EDUCATIONAL CONTENT MANAGEMENT TO DELIVERY SOLUTIONS

May 30, 2019

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 28, 2019

Please find enclosed the transcript of the Conference Call conducted by the Company on May 28, 2019.

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-19 Earnings Conference Call"

May 28, 2019

MANAGEMENT: DR. PRAMOD KHERA – EXECUTIVE DIRECTOR
MR. MUKESH DHRUVE – FINANCE DIRECTOR

Moderator: Ladies and gentlemen, good day and welcome to the Repro India Limited Q4 FY19 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 the conference, please signal an operator by pressing '*' and then '0' on your touchtone telephone. I now hand the conference over to Mr. Mukesh Dhruve and Dr. Pramod Khera. Thank you and over to you, sir.

Pramod Khera: Good evening everyone this is Pramod Khera here. I have got Mr. Mukesh Dhruve also along with me. So, we had the Board Meeting today and where the board considered the quarterly and annual results for 2018-19. We also uploaded our presentation on our website which we will use for today's our call.

I will start off with that presentation and I hope some of you, not all of you have it in front of you. So, the initial part of the presentation talks about the quarterly and annual results. We start off with a look at what we had said would be the key strategies for the year. So, we had clearly laid out that improving the reach it is going to be the focus and strategy for the company current year. We wanted to take it from proof of concept to delivery, creating a platform for exponential growth and with a focus on content acquisition aggregation and increasing the reach to technology platforms. Also looking at increasing the capacity for production, for improving the geographical reach and also the cost effectiveness for servicing the orders so this was as far the E-Retail is concerned. For the publishing services business which is the print business, offset business the focus would be on focusing on the right strategic customers and primarily the MNCs both in domestic as well as exports segments. So, with that background let's see how we have performed.

The next slide talks about our performance on the E-Retail business in the last eight quarters. As you can see there are two graphs that we have given in the slide, the first left hand graph pertains to the quantity of books sold in the quarter so the numbers are in thousands and the right side talks about the revenues in lakhs that we have achieved quarter-by-quarter over the last two year against the sales. As you can see we have broken down the sales into two parts – one is a sales of books that we are printing under the One-Book model that we have, we also have some stock sales which we are primarily looking at the front titles which we are picking up from the publishers and we had started just start of the business of picking up stock sometime late last year, early this year mainly to entry strategy to get into various publisher accounts so that they see that we are delivering value for them and growth for them on platforms like Amazon, Flipkart. And also, to build the scale which was important if you wanted to be a significant player of this ecommerce channel.

So, in the second quarter of the last financial year we had shifted to new facility at Bhiwandi because we are running out of space in the old one and so there was a slight dip in sales of POD book during that period. However, after quarter two we have stabilize operations in the new place and sales have really picked up. So, you can see from quarter two to quarter four the POD book sales in terms of revenue have gone up from 5.67 crores to 8.23 crores that is the ROI that we achieved in the last quarter. Now, the stock sales have come down 41 crores to 18 crores in the last quarter. So, the trend that you are seeing as far as our stock sales is concerned is deliberate in the sense that we have said that we are not going to focus on sales from stocks because we don't want to compete with the traditional distributors and with competition the margins also are quite under pressure whereas the sales from POD we were getting good margins and our model which differentiates us from the rest of the sellers on Amazon, Flipkart is the one-book model so the focus is going to really grow that. So, like I have mentioned in the notes below the graph the sales from POD in quarter four they constitute 31% of the total sales which was 21% six months back. So, that trend is going to continue in the coming quarters also and especially because of the plans for also replicating the POD in Delhi and Bangalore the sales from the POD books is going to increase in the coming months. So, this is of the slide on the sales for the E-Retail.

The next slide talks about our sales for international books:

So, as you would be aware we have, we are the global connect partners for Ingram in India and from where we are getting the regular feed of title which we are listing on Amazon, Flipkart and over the last two to three quarters we are working very closely with Ingram to acquire better content, better titles, more relevant titles for the country which is getting from Amazon we are working currently with them and then we are going back to the international publishers and identifying which are the publishers which need to be brought on to the global connect problem and what titles would sell in India. And that is yielding results plus we are doing promotions to improve the discoverability of these titles in India. And today we have reached run rate around 3.5 crores in last quarter which is around 1.2 crores per month from international books.

As you would be aware, we also have reverse agreement with Ingram where we are giving Ingram the domestic titles that we aggregate we give it to Ingram for global distribution through there channels from 39,000 retail channels that they have. So, that we started last year and we started in a small way a few titles around 1500 to 2000 titles and we have done some sales of around 87 lakhs so that has started and which as we keep adding more and more titles that should grow in the coming months.

We also looked at the E-Books business in the country and as I mentioned a few times in this conference call the E-Book sales in India is actually very-very small and there is only Amazon which is selling E-Books in the country. Flipkart has exited that business. But we said that we want to give a complete offering to our publishers and so we looked at the E-Book segment, we said anyway we are procuring digital files so let's start selling E-Books on Amazon and in last two, three months we have made the beginning which is around 2 lakhs odd sales in the last quarter. Flipkart also becoming relevant now, till now most of the sales were happening on

Amazon but with Flipkart taking more interest in building their business in the books category, we are seeing sales improve on that platform and it has grew last quarter we almost more than 5% of our sales came from Flipkart and the balance from Amazon.

The next slide gives a composition of revenues for the consolidated business of the company. And if you compare with last year 18-19, the year before that 17-18 the graph shows that the competition of the E-Retail business has increased to 28% from 16%. So, and the data shows that this growth from 47 crores to 110 crores. So, it is an evidence that E-Retail business is growing. Also, if you look at the print business, there has been a significant growth in the export business from 51 crores to 79 crores. So, the domestic business has remained more or less similar, stabilized around 200 crores to 209 crores but the export business has grown and the E-Retail business has grown so this is a split in terms of the share of revenue from the overall pie.

So, looking at the publisher service business:

As we have said in the beginning the focus this year was to see that we only have a few strategic customers and primarily MNCs that we work with, so we have around 60 customers that we are working with in India. This leads to improved contribution from them and multinational companies both in India and exports put together constitute around 30% of the overall business. Exports like I mentioned has grown from 51 crores to 79 crores. So, the focus of the strategic customers have ensured timely collections, better margins and no bad debt, that was our primary objective we wanted our payments to be secure and that is why we were very selective about the clients that we are going to work with, the strategy has worked and we are getting better margins and timely collections. We also setup a fulfillment center near the Surat plant. The idea here is that we should be able to offer a complete solutions to the publisher for printing and then warehousing the books and then kitting and as per the requirement of the publisher if they are shipping to school or to different grade in a school then we can do the kitting student wise and ship them for the publisher. So, that enables us to give a total solution to the publisher. That was the publisher services business.

Now coming to the financial results:

For full year 2018-19 if you remove the other income, the EBITDA has grown from almost 13 crores in the year before last to 44 crores in the previous year so that is a significant jump and the revenue have grown from almost 300 crores to 400 crores. PAT has jumped from 16 to 23.5 crores.

More important is the interest cost is reducing and this is in spite of a higher turnover from 300 to 400 crores. Normally, a high turnover would need more working capital and hence more cost of finance but we feel a reduction in interest cost primarily because the growth has come mainly from the E-Retail business which does not require too much of working capital.

The long-term loans also have come down from 50 crores to 33 crores over the last one year. These are the key financial highlights.

If you look at some of the parameters:

The debt-equity ratio is down to 0.62 as compared to 0.64 in March 2018 and 1.52 in March 2017. So, there has been a steady improvement in reduction of the debts that we have. So, long-term debt-equity ratio is down to 0.13 from 0.22 in March 2018.

The number of debtors is steady at 105 days which is a very healthy figure because as per the industry standards 90 to 120 days is the credit period that is given to all publishers for the print business.

So, our investments in people, technology and the two POD facilities that we were talking that continues and these the healthy financial position of the company gives us a good leverage to get that required finances for the growth that we have planned.

So, just to elaborate a little bit on this – the next three slides have put some graphs. So, the first one is on the trend as far as borrowing is concerned so the total debt of 153 crores plus debt equity-ratio of 0.62. At the peak we were at 236 crores and so there was a significant reduction in the overall debt of the company. And as you can see the long-term debt have come down to 33 crores.

The next graph shows the total loans vis-à-vis the EBITDA. So, on 31st March 2019 when we close the year the EBITDA for year was 24 crores whereas we have borrowing of 153 crores so that gives us multiple of 3.4 on the EBITDA and which was quite high close to 8.8 in the year 2016 March. So, there is a significant improvement here which again signifies a very healthy position as far as the balance sheet is concerned.

The next slide also has similar parameters of net worth versus the total loans:

The net worth has gone up to 248 crores against the loan of 153 crores that gives a ratio of 0.62 of loans versus the net worth which was 1.52 two years back. So, again, all these parameters give an indication that we have a strong balance sheet that can pave the way for aggressive thrust for expansion and growth of the E-Retail business.

Looking at the quarter performance last quarter quarter four compared to quarter three:

Revenue has grown by 10% to 106.67 crores; EBITDA has improved from 10.58 to 12.04 and PAT has increased from 6.05 to 6.82 crores so again quarter-on-quarter we are seeing improvement in the financial performance of the company.

The next slide gives one-pager which the various numbers I have already talked about in my previous slide and this is the statutory format in which we have announced the results to the stock exchanges.

So, where are we today and what are we looking at? If you see, if you look at business model the next slide talks about that, we have created a text platform for book aggregation. We are in the aggregation business for books, so we are aggregating titles from publisher. We do not own these assets; the assets belong to the publishers all the asset-light model it's just an aggregation model like any other aggregation company in today's world. Whether they are aggregating hotel room or whether they are aggregating rides or taxi, etc., so it's a similar model that we have.

The next slide talks about the business model the way we have envisage it. So**,** we have the content aggregation and POD is being used to service the demand which is being generated from the retail like Amazon, etc or servicing the B2B market is the plan to have a B2B online portable available to our publishers so that they can their customers or their branches can order through them which we can fulfill through digital printing and also supplying books maybe to schools, libraries in the future. The content comes from the publishers, we are picking up inventory from publishers right now as part of our overall business model and we also providing print services to the publishers so this is the business model.

The next slide gives the schematic for the complete solution that we are offering to the publisher, whereas which results in zero inventory, zero returns and zero obsolescence, zero wastage as far as publisher is concerned. The orders are received from the E-Retail website, we process the orders, content repository have the content which we use to do print on-demand, book comes out which is shipped out through the warehouse of the E-Retail and then gets delivered to the reader so that is how the whole model works.

The whole model that we have is creating a shift in the sell line cost for doing the business in the publishing industry. It is causing some sort of a disruption and our aim is to use this disruption to improve the efficiency of the supply chain is today highly inefficient due to inability of the publishers to really forecast a demand and print the required the numbers in advance whereas our model allows them to print a book after the order is received thereby, the chances of unsold inventory or inventory choking up the supply chains get reduced.

The "BOOK ON DEMAND ANYTIME, ANYWHERE." that is the proposition that we have. So, the last, in the end couple of slides we are talking about, we have spoken about this in the past also that we are investing around 30 crores in the expansion of the capacities in Delhi and Bangalore. And Delhi should be operational by end of this quarter, early next quarter and Bangalore by end of the calendar year or first quarter of next calendar year. This expansion, this investment of 30 crores is adequately funded to internal accrual debt and equity infusion that we have got from the investor last year and a half. So, we this expansion our production capacity will go up to around 22,000 books per day. Right now, it is limited to 4000 books on POD and 10,000 books from digital short run from Bhiwandi only.

Now with this capacity we will be able to service more demand from the market and how will we increase the demand, how we will get more orders? One is of course through replication with Delhi and Bangalore coming in, we feel that the sales from the existing repository of titles itself will increase, because we will be closer to the customer, we will fulfill the orders faster this should result in better sales. Hence, we have going to plan on aggressive acquisition of content, now it helps in increasing the glance views and when the glance views for your product go up, the conversion of those into sales happens and we get sales so that also will improve the sales. So, we have adequate capacity, we will have adequate capacity after this investment to service this higher demand and we should be able to see more and more growth coming in the sales of books from POD. So, like I mentioned if you see currently around last quarter, around 31% of our sales were from POD books and balance around 69% were from stock. So, going forward with increased capacity, we will see more and more sales coming from POD books. The focus is not on selling books from stock like I mentioned in the slide last point the E-Retail for stock books to be maintained for strategic customers only. We are not actively looking at growing that because like I said, that is a traditional way of doing business and it’s highly competitive with very low margin business and we do not want to really replicate that our model is different based more on just-in-time, fulfillment of demand through books-on-demand model and that is what we are trying to do with increased capacity and multi locational capabilities for production and fulfillment it should help us to reach the customer faster and improve the sales conversion.

So, that is what we are looking at in the coming months and quarters and going forward that is the trend that you should be seeing quarter-on-quarter.

So, the last slide second last slide we talked about vision, make books available to all, always. Any title, anywhere in shortest time, at the best price, cost-efficiently in any format, best quality through technology-led innovation. And therefore, we are working towards so we will be able to sell books, the entire catalog of the publishers always be in stock, to be able to supply the shortest possible time in whatever format the customer wants at the best price and using technology to really price less.

That brings me to the end of the presentation and now on the question-answers. When I open up the platform for questions, I would request all of you to limit your questions to the quarterly results and the presentation that I have just shared with you so that we remain focused and we do not move off on a tangent having some different questions which are not relevant to the topics that we are talking today.

Thank you everyone for a patient hearing and let’s have if you have any clarification or any questions please feel free to put them forward. Thank you.

Moderator: Thank you very much sir. Ladies and gentlemen we will now begin the question and answer session. The first question is from the line of Sharad Tripathi from Edelweiss. Please go ahead.

Sharad Tripathi: Two questions, one is I am sure you might have addressed this, is there any reason that why E-Retail revenues have been flat for last three quarters?

Pramod Khera: What is your second question?

Sharad Tripathi: Second is broadly from the industry perspective, is there any sense on the global market practice as far as the POD is concerned and is there any way that in the domestic market the adoption of print on demand can be accelerated by the industry because since their so many benefits are attached with the POD practice for the technology?

Pramod Khera: Okay. So, coming to your first question, so if you look at my first slide on the trend, quarter wise trend of the sales. What you said last three quarters the total sales are more or less flat but what I mentioned during my presentation also that our focus is to grow the sales of the POD books so if you see the POD books where we have grown from 5.6 crores to 8.2 crores over the last three quarters. Right, and that is going to be the strategy and the trend going forward also. We do not want to grow the business from sale of books with the stocks book which you pick up from publishers like I mentioned that was just a tactical strategy that we adopted to get an entry into some publishers and so that we can demonstrate to them that yes we have the capabilities and we have the platform to really sell and also to build up a scale which made us relevant to the channels like Amazon and Flipkart we have reached there for the stock books that we sell there is a lot of competition because everybody is doing that, everybody picks up stock when the publisher sells so there is a lot of competition there and discounting happens so there is hardly any margins over there. And we do not want to be in the traditional business, our business model is different. We want to differentiate ourselves from the rest of the crowd by having a model which is basically print on demand is we are not keeping an inventory, we are selling the full catalog for the publisher, we are never out of stock and we get healthy margins. So, that is a strategy going forward like I said, this is going to increase due to two reasons which I have also described over here one replication and second is acquisition on more and more content.

Now, coming to your second question. Globally yes again the trend is towards owing more and more to digital printing to POD because, that gives a flexibility to a publisher to really print the titles after the demand is generated or very close to the time the demand is going to be generated so that we do not have to print stocks by trying to predict how much it is going to sell and then if those stocks don’t sell he is left holding the stocks. And so this allows the publisher one to acquire more and more titles and he can focus on that and not worry about the operational bit of printing and stocking and then distribution. So, more and more printing is moving from offset to digital globally off.

Moderator: Thank you. Our next question is from the line of Ram Prakash and Individual Investor. Please go ahead.

Ram Prakash: My question is regarding the quarterly results. If you see there are two items which demarcation with other expenses, this is around 11 crores from the last year around 18 months to around 19. 15 crores to 76 crores and employee benefit expenses have reduced from 14 crores to 9 crores what is the reason for this?

Mukesh Dhruve: As far as the operating and other expenses are concerned as Pramod has explained the E-Retail business has overall grown to almost 100 crores or total 100 crores plus and there we end up paying the E-Retail channels charges which are 21 crores as compared to 9 crores last year and there is outsourcing charges which has gone up from 12 to 18 crores and freight and forwarding charges have gone up from about 6.88 crores to 11.9 crores. These are the three major contributors of increasing the cost and the fourth is the publisher compensation which from 9.85 crores has gone to 14.69 crores. And this is in proportion to the increase in the revenue, if you see the total revenue which was 300 crores has now gone to 400 crores and in percentage term if you see it is more or less the same.

Ram Prakash: But the margins have reduced from previous quarter 2018 to this quarter overall margins have reduced, leading to a reduced earnings per share from that perspective it is contributing so how do you foresee in the future it will be directly proportional or it is month end so it has not increased dramatically?

Pramod Khera: Like Mukesh was saying with an increase in the E-Retail business some of the operating expenses E-Retail have also increased. Now the margins that we get from our offset business that the publisher services business those are quite healthy that is steady business. Whereas the E-Retail business is a growing business and big scale the margin there also will increase and right now like we have said in the previous quarter and again this quarter again, the E-Retail business we are breaking even and making very slight margin, slight EBITDA and with scale we are going up and with our shift from the stock sales to the POD sales margin there we will see an improvement and the overall margin of the company will also improve.

Ram Prakash: Okay. How much do you foresee the margin can you give a number or what is the margin?

Pramod Khera: One of course as a company we have a policy not to give a future guidance but definitely we should see some good margins coming in and with reaching a steady state as our scale is concerned we should be able to sustain the margin that we have shown earlier.

Mukesh Dhruve: Okay. Coming to the employee cost what you have asked the cost has come down from 43.25 crores to 34.42 crores reason being that last year we had made a onetime payment to our Chennai stay which we shut down that factor of ours. So, there we had paid an amount of about 5 crores and as you know our Mahape Plant is also closed down so there we have made a provision off 6.55 crores that was a onetime expense which was incurred last time but still overall the employee cost so that was the one time cost but in Repro books the regional side employee cost have gone up 6.3 crores to 9.66 crores because that is where you can see the growth of the business. In absolute term if you remove the onetime cost, it is slightly up only because of the growth in the Repro digital business, Repro books limited business.

Moderator: Thank you. Our next question is from the line of Kaiwant Shah an Individual Investor. Please go ahead.

Kaiwant Shah: My question is regarding actually since last seven quarters we used to give number of books on demand per day so I want to understand what is current run rate? And my second solution is actually from the presentation I can understand we are actually currently focusing on print on demand, but as I understand from the previous presentation actually we used to keep certain books in stock considering the future demand we are instating the analytics report from the Amazon and Flipkart so we also have to keep certain books in stocks. Why there is a sudden change in strategy?

Pramod Khera: Let me explain, there is no change in strategy there. If you look at the data for the previous quarter if you look at the sales quantity it is totally 8,36,000 books in the quarter. Out of which 6,26,000 books are from stock and 2,10,000 books are from POD. So, 2,10,000 books if you divide it by 90 you will get the sales per day. And as you can see the sale from stocks has come down from 678 to 626 correct over the last two quarters. And that is part of our strategy, so overall the sales have more or less remained the same but the thrust is to grow the POD. So, the POD shares now are constituting 31% of the E-Retail revenues in quarter four as I mentioned there, to just 21% two quarters back. Now when we are doing this POD sales that includes what you mentioned that we do some pre-printing which I have mentioned in some previous conference calls also. When we foresee some demand for next seven days, five days and we print 100 copies in advance that is done on digital printing only so that was POD there is no difference, the parallel POD. So, there is no change in the strategy the only thing is, we are now focusing entirely on the growth of the POD business.

Kaiwant Shah: Okay. So, what is actually exact current run rate books on demand per day?

Pramod Khera: So, if you take 8,36,000 books divided by 90 you will get that, I don’t have a calculator in front of me but that will give you.

Kaiwant Shah: Okay. And my last question is regarding the Rapples Solutions because in quarter two and quarter three we discussed that we will see a growth in Q4 because of the next season will start in terms of the school so what is the current status in Rapples solutions?

Pramod Khera: No, again we did not say that Rapples will see a growth in Q4, no. What we had talked about was a supplying books to schools, K12 segment. Along with Amazon we were doing an experiment for supplying books as kits, physical books to the students, tying up with schools and supplying them. So, that is going on and we will see some sales in the coming quarter because most of the schools open in April, May, June and that is when the sales happen. But that has nothing to do with Rapples. So, Rapples continues the way it has been continuing with 12 to 15 schools that we have, we are not growing that business.

Moderator: Thank you. Our next question is from the line of Aniruddh Shetty of Solidarity Investment Managers. Please go ahead.

Aniruddh Shetty: I just wanted to understand the competitiveness in the POD space you said the margins are better than what it is in the stock kind of business, is that because as of today the POD they have fewer people or, so I understand that you are the only guy in India doing POD today is that the reason why?

Pramod Khera: Yes, you are right but the main reason there is. When we are selling titles of POD that means that publisher is not printing those books, fine and the publisher is not printing so the publisher is not supplying those books to other distributors. So, nobody else is selling only we are selling. So, this no or less competition there, some distributors might have old stock but with less competition or maybe no competition so there is lot, much of discounting which happens. And hence the margins are better.

Aniruddh Shetty: Okay. Because of the fact that there are not many POD players today so just to understand globally I am sure there would be multiple POD players so is there any risk that going forward there could be POD players that come in that could bring down the margins to those kind of levels those stock book kind of level?

Pramod Khera: If you see globally also Ingram is the largest, they had the first movers advantage and the next largest person would be maybe 115th or 120th types because it's a game of content aggregation once you acquire an aggregate content from publisher then the publisher normally would not shift to anybody else because the content is residing there, the content is growing and the content is being sold. So, today that is why our focus is to bring in more and more publishers and get the content on board and we are at an advantage vis-à-vis some other player who might come in because we have good relationship with the publishers due to our print business over the last two, three decades and we are able to convince the publishers to part with the content because that is one of the most difficult thing for publishers and most valuable thing for the publishers and they are very reluctant to give the content to anybody that they are not very comfortable with. So, that is why we feel that we since we were the pioneer for this business in the country and our strong relationship with the publishers, we have a head start and if we continue aggregating content aggressively the way we have being doing in last couple of quarter. We should be able to keep ahead of competition.

Aniruddh Shetty: So, typically does it work on an exclusive basis the sharing of titles?

Pramod Khera: In some cases yes but otherwise, the thing is like I said once you have the content with you and you are doing a lot of work in the content you are claiming it up, you are making it as per the standards and then it is residing with you, then since if we also have spent time on that, that means publishers would not really, they are comfortable with us they won't not like to share this with anybody else so that is the way it works. So, now they might not have written down exclusive agreement but then virtually it's exclusive.

Aniruddh Shetty: And you had mentioned that being a pioneer there should be some first mover advantages, are there any advantages in terms of which is like that pioneer online and doing it on Amazon and Flipkart any sort of advantage in terms of customer data number one and also more of privileges of being the priority in some sense is there any benefits there that you guys feel you should get?

Pramod Khera: See Amazon and Flipkart look at us as very important partners for their growth because the products that we are selling, the books that we are selling nobody else is selling because they are not in stock, so that gives them a good catalog of books which are available for them to sell and improve their market and increase the market rather that will also increase the sale. And so, that way we do get a lot of data and intelligence from both Amazon and Flipkart as to how to really grow this, which are the titles that we should acquire, which publishers we should really get on board and then work very closely with us to see how we can grow this repository and improve the sales.

Aniruddh Shetty: Got it. One final question from my side. So, I am not looking for any forward guidance's as such but I just wanted to understand on steady state basis whenever that happens a print on demand what is our steady state ROE and how intensive is the working capital the gross asset turn and what is the steady state margin just want to understand what it the ROE tree for print on demand?

Pramod Khera: At this stage I would not like to really answer that question directly. So, as far as working capital is concerned if we are reducing our stocks business that means we are not really picking up stock then we do not require any working capital because we will print the books only when the demand comes. So, only working capital will be in the paper that we stock and that is very –very minuscule it is not at all relevant. In fact we will get paid by the channels on daily or thrice a week and we pay the publisher end of the month that means we will be holding the cash with us for 15 days, one month, 45 days. So, working capital would be negative in this business in the steady state.

Aniruddh Shetty: Okay. And asset turn would that be higher than our traditional business?

Pramod Khera: Definitely yes, but I would not like to share more data on that at this stage.

Aniruddh Shetty: And in terms of the mark key also upgrade competition is less in terms. Directionally are we heading towards higher ROE profile as a business improves?

Pramod Khera: Yes. That is what we feel will be the trend.

Moderator: Thank you. Our next question is from the line of Vikrant Kashyap of Kedia Securities. Please go ahead.

Vikrant Kashyap: Sir since you are talking of reducing stock quantity for last three quarters it's visible but if we continue on the run rates our growth in E-Retail will be flatter going forward also. So, do you have any proportionate where you are looking at like from currently 70-30 to again 30-70 and where the ratio would be. Where the stock quantity will stabilize?

Pramod Khera: Good question. When we do this of course the pressure on top line would be there and we would not see significant growth coming at the top line but definitely we will see better bottom line and with the increased capacities we should see the growth from POD really accelerating due to replication and due to more content being acquired and that should put up the trajectory of the top line also, push up the trajectory to top line. Now, having said that stock sales we are not going to completely do as in because we do feel that for some strategic customers that will be required. So, the ratio that we are talking about 30-70 equal reverse of by time and the growth from POD should really compensate for the drop-in sales from the stock sales.

Vikrant Kashyap: We are just saying like since we cannot cater to all geographies for POD so are we seeing that since after Delhi or may be Bangalore capacity coming in POD will be accelerated?

Pramod Khera: Yes, because we will getting around 80-85% of the pin codes in the country.

Vikrant Kashyap: Okay. Sir earlier we were giving order book for domestic business, so what would be number for the quarter?

Pramod Khera: It is around 59 crores.

Vikrant Kashyap: And what is the export part of it?

Pramod Khera: We don't have exact figures it could be 30-40% of that.

Vikrant Kashyap: Okay. And is it any debt that we are pertaining to export market is there or have we recovered fully?

Pramod Khera: There is no bad debts.

Vikrant Kashyap: Okay. And sir since we are doing a lot of CAPEX in the POD business, when we are likely to be profitable at PBT level?

Pramod Khera: So, at EBITDA level we always turn around and so going forward with scale we should see some improvement on the, should we see some contribution coming from the POD business, the overall EBITDA of the company.

Vikrant Kashyap: Okay, and one last question from my side. Since you are giving revenue per month and book per day but from this slide if we go we will get average number, that will come to 8.8 crores per month and 9300 books per day. I think that is not comparable to what we were earlier sharing?

Pramod Khera: Earlier like I said last two, three months the last two, three quarters our focus was to capture large market share so that we become relevant in the market for the publishers and for the platforms also. We should have achieved. And like they say, what's the point in having a top line without a good healthy bottom line. So, with this focus the bottom line we should also improve and with the strategies that we adopted for replication and the content acquisition we should return to some good growth coming in top line also.

Moderator: Thank you. As there are no further questions from the participants, I now hand the floor back to the management for closing comments over to you sir.

Pramod Khera: Thank you so much all of you for your participation. Look forward to meeting you again next quarter. Thank you and good evening to all of you.

Mukesh Dhruve: Thank you, bye and good evening.

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