right structure for addressing that opportunity then we should be able to take it and grow it. So we still believe that that is a good market and going forward definitely we would make an attempt to capture a good market share there once the market starts adopting the solution of e-learning and e-books.

Moderator: Thank you. We take the next question from the line of Nishit Rathi from CWC Advisors. Please go ahead.

Nishit Rathi: Just wanted to understand how should we think about the order book at the end of Q4?

- Dr. Pramod Khera:** End of Q4 I think for the current year we have more than Rs. 40 crores worth of orders in the pipeline?
- Nishit Rathi:** And this is most of it is domestic?
- Dr. Pramod Khera:** Like I said around a million dollars is from international and rest is domestic.
- Nishit Rathi:** Okay and in terms of the debtors on the domestic side most of these will get collected in the next quarter?
- Dr. Pramod Khera:** Yes, see typical it is 90 days to 120 days is the credit period.
- Nishit Rathi:** Great but our total sales this quarter was around Rs. 90 crores of which there would be some exports so there is some spill over from last quarter as well, right?
- Dr. Pramod Khera:** Yes, it is there.
- Nishit Rathi:** Okay so we will collect most of it in this quarter?
- Dr. Pramod Khera:** Correct, further the ones which we had built in quarter 3, Yes we will start collecting this quarter but the ones which we have built in Quarter 4 that will take 90 days to 120 days to build slightly higher.
- Nishit Rathi:** Okay so we can expect the debtors to come down to at least around more like the Rs. 80 crores, Rs. 90 crores mark right from Rs. 115 crores in domestic?
- Dr. Pramod Khera:** I would not like to put a figure but definitely, yes, the debtors will come down and like I said quarter 1 and quarter 2 is slightly slow as far as our domestic business is concerned. So further additional debtors collected I mean the sales will be slow so we should be able to bring down the debtors definitely.
- Moderator:** Thank you. We take the next question from the line of Anirudh Shetty from Solidarity Investments. Please go ahead.
- Anirudh Shetty:** I wanted to understand the Ingram tie up better. So with a 1.2 million titles that we have from them, is it exclusive in nature and if it is not, do you have any sense of how many partners that Ingram want to tie up with in India considering that they would also want to de-risk their supply chain and mitigate any foreseen risks?
- Dr. Pramod Khera:** No, so Ingram is not supplying these to anybody else in India we are the only ones and the way we are moving forward with Ingram they are very happy with the performance and we do not see any reason as to why they should look at any other partner. In fact right now our attempt is to see how we can get more and more titles, how do we reach 14 millions as soon as possible.

Anirudh Shetty: Okay. And any reason why other competitors do not want to come up with a print on demand facility considering that is the prerequisite to actually access and tap this mid and back title market?

Dr. Pramod Khera: Yes, so like I said I am sure competition is considering it and looking at it and it will happen someday but currently there is nobody. Like I said it is not, we have been working on the digital printing for the last five to seven years. We have invested in IT systems, for the last five years huge amounts of money plus it took us two years to crack the agreement with Ingram and we have decades old relationship with the publishers so we are able to get the client, the content from customers in India. So if somebody has to acquire all these capabilities before they can get into the business so that is why we are.

Anirudh Shetty: Okay. And so this 14 million title target the entire Ingram capabilities would you have a broad sense of how much would be front, mid and back just a raw sense of what the split would be and what will be the margin difference between a mid and back and a front title?

Dr. Pramod Khera: See like I said the front titles are being imported into India and current market size is around \$75 million of imported books in India. Now these would be from around 2.5 lakh to 5 lakh titles maximum or 2.5 lakh titles is the one which we are looking at. So these are front titles. The balance all would be mid and back titles and the margins in mid and back titles are much, much higher because there is no competition. And when you say mid and back titles we do not know, tomorrow they could become fast selling titles for once awareness and availability of those books spreads in India then they can become front titles also.

Anirudh Shetty: Alright and if I could squeeze in, so you are all moving up the value chain you have got into content aggregation and digitization. I wanted to understand how that revenue is recognized? Do you all recognize it only when the title is sold at the customer end or once the title has been digitized and enriched and stored, how does that work?

Dr. Pramod Khera: No, when somebody buys it that time we record the sale.

Anirudh Shetty: So, will that be titles in your repository that are not being sold that say it does not get sold but you all do not book any revenues for the work that has been done on enriching it and converting it and storing it?

Dr. Pramod Khera: Yes, so those are all digital files and so most of the publishers they give us a digital file so we do not have to really do too much of work on that and even if you have to work on that then we charge the publisher for those. So there is a onetime nominal cost which the publisher has to bear but after that it is just the cost of storage of the titles, nothing else.

Anirudh Shetty: You have the ability to book revenue for the titles that you had received from revenue as well right, for this digitization bit and the enrichment bit?

Dr. Pramod Khera: That is hardly anything, very, very miniscule, that is just to cover our costs if at all.

- Moderator:** Thank you. We take the next question from the line of Pratik Basaria, an individual investor. Please go ahead.
- Pratik Basaria:** I wanted to understand what is the cost difference between printing a book in traditional printing and in print on demand?
- Dr. Pramod Khera:** So in traditional printing also it depends on how many copies of the books we are printing. So if we are very, very large runs of say 50,000, 1 lakh then you can do it on large machines which are good machines. Then if shorter quantity, 2000-3000 you have to do it on sheet-fed machines. So as the quantities reduce the cost keeps on reducing.
- Pratik Basaria:** Okay. So if you are doing 50,000 books what will be the cost per book versus doing a print on demand one book?
- Dr. Pramod Khera:** If you are doing 50,000 books the cost would be around 15% to 20% of the MRP of the book. And if you are doing say digital printing then again it depends it could be anywhere in the range of say 25% to 40%.
- Pratik Basaria:** You said that when you sell front titles, there is a lot of competition and you do not discount, so I am guessing you put it at the full price, and the other sellers they would discount, right?
- Dr. Pramod Khera:** Those are the front titles.
- Pratik Basaria:** As a buyer if I go on Amazon, if I want to buy, I would obviously always land up buying the low-cost book?
- Dr. Pramod Khera:** Yes, those are the top say may be 3000 to 4000 titles whatever the balance 1.2 million.
- Pratik Basaria:** Okay, the front titles have almost difficult to sell from Repro because those are always discounted?
- Dr. Pramod Khera:** Yes, we are not bothered about that though we sell, we have those title, so like I told you 25% of sales of distributor is lost due to stock-out situations. When that happens, we are there to fulfill that demand. We get those type of opportunities even from the front titles.
- Pratik Basaria:** Now, when I was going through Amazon, there was this one seller who has Print on Demand as well and he has tie up with different publishers like Wiley and he has a tie up with Ingram as well where he imports books from them, so I believe that if he is importing books from Ingram, he would be getting the fast-moving books?
- Dr. Pramod Khera:** Ingram is one of the largest distributor of printed books in the US, so a lot of people import the books so that imported books market where I talked about \$75 million, Ingram has a very large share of that, so a lot of people import books from Ingram.
- Pratik Basaria:** Right, so I am guessing our sales mostly comes from those back titles and the mid-titles?

- Dr. Pramod Khera:** Even those front titles, see for example, say if somebody is selling those titles and they are importing, the lead time for delivery would be three to four weeks whether we can supply those books in 24 hours, so that gives us an advantage as far as international is concerned even for front titles.
- Pratik Basaria:** But if there are 8-10 competitors, then it is a good chance that one of them will be having some kind of stock available?
- Dr. Pramod Khera:** Fine, generally that is the business, but the point is that at some point in time like I said when they go out of stock, we can start selling at the MRP without discounting and we cover up.
- Pratik Basaria:** Okay, so my reason for asking that was, I am guessing that we are mainly targeting those back titles and mid-titles and that is why we are hoping that even the front titles when people do run out of them and they do come down to may be a mid-title, then Repro will be pretty much the only one who will have them because other people will not be as interested in it?
- Dr. Pramod Khera:** Correct.
- Pratik Basaria:** Going forward, I want to understand what is the percentage of the entire sales which are front titles and which are mid and back titles?
- Dr. Pramod Khera:** At this stage, it is difficult to say that, but like I said that once you start exposing the titles with the back titles, there are lot of times you find that there is a latent demand for those titles which people were not even aware of and we start selling those books, so while like I said the top 4000 to 5000 titles of front titles, there are millions of titles which are available for the mid and back and we believe that potential could be may be 60, 70, 80% of the market.
- Pratik Basaria:** You are saying that the back and mid titles could be of 70-80% of the total sales?
- Dr. Pramod Khera:** Yes.
- Moderator:** Thank you. We take the next question from the line of Yash Matai from Vibrant Securities. Please go ahead.
- Yash Matai:** Sir, I want to ask you about the paper cost, so I have been hearing recently that the paper cost has been rising because of the demand supply problem in the country, so can you tell me more about how big is your paper cost and how is that increase in cost will affect you in future?
- Dr. Pramod Khera:** Traditional business, paper is quite a substantial part of the cost in the traditional business of printing, but there whatever increase that happens in the paper cost, we are able to pass it on down to the client after a couple of months or quarter, so that is a pass-through cost as far as we are concerned.
- Yash Matai:** Sir, how big is the business of Raffles, can you tell me the revenue of that business?

- Dr. Pramod Khera:** That is very small, less than a crore of rupees.
- Moderator:** Thank you. We take the next question from the line of Vikrant Kashyap from Kedia Securities. Please go ahead.
- Vikrant Kashyap:** My first question is on Raffles business, we have talked about turnaround in this business, have we done that in FY17?
- Dr. Pramod Khera:** What we have said is that we will sustain and we will breakeven, which we have achieved.
- Vikrant Kashyap:** Going forward, we see that we will be growing steadily and margins will improve from the business?
- Dr. Pramod Khera:** Right now our focus is to grow the one book business, that is, Books on Demand, and we are not aggressively will be going out and trying to market the Repro Solution where we believe that the market also should take some time to really start accepting the digital solution in schools, but it will happen and whenever it happens, we will definitely try to see how we can get large share of that market.
- Vikrant Kashyap:** Sir, as we are talking that we can see a good traction in E-tailings, so going by this opportunity that you have mentioned in your presentation, what kind of business we can garner say by FY20, is there any target that you have set up for your company?
- Dr. Pramod Khera:** FY20, like I said market could be anywhere around 8000 crores online selling.
- Vikrant Kashyap:** What kind of share we will garner from it, any rough idea or any target that you have set up for yourself?
- Dr. Pramod Khera:** We have of course internal target I would not like to talk about, but we want to be a substantial player in the online business, online book selling business and here to be substantial, we should have a significant market share, so you can take your own guess.
- Vikrant Kashyap:** One more thing, Sir, as you mentioned that our E-books has not been breakeven yet, and we are just doubling our capacity also, can we assume that going forward we can see more expansion in margins?
- Dr. Pramod Khera:** Yes, not E-books, one book, definitely from this business we expect better margin than from a print business once we have reached the optimum scale, that should happen.
- Vikrant Kashyap:** What kind of CAPEX we are aiming at to doubling our plant?
- Dr. Pramod Khera:** Not much, we already have expensed out a few things and going for maybe around 10 odd crores.

- Moderator:** Thank you. We take the next question from the line of Rahul Bhansali, an Individual Investor. Please go ahead.
- Rahul Bhansali:** We used to write off certain percentage of our receivables whenever it went past one year, so have we done that for FY17 also?
- Dr. Pramod Khera:** You are right, as far the policy once the debtors exceed a certain number of days, we provide for them, so we have been following that policy even last year also.
- Rahul Bhansali:** How much would that be for FY17, could you give me some number?
- Mukesh Dhruve:** We have made the provisions where it is the same kind, there have been reversals of debt, some of the debt which have been collected, so it is almost neutral for the current year.
- Rahul Bhansali:** Right now, we have 1.2 million titles out of 14 million, so the journey to actually get from 1.2 to 14 million, is it just a question of time or do we require any spending in the IT or do we need to actually go to all the guys who have these titles, how does it work?
- Dr. Pramod Khera:** Yes, it is a mix of everything that you talked about, so one is that the IT, the bandwidth, the server, storage, etc. all that enhancements which are required which are happening. Second is that the publishers who actually own those titles they need to be convinced by Ingram, that yes go to India, there is a big market over there, so we participate in book fairs of London, Frankfurt and New York in US and we meet the publisher along with Ingram and talk to them about the potential in India and after that we will be able to get those titles, so it is a mix of all these things.
- Rahul Bhansali:** Would you say that after two or three years, you would have a significant junk of these 14 million titles?
- Dr. Pramod Khera:** Yes, much before that.
- Rahul Bhansali:** Have we started getting sales from selling the Indian books outside of India through Ingram?
- Dr. Pramod Khera:** I mean we have, but they are very, very small. We are just integrating and testing the whole platform, so we have listed a few books around 2000 books, but they will not be very significant other than this.
- Rahul Bhansali:** Sir, we do not need to spend anything at all, once we set up the CAPEX for it, once it is done, then we will just keep getting the cash from the books?
- Dr. Pramod Khera:** Correct, you are right.
- Rahul Bhansali:** How big is that opportunity, because it looks a very interesting, because we do not need to spend any capital in getting the money?

Dr. Pramod Khera: See, many of the Indian publishers have got excellent content especially in Engineering, Medical, higher education and so people believe that there are good potential for those books but we have to test it out, we have to see what the market is then the second market internationally is for Indian language books because the diasporas of Indians who are settled in the US, Europe, etc., and they are looking for books in the regional languages, so again that is a big market over there, but like I said till today the Indian publishers did not have an avenue to sell their books in these markets, so we do not know what the demand is but we believe and from the estimate that we have got from Ingram and others, this is a good potential area and next year or so, we should be able to see it contributing to our top line.

Rahul Bhansali: Sir, this would be in which regions, US, Europe and Australia?

Dr. Pramod Khera: Yes, mainly the North America, Europe, Australia, and then like Ingram is working with us in India as a partner, they are working in other countries like Japan, Brazil, China with a partner, so it will go to the partners also.

Rahul Bhansali: Can we use our relationship with Ingram for our old business in terms of getting more clients onboard or something like that?

Dr. Pramod Khera: That is again part of the long-term plan that we are talking to Ingram, for example, the books which are being imported into India, international books, why print them in US and then import them and that freight tomorrow, we have the printing capabilities, we can do it in India, but these are things in the future that we will get into.

Rahul Bhansali: Right now, we do long-run printing, short-run printing, Print on Demand, one book, we have all the capabilities, so can we not have better margins or some kind of better deal from our old business, because it has been few years now actually our margins have gone down or stayed constant or something like that, so can we not do something on that front or it is a completely different business, so we cannot use our strength in different areas here?

Dr. Pramod Khera: In fact, if you look at the whole industry, we are getting some of the best margins in the industry because the business is highly competitive and the best part is that like I mentioned the cost of printing longer run would be 15-25% of the book, so that is the play that we have when we are doing the printing, whereas in the one-book model or the Books on Demand, we have a play of 75 to 80% because that is the money we get and we pay the publisher 20% or 15%, so there the chances of improving the profitability are much, much higher than the traditional business.

Rahul Bhansali: But still for a old business, if we are the biggest player we are getting the best margins, we barely cover the cost of capital, so is it that the competitors do not want to shut because it is just the kind of industry that we are in or could you just talk about what is happening on that front?



- Dr. Pramod Khera:** It is a highly-fragmented industry and a lot of small, small players who do not have any overheads, so they are able to offer highly competitive rates and if you look at it today, we are the largest printer of books in India and it is substantial, but one cannot say that we are like really big enough, the whole industry is not that structured. It is very difficult to really and that is why we are not investing in the business over the next two to three years, we do not want to really increase our capacity and grow that business and that is why we looked at getting into these newer businesses where we see a much better profitability.
- Rahul Bhansali:** From now on, our complete focus is going to be on this new business, one book factory?
- Dr. Pramod Khera:** Definitely and while we will sustain what we are doing in the print side at the current levels of turnover, etc. and our efforts will be to improve the profitability because we want to work with strategic clients who give us money on time, our money do not get stuck and get better margins, so that will definitely continue but the growth will come from the new business.
- Moderator:** Thank you. We take the next question from the line of Raj Sharma, an Individual Investor. Please go ahead.
- Raj Sharma:** One question I have, out of the E-commerce channels, is Amazon our largest partner?
- Dr. Pramod Khera:** Yes, Amazon is the largest partner.
- Raj Sharma:** Any numbers you want to throw around how much percentage of sales come from Amazon?
- Dr. Pramod Khera:** Yes, Amazon is largest, then we have got Flipkart, which is the second largest and then there are others, it keeps on varying the percentage share, as far as books are concerned, Amazon is definitely more than 50-60% of market.
- Raj Sharma:** In Amazon when the sales happen, how much time it takes for us to get the money?
- Dr. Pramod Khera:** We get the money every week, in fact twice a week.
- Moderator:** Thank you. We take the follow up question from the line of Anirudh Shetty from Solidarity Investments. Please go ahead.
- Anirudh Shetty:** I just wanted to understand the working capital, like what could the working capital days look like going ahead as we move towards to more E-tail and online sales, which is inventory free?
- Dr. Pramod Khera:** Correct, as far as the Raffles, Books on Demand, E-retail business is concerned, we get the money upfront every week from the channels and we pay the publisher at the end of the month or end of 45 days, so there is no working capital requirement, in fact we have a negative working capital. We get the money, and therefore, whereas the traditional business like I said earlier also, 90 days, 120 days is the typical credit cycle, so as a proportion of revenues from the new business increase, our working capital requirements will keep coming down going forward.

- Anirudh Shetty:** The Raffles business would have a similar working capital structure like our traditional printing business?
- Dr. Pramod Khera:** Raffles is for annuity, rather it is monthly subscription model, so maximum 30 to 90 days is the credit period there.
- Anirudh Shetty:** Going forward, we do see our working capital coming down substantially?
- Dr. Pramod Khera:** They will once the revenues from the one book E-retail business pickup.
- Moderator:** Thank you. We take the next question from the line of Pratik Basaria, an Individual Investor. Please go ahead.
- Pratik Basaria:** I want to understand what percent do we give Ingram on the books that we sell of theirs?
- Dr. Pramod Khera:** That is a difficult question because Ingram negotiates with the publishers different distribution discounts which then they pass on to us, so it varies from book to book, from publisher to publisher.
- Pratik Basaria:** Is there a range that you could give me?
- Dr. Pramod Khera:** It is like any distribution business, if you see any distribution business, the distributor gets anywhere from 30% to 60% to 70%.
- Pratik Basaria:** What royalty would we be getting from Ingram when they sell our Indian titles?
- Dr. Pramod Khera:** It is the same thing, when we give it to Ingram, so they become the distributor so we will give them those distributor discounts and whatever share comes to the publisher, we will take some share out of that.
- Pratik Basaria:** How many titles are we adding every month?
- Dr. Pramod Khera:** You have seen the slide, so we have been growing the number of titles quarter-on-quarter, last quarter we added 250,000 titles.
- Pratik Basaria:** The Repro India and Repro Print on Demand, there are two sellers so Repro India is also Print on Demand or is that?
- Dr. Pramod Khera:** All Print on Demand, there are three sellers. In fact, you will find Repro Books on Demand there are two of them, one with a slightly different name, so there are three sellers on Amazon which all are our Repro.
- Pratik Basaria:** Amazon also sell books, do we have any titles in common with them?
- Dr. Pramod Khera:** Amazon does not sell books.



- Pratik Basaria:** There is a seller which says Amazon?
- Dr. Pramod Khera:** It says fulfilled by Amazon.
- Moderator:** Thank you. We take the next question from the line of Jyotsna Bukaria from Envision Capital. Please go ahead.
- Jyotsna Bukaria:** Just would like to understand if I have understood right that we are expecting growth from traditional business to be status quo and new business is going to head the growth going forward?
- Dr. Pramod Khera:** Correct.
- Jyotsna Bukaria:** Secondly Sir, our margins, do we see really the margins at EBITDA level changing over next two to three years or how do we see margins in next two-three years?
- Dr. Pramod Khera:** Like I said, once we have substantial revenues coming from the Books on Demand, the margins will be better than the traditional print business margins.
- Jyotsna Bukaria:** Sir, is there any internal target like Print on Demand, what kind of margins we see in longer term period once it is breakeven?
- Dr. Pramod Khera:** I would not like to give any numbers in the future.
- Moderator:** Thank you. We take the next question from the line of Kumar Saurabh from DXC Technology. Please go ahead.
- Kumar Saurabh:** Two quick questions, one can you give some flavor on the fixed versus variable cost breakup and detail on the online book sell model, I understand scaling up but just a broader picture on fixed variable breakup and second question I believe Ingram has eight such partnerships which it has done with Repro, can you give name of some other companies who are partners of Ingram, I tried to search but could not get?
- Dr. Pramod Khera:** Ingram, like I said, has tied up with the different partner in each country. In India, we are the only one.
- Kumar Saurabh:** In other countries, do you know one or two companies who are partners of Ingram?
- Dr. Pramod Khera:** In Germany, there is a company called Books on Demand.
- Kumar Saurabh:** Regarding the fixed and variable costs breakup, if you can give some flavor?
- Dr. Pramod Khera:** When we sell a book, there is a certain percentage of the sale value that we have to pay to a channel, Amazon, Flipkart, etc., so that is a percentage that is a variable cost. Then the printing of the book also is a variable cost because we print only once we get the order, so the only

fixed cost that we have are in the investments in the machinery, the CAPEX and the employee salaries and premises.

Moderator: Thank you. We take the follow up question from the line of Jaineel Jhaveri from J&J Holdings. Please go ahead.

Jaineel Jhaveri: Just wanted to know that do we plan to raise any money this year?

Dr. Pramod Khera: Right now, we do not see a need because whatever deployments we have in terms of expanding our Books on Demand like I mentioned, we already have started investment and we should be able to manage.

Jaineel Jhaveri: Are you all comfortable with the 210-215 crore debt on the books, right now?

Dr. Pramod Khera: Well, like I said the debt also is seasonal and once the next couple of quarters, we should see the debt also coming down and mostly the debt is short term working capital because we did large amount of turnover the last two quarters. In long term, it has been coming down. Total long term has come down to 76 crores, which was 98 at the beginning of the year, so while every company would like to be debt free, but just because we want to become debt free, you do not raise capital.

Jaineel Jhaveri: Okay, that is awesome. Also, one other thing, are there any countries where Ingram already has multiple partners?

Dr. Pramod Khera: No.

Jaineel Jhaveri: Usually when they sign up with one partner and they are happy with that partner, they do not really go towards another partner?

Dr. Pramod Khera: Yes.

Jaineel Jhaveri: Are there any chances of you getting out of your old business, just to free up capital if that is not interesting?

Dr. Pramod Khera: Well, as of now it is EBITDA positive, it is generating cash and it is funding our expansion plans, so there is no plan to coming out of the business as of now.

Jaineel Jhaveri: Right, but if it is not something that you are all focusing on in the future and you all get a offer for it, then is there an option of getting out?

Dr. Pramod Khera: These are all speculative questions, so I do not think I would like to answer that.

Moderator: Thank you. We take the next question from the line of Krushi Parekh, an Individual Investor. Please go ahead.

- Krushik Parekh:** I just wanted to understand you mentioned that we can even publish E-books, so will this be all the 1.2 million titles as of now within India and same amount of titles outside India which we hold for our Indian publishers?
- Dr. Pramod Kherra:** First of all, I will have to correct you that we are not publishing, we distribute. All the books that we are getting for Ingram, 1.2 million titles, whatever we aggregated, they are in a printable format for printing. These are not E-books, so Ingram is giving us a separate stream of books for distribution which are in the form of ePub for E-books, so that will be a different count and a different set of books.
- Krushik Parekh:** Okay, but how many books are those as of now?
- Dr. Pramod Kherra:** They are close to, for Ingram, we have around 8 lakh books.
- Krushik Parekh:** 8 lakh books which we can sell it through Kindle format or anything like that?
- Dr. Pramod Kherra:** Yes.
- Krushik Parekh:** Second thing is you did mention about the setting up of two factories in Chennai and Delhi or small ones and also some cost of moving the books from 1.2 million currently to 14 million over next one to two years, what kind of CAPEX requirement are we seeing over here?
- Dr. Pramod Kherra:** These are not very capital intensive, like I said for Chennai and Delhi, for those capital cities we will need around 10 odd crores of CAPEX.
- Krushik Parekh:** 10 crores over next couple of years, I guess?
- Dr. Pramod Kherra:** 12 to 18 months, and then there will be other routine CAPEX for upgradation of IT and servers and all, which again would be in similar range for year.
- Krushik Parekh:** What are the current challenges of lowering the working capital requirements in the existing business?
- Dr. Pramod Kherra:** One is recovery of old debtors which is continuing and which we are seeing some light at the end of the tunnel, so that should help and the second is tying up all exports with secured limits on LCs etc., and third is as far as the domestic business is concerned, taking business only from strategic large clients and MNCs so that our payments are secure.
- Krushik Parekh:** If you are just focusing on the domestic, if you forget the exports parts with all the technological capabilities that we have, is it possible to make the receivables or something much more efficient in the entire chain?
- Dr. Pramod Kherra:** Definitely, that is the attempt, but the whole industry it works on a long credit cycle of around 120 days, so while our attempt is to reach 90 days, we will be somewhere in between.

- Krushik Parekh:** The margins etc., we mentioned about the E-books, it would be somewhere similar whatever we are getting distribution margins by way of printing the books versus the E-books, or it will be mostly, once you have this E-book you just need to transmit it, so it will have minimal cost at our end?
- Dr. Pramod Khera:** Correct, there is no production cost as far as E-books are concerned.
- Krushik Parekh:** Then the percentage of value will it be same for us?
- Dr. Pramod Khera:** The expectation of the customer is that when you are buying a E-book, he should get it cheaper than a printed book, so those strategy varies from publisher to publisher, sometimes they bundle an E-book free with a printed book, sometimes they sell E-book separately but at a much lower cost, so the final selling price is entirely the publisher prerogative.
- Krushik Parekh:** Surrounding this again only, why cannot we have all the books that we can distribute via the E-format and only this 8 lakh as of now?
- Dr. Pramod Khera:** It depends on publisher. All publishers do not believe in making books available in an E-book format.
- Krushik Parekh:** Okay, so they are not available for the Kindle format, that is probably the reason or they might be even distributing it through some other channels or something?
- Dr. Pramod Khera:** Yes, but like I said, many publishers they want to stay away from E-books, they just want to sell printed books, so it is entirely the choice of the publisher.
- Krushik Parekh:** Something similar to Ingram, are we in talks with any other such aggregator?
- Dr. Pramod Khera:** Yes, there are other aggregators, but like I said nobody is as large as Ingram, so as of now...
- Moderator:** Thank you. We take the next question from the line of Pratik Basaria, an Individual Investor. Please go ahead.
- Pratik Basaria:** I had just one more question, what percent do we give Amazon on sales?
- Dr. Pramod Khera:** Yes, it is something that I would not like to disclose, it is confidential between us and Amazon.
- Pratik Basaria:** From the 30% to 60% that Ingram would give Repro, we have the printing cost and we have the percentage we give Amazon, these are the two costs which I can think of in variable?
- Dr. Pramod Khera:** Correct.
- Pratik Basaria:** For E-books, like Ingram can do that directly because they do not need any partners to print any book or anything, why they do not that directly?

Dr. Pramod Khera: Because they want titles from India also.

Pratik Basaria: Okay, Raffles business, our traditional business, we are just going to keep it constant and we are not looking to grow it or turn it down, it is going to stay as it is?

Dr. Pramod Khera: Correct.

Moderator: We have no further questions.

Dr. Pramod Khera: Thank you very much and thanks for being here on the call, good evening to all of you.

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

