

September 4, 2017

To,
BSE Ltd.,
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,

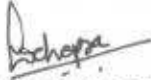
Sub: Transcript of the Conference Call held on August 31, 2017

Please find enclosed the transcript of the Conference Call conducted by the Company on August 31, 2017.

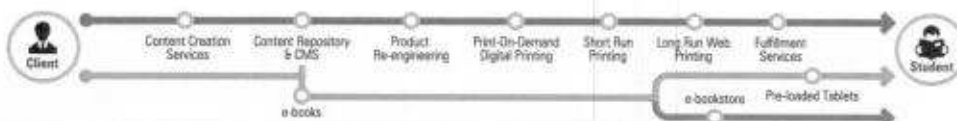
This is for your information and records.

Thanking you,

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


DIMPLE CHOPRA
COMPANY SECRETARY & COMPLIANCE OFFICER
ACS: A21392

Encl: As Above



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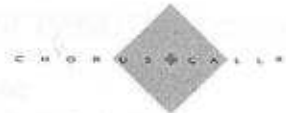
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**“Repro India Limited Q1 FY 2018 Earnings Conference
Call”**

August 31, 2017



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



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Repro India Limited
August 31, 2017

Moderator: Ladies and Gentlemen, Good Day and Welcome to the Repro India Limited Q1 FY 2018 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 call, please signal an operator by pressing “*” then “0” on your touchtone phone.

I now hand the conference over to Mr. Mukesh Dhruve. Thank you and over to you, sir!

Mukesh Dhruve: Good evening, everybody. Welcome back to this Repro’s conference call. And I will just hand over to Dr. Pramod Khera, who will take you through and then we will answer question asked specifically.

Dr. Pramod Khera: Yes, Good evening, everybody. I trust that you would have received the Presentation which has been emailed to all of you in the morning along with results for the first quarter for the current year that we have announced.

If you have the Presentation open in front of you, I will run through the Presentation quickly and then we can have questions which we will be happy to answer.

So, starting off, the Presentation is divided into three parts; first, we will talk about the new initiative which are Books On Demand on Rapples. Second is the print business both domestic and exports and then we will get on to the financials.

If you look at 2017 - 2018, what is our strategic direction, what is our strategic direction for the Company. Obviously, we are seeing a lot of attraction on the Books On Demand business and we want to grow that business as fast as possible, so that we can capitalize on the first movers advantage that we have.

The growth depends to a large extent on the acquisition of titles both international and domestic. So, this year, we are going to be focusing on acquiring more and more titles and getting more and more publishers on board and driving up sales. So, that is the focus as far as Rapple, Books, and demand is concerned.

Rapples, we just want to sustain the business, we have reached a breakeven level, we want to continue with that. And as and when we see traction in the market, we are ready, we have the platform, we can always capitalize on it. The existing print businesses, the focus on strategic customers continues. As far as the exports are concerned, we are being selective, we want to clinch business which is secure and which also have got some good margins. And hopefully during the year we should be able to see some wins in the export market.

We want to consolidate our production at the Surat facility, so that our EBITDA margins improve because the cost of production in Surat is much-much slower than other 2 plants that





Repro India Limited
August 31, 2017

we have. The focus on collections and reduction of expenses continuous, like we had last year which is showing results as you can see from the current quarter's results which we have announced. So, that is a strategic direction for the year 2017 - 2019.

Moving forward to Repro Books On Demand. Here, we are saying that we have the business of aggregation. Now aggregation is something which in many industries has changed the way the industry has functioned and we have seen a lot of successful examples of companies which have taken the aggregation growth doing very well in the transport industry and in the hospitality industry like you heard names like Uber, you heard names like Air BNB, etc., so it is a paradigm shift where you are able to offer the benefit to a user without owing assets and without having to keep on investing in your newer assets and building the assets. Something similar we are trying to do in the Books On Demand business where we are saying that we are aggregating book titles. And as and when anybody wants to buy a Book we print and we deliver the book.

The Indian book market, I think in the previous concall, we already talked about it, it is a 6 largest market in the world, Rs. 37,000 crores growing at around 19 point something percentage which is around close to 20%. As far as English Books are concerned, this is our third largest market and that is why, it is a very-very relevant and important market for Ingram. Since, it is based on U.S. and most of the publishers are giving them English titles.

The Online Books market in India is around Rs. 1,200 crores. Now there are no real accurate figures available for this. But this is our estimate that is around 1 lakh of Books gets sold per day. Again, e-Commerce as we all know is growing in India. There are different estimates as to how much it is growing, at what CAGR, some say 30%, some say 70%. We are saying 40% I mean this view could vary. Again, as per our estimates and what we have seen in the developed markets, we believe that more and more Books are going to be sold online. So, the 3.2% of total Books are being sold today online we expect that to keep on growing may be to 10% to 15% and it is there in the developed market.

In addition to that, the book market itself is growing at around 19.3%. Our estimate in next 3 years to 5 years the online books market could be anywhere Rs. 10,000 crores. So, being a pioneer in this Books On Demand business Repro today is positioned quite well to capture a large share of this growing online Book sales market.

The next slide talks about the industry, the publishing industry, supply chain which is highly fragmented saddled with a lot of inventories at the publisher's end with the distributors, with the retailers and whatever does not sell comes back to the publisher's, long credit cycles, defaults by retailers. But till date, publishers did not have any other alternate venue for promoting the books and marketing the books and showcasing the entire content which our model, the Repro Books On Demand model, the aggregation model, the key highlights of which are given in the next slide provides to the publisher. The publisher today has an option of



going in from model where there is zero inventory, zero return, zero obsolescence, zero warehousing cost, zero freight cost, and zero loss in sales.

This is a proposition with which we are going to the publisher and gradually and slowly publishers who have tied-up with us and who are giving their title, they are seeing the benefits and we are increasing the number of titles they are giving us and we are seeing more and more publishers coming on board.

Again, the next slide gives us schematic diagram of the traditional publishing model where the publishers first had to produce the books and then they could sell it, so they were in upfront investment, working capital in the inventories and the cash flow cycle was very long, so delayed cash flows and publishers holding inventory and the distributor holding inventories, the retailer holding inventory, that is a traditional publishing model.

The next slide talks about the Book aggregation platform that we have created where there is zero investment from the publisher and there is advance cash flows that is coming only once when order is placed the actual book gets produced and shipped out. So, that is the model which is giving zero upfront investment, zero inventories and zero warehousing cost, zero operation cost as a publisher.

The next slide is just a picture showing the traditional publisher who has handle huge inventories now relaxing in front of his computer and he is able to see sales happening on a real time basis, online platforms.

As you are aware and we have been talking about it in the past conference calls, we are also selling our books on 7 channels currently, Amazon, ShopClues, Flipkart, Rediff, Paytm, Infibeam, and Snapdeal. In India today, Amazon is the largest seller of books and we work very-very closely with Amazon. Flipkart is the second and then we got Snapdeal and the others.

We also have this alliance or arrangement with Ingram, who are the largest content aggregators in the publishing space and we become their global connect partners in India. So, they have 14 million titles, we are getting these titles gradually into India. And we also are looking at whatever we are acquiring from India, giving those titles to Ingram for selling globally, so that is an arrangement that we have with Ingram currently.

The next slide shows the progress that we have made from the time that we started. Last quarter we had around 1.25 million books which we were selling. We have reached a figure of 1.8 million. Quarter-on-quarter that number of titles that we are acquiring are increasing and this trend should continue if not accelerate in the coming ones.



Similarly, our sales also are increasing, last quarter I had told everybody that we have reached a level where we are doing Rs. 50 lakhs worth of sales per week. In the month of July, we are reaching Rs. 75 lakhs per week that is the run rate as of now.

If you look at the book publishing market, there are back titles, there are mid titles, and there are front titles. Back titles and mid titles are highly available for Print On Demand because the publishers find it not lucrative enough to print and stock those books because nobody can forecast demand for those books. But there is demand and today the demand is getting lost and their opportunity for sales is not getting realized.

So, many of the books that we have listed are back titles and mid titles and earlier mid titles which were being produced on offset with some amount of risk by the publisher, they are moving into one book into POD.

So, we are seeing more and more title for middle is coming into our One-Book model. The front titles are being maximum volumes happen, maximum sales happen. However, those are the title which everybody sells. So, if you look at any bestselling book on Amazon, you will find there are 40 sellers or 50 sellers for that book. So, they pick-up stock from the publishers and then they compete on the price because the product is same the only differential is the price.

That is where we are also trying to play and when we have a file for the front titles we are looking at doing some amount of pre-printing in our digital plant and keeping those books with us may be for a demand estimate of say one week or 15 days and we offer those books when nobody has those books because we can Print On Demand. So, any stock out situation, we can really capitalize on that. And secondly, since we are doing pre-printing, our printing cost come down and we are able to compete with the other players of the market and we are able to show sales on front titles also may be at a much lower margin than what we get on our One-Book sales. So, that is the Books On Demand model that currently we adopted and which we are pursuing.

Coming to Rapples. So, as you are aware over the last 3 to 4 years, significant amount of investments was done to create the IT backbone in the content management system for e-Books and for digital file for books. Now this backbone is being used for Print On Demand as well as for Rapples. And Rapples, the existing schools, we have looked at all the schools that we had and we are moving forward with only the schools where they are generating some positive contribution and where the implementation is good, we are getting good feedback from the students. See, we already have this relationship with K-12 publishers where we have their e-Books. And we have relationships with the schools also.

Since, we are now also into distribution of Printed Books we are trying to see how we can align these two businesses together for the K-12 segment and offer maybe a combined



solution. These are still at a very-very nascent stage, we not like to get into more detail but may be in the future conference calls, you will hear more about this segment.

Coming to Print. Domestic business the strategy that we have put into place a year back, we are continuing with that and business have been growing quarter-on-quarter in spite of the reduced business from exports, we are still able to show decent top-line and which is primary coming from domestic business today.

If you look at quarter two, our business visibility is of Rs. 25 crores from the domestic business. The focus on reducing debtors continuous and which has come down to 150 days which is quite commendable in the industry that we operate in because 120 days is the norm and normally payments for publishers are delayed because it depends to vagaries of market, when schools pays then they pay us etc., etc., so 150 days is quite a good achievement as far as domestic debtors' are concerned.

Again, Africa, the focus on collection continues like I had mentioned, in the last conference call which was in the middle of the previous quarter, we have closed the quarter with Rs. 49 crores of debtors from exports. We have got some business from Africa. In fact, we have got Rs. 16 crores worth of business from Africa and this was fully secured business which we will be executing and billing for the next two quarters for the quarter two and quarter three.

Coming to the financial results which have been circulate to all of you. As you are aware from this quarter onwards we are following the new IndAS accounting system. We have adopted this. So, the results that we have announced are of this quarter and the same quarter last year, quarter one last year which has been recast as per the new IndAS so that it is comparable.

Before I get onto the results, a few highlights I would like to just bring out. The focus on cost reduction which we had seen over the last one year that continues and employee expenses from Rs. 12.06 crores in the same quarter last year have come down to Rs. 8.25 crores which is a saving of almost Rs. 3.81 crores. These are element of you will see other income which are of Rs. 9.76 crores this is write-back. There is a write-back due to recovery of debtors which were earlier provided for. And we have to show it as other income as per the accounting standards. Now, we did not want this figure to distort our results. And so, we have provided for almost a similar amount around Rs. 9 crores in other expense towards contingency as a matter of prudence, tomorrow when we continue with our exercise of reduction of costs, there could be some one-time expenses that could come up and we have provided as a contingency for the same. And also, this operates the impact of the other income of Rs. 9.76 crores which is showing the top-line.

So, the profit which is there, Rs. 2.42 crores this reflects the actual operational profit. The same quarter, quarter one previous year we had shown a loss of Rs. 5 crores, so there is a swing of almost Rs. 7.5 crores and without the impact of the new Accounting Standards this



Rs. 7.5 crores can be explained like I said one is from the reduction and the employee cost which is around Rs. 3.8 crores. If you look at our cost of raw materials that has come down by almost 3% more than 3% which have impact of Rs. 2.3 crores. Finance costs have come down by Rs. 71 lakhs and the depreciation by Rs. 48 lakhs. So, overall, Rs. 6.84 crores are the reduction that you see due to all these measures which have been and which we are seeing in the bottom-line.

So, this performance that we are showing in quarter one the focus on reduction of expenses going to continue in the coming quarters. So, in the coming quarters, for quarter one which traditionally is one of the lean seasons where we were seeing earlier difficulty in trying to show up a positive bottom-line, we are showing a good bottom-line this time, and in the subsequent quarters because the impact of the cost reduction measures is going to be there. We hope to see good numbers in the profit of the quarter.

Next slide gives a picture of the debtors. So, the Rs. 140 crores of debtors which are still remaining, there is some amount of collection which has already happened during this quarter and quarter two in the month of July and August. So, going forward we expect these debtors which are there to come down still further. Because of this reduction of the debtors we are also seeing reduction in our borrowings, in fact the borrowings have come down by Rs. 35 crores both long-term as well as short-term.

Okay, the next two slides talk about the changes in the accounts that we had to undertake due to the new IndAS. One was on the way in which the revenue is being recognized. As per the new IndAS, we can recognize a revenue for our business only once the goods reach the customer. Now, in the case of exports CIF exports especially, it takes almost a month for the goods to reach the customer. Domestic also it takes 7 days to 10 days to reach the customer, so till the delivery happens, we cannot recognize the revenues. So, we have looked at that and that is how the revenues that we have shown on sale of products of Rs. 68.9 crores in the quarter those are goods which have actually been shipped out and have been delivered to our customer. Because of this some amount of revenues from the previous quarter that is quarter four of last year which were taken in quarter four but since the goods were not delivered we have shifted to this quarter.

But similarly, some amount of business that was executed during this current quarter, goods have still not reached the customers they have shifted to quarter two. So, overall the impact gets nullified. So, the figure that we are seeing here Rs. 68.9 crores are the actual sales which has happened during the quarter and similar figure for the same quarter last year has been calculated which have been shown in the one-page result that we have published.

So, going forward, every quarter we will be recasting the accounts of similar quarter of the previous year, so that the comparison becomes easy and we are able to see the difference between the two quarters.



The other impact area for IndAS was the provision for doubtful debts. Now, there is a formula which has been suggested which looks at the last 12 months' period the history, what has happened, how the debtors have fared I mean client wise and we have to take a similar sort of percentage which we have to provide for. So, as per this the provisions have been made for doubtful debtors in the results. The other income of Rs. 9.76 crores I spoke about, it is a write back due to recovery of debtors which we have earlier provided for.

So, that brings me to the end of my Presentation. The last slides give the one pager which all of you have seen and which has been published and sent to Stock Exchanges.

And now, I invite questions from any of you on the results that we have just announced. Thank you very much.

Moderator: Thank you very much, sir. Ladies and gentlemen, we will now begin with the Question-and-Answer Session. We take the first question from the line of Chirag Vekaria from Budhrani Finance. Please go ahead.

Chirag Vekaria: Sir, just wanted to get your sense, if you can give some idea on the printing business as a part of top-line how much was in Q1 2017 and Q1 2018?

Dr. Pramod Khera: Yes, so if you see Q1 last year the sale of products income was Rs. 83 and other operating income Rs. 2.2 so total Rs. 85.49 which this quarter is quarter is Rs. 70.32.

Chirag Vekaria: This entire is printing or? Basically, I wanted to understand has the traditional business printing business has it gone down?

Dr. Pramod Khera: The revenues that we have shown for the current quarter includes both the printing business as well as the One-Book business the digital business also and the break-up would be see, RKCL the subsidiary where we do the digital printing and the One-Book business would be Rs. 11.5 crores and the balance is the print business.

Chirag Vekaria: This number is for Q1 2018, right?

Dr. Pramod Khera: Yes, Q1 2018.

Chirag Vekaria: And can I have similar number for Q1 2017?

Dr. Pramod Khera: It is around Rs. 6.5 crores.

Chirag Vekaria: Retail business?

Dr. Pramod Khera: Yes, the digital business.



- Chirag Vekaria:** Sir, just the debt position as on Q1 debt on books?
- Dr. Pramod Khera:** Yes, we have put that in the Presentation. Rs. 197.81 crores.
- Chirag Vekaria:** How much is it, one?
- Dr. Pramod Khera:** Rs. 197.81 crores.
- Moderator:** Thank you. We take the next question from the line of Aneesh Shrivastava, an Individual Investor. Please go ahead.
- Aneesh Shrivastava:** Sir, I have few questions, so my first question is was there any impact of GST on our company and whether it gives us an advantage compare to unorganized players that are there in our sector?
- Dr. Pramod Khera:** Yes, so the GST, there is an impact but still, there is some confusion amongst people because there is 12% GST on print services which is being talked about but which is being contested.
- Aneesh Shrivastava:** And sir, this 12% on your domestic business, right? Because of exports I believe there is no GST.
- Dr. Pramod Khera:** Correct, yes.
- Aneesh Shrivastava:** And also on Books On Demand because the book is GST free, I suppose.
- Dr. Pramod Khera:** No, see Books On Demand on the sale there is no GST but when you are printing a book yes, there would be a GST which like I said earlier there was no tax on it, so there is a confusion in the market on that.
- Aneesh Shrivastava:** Okay. And sir, my second question is I saw one of your Interviews and also your Presentation you mentioned that roughly the book market, I mean the Books On Demand market, this thing is around Rs. 1,200 crores, right roughly?
- Dr. Pramod Khera:** Correct.
- Aneesh Shrivastava:** And can you tell me what is the contribution of mid titles and back titles in this? I mean whether you can provide me any range sort of estimates on this?
- Dr. Pramod Khera:** It is difficult right now. See...
- Aneesh Shrivastava:** You can give me a range also, it is okay I mean.
- Dr. Pramod Khera:** I mean, my estimate would be that around 60% to 70% is from a front title.



- Aneesh Shrivastava:** Okay, 16 to 17 percentage. And going forward do you see this distribution to remain same or it can change?
- Dr. Pramod Khera:** I will see, what I am saying 60% to 70% not 16% to 17%.
- Aneesh Shrivastava:** Okay, 60%, Six-Zero, okay.
- Dr. Pramod Khera:** Six-Zero% - 70% is front title. However, see the Rs. 1,200 crores which is coming mainly from existing distributors they have printed books and printed stock, correct? Normally they have printed books for front titles only. The business that we are bringing I believe could be we are expanding the market by selling and more and more of back and mid titles which tomorrow were not being sold online at all.
- Aneesh Shrivastava:** Okay. So, again to repeat, it is around 6% to 70% this market?
- Dr. Pramod Khera:** The front titles.
- Aneesh Shrivastava:** Yes, for front titles, okay. And sir, earlier in one of your interview, you mentioned that you will increase your capacity from 6,000 books to 12,000 books sometime this year, if I believe? And previous quarter we were producing around 2,000 books per day, right?
- Dr. Pramod Khera:** Yes.
- Aneesh Shrivastava:** And you said that the previous quarter it contributed around Rs. 2 crores revenues, for this quarter it is Rs. 3 crores, so it is okay, per month, yes. So, if I extrapolate this to let us say revenue per year it comes out to be around Rs. 24 crores. Okay?
- Dr. Pramod Khera:** Yes.
- Aneesh Shrivastava:** For that current capacity utilization. Now, in future when you will fully utilize your full capacity then roughly you will be able to generate revenue of let us say Rs. 144 crores, if you multiply by 12, if you extrapolate that it will be around Rs. 144 crores if you utilize your full capacity.
- Dr. Pramod Khera:** Okay.
- Aneesh Shrivastava:** So, my question is, are you still planning further capacity expansion, let us say after the numbers that you disclose so more than 12,000 Books may be some time next to next year or sometime.
- Dr. Pramod Khera:** Definitely, yes. We would be expanding our capacities. Just to correct something what you said, last quarter we have said around 2,000 books which we are selling and this quarter, we



have reached a run rate of Rs. 3 crores per month. When I say Rs. 75 lakhs per week, it is Rs. 3 crores per month.

- Aneesh Shrivastava:** And sir, how many books is provided in that? If I can get a number.
- Dr. Pramod Khera:** Now, we are selling anywhere between 3,000 to 4,000 books per day.
- Moderator:** Thank you. We take the next question from the line of Anil Mishra, an Individual Investor. Please go ahead.
- Anil Mishra:** I have one question, what is current August revenue for this Print On Demand segment?
- Dr. Pramod Khera:** Sorry, current?
- Anil Mishra:** Revenue for Print On Demand segment.
- Dr. Pramod Khera:** Yes. No, so, see, the One-Book Rapples Books On Demand business, like I said currently is Rs. 75 lakhs per week.
- Anil Mishra:** That was June. I am asking about August sales.
- Dr. Pramod Khera:** Yes, so next quarter when we do conference call I will talk about that.
- Anil Mishra:** Okay. And my next question what causes fall in revenue in this quarter?
- Dr. Pramod Khera:** Sorry.
- Anil Mishra:** There is fall in revenue in this quarter, so what is the reason behind it?
- Dr. Pramod Khera:** The revenues comparable to the quarter one of last year you are talking about?
- Anil Mishra:** Yes, last financial year.
- Dr. Pramod Khera:** Yes. So, see, like you said, the exports business has come down. So, last year we had a substantial export business which has come down substantially and that is why you are seeing reduction in the print business top-line.
- Anil Mishra:** Okay. Are we expecting it to realize next quarter or it will take more time?
- Dr. Pramod Khera:** See, as far as the print business is concerned, like I have been mentioned for the last 2 - 3 quarters, we should be able to sustain what we are doing, our focus is not to grow that business greatly. Yes, exports also we are expecting some revival and we got some business, I talked about the opening order book for domestic which is around Rs. 25 crores and Rs. 16 crores for



exports. So, we should see a good mix of domestic and exports coming in the next few quarters.

Moderator: Thank you. We take the next question from the line of Vikrant Kashyap from KDR Securities. Please go ahead.

Vikrant Kashyap: Sir, my first question is how many new publishers we have added during this quarter, domestic and exports in terms of market?

Dr. Pramod Khera: See, international market it is difficult to put an exact figure but it is more than 25,000 publishers. We got 1.8 million titles and they are coming through various aggregators who come through Ingram. As far as domestic is concerned, we have selling books of more than 80 publishers but we have signed up around 100 publishers.

Vikrant Kashyap: Any addition in this quarter?

Dr. Pramod Khera: Yes, so we have been adding, quarter-on-quarter. I do not remember exactly this quarter how many we added. But we have been adding every quarter that is growing.

Vikrant Kashyap: You have given some order book for domestic market what is the executable time for this?

Dr. Pramod Khera: Yes, so like I said, the point of that, for domestic business we should be able to execute most of it during the quarter because we can recognize only once the goods reach the customer which in domestic is not a big challenge. So, this is lag of 7 to 10 days. The Rs. 16 crores of opening order book or exports, you might not be able to recognize the revenue entirely during this current quarter because till the goods reach to the customers, so that is why I said some of the business might go into quarter three.

Vikrant Kashyap: Okay. Yes, my question is related to our capacity, last quarter you talked about doubling our capacity going forward. So, our Delhi and Chennai, the capacity you were talking about had they come on board?

Dr. Pramod Khera: No, not yet. But we are working on it.

Vikrant Kashyap: Can you give us some schedule in third quarter or fourth quarter there will be?

Dr. Pramod Khera: See, during this current financial year definitely one of the facilities will be operation, hopefully both but definitely one.

Vikrant Kashyap: Because as you said we have reached 3,000 to 4,000 books per day and I expect our current capacity is 6,000 books. So, we are about to hit in the quarter over the time.



- Dr. Pramod Kherra:** Yes. See, like I explained there are some front titles where we are doing pre-printing also. So, that happens on our larger digital printing machine which is part of RKCL only. And for One-Book capacity that we have, so that it does not gets blocked in doing One-Book, so that way we are able to really balance it out quite well.
- Vikrant Kashyap:** Okay. And we are getting tax write back. For how many quarters or year, if you can tell us we have that?
- Management:** See, in the Surat Export Processing Zone, we are allowed first 5 years of 100% tax free; next 5 years is 50% and the last trench 5 years you get whatever you invested back in SEZ. So, we are writing the second trench and we are in the fourth year, it means this is the ninth year running of the Surat Export plant.
- Vikrant Kashyap:** Ninth year.
- Dr. Pramod Kherra:** we get tax benefit. So, yes, currently we are entitle to 50% tax benefit.
- Moderator:** Thank you. We take the next question from the line of Vipul Shah from Monarch Network Capital. Please go ahead.
- Vipul Shah:** Sir, in Repro Books On Demand you mentioned that you have around Rs. 75 lakh revenues per week. So, can you give us a break-up how much is coming from front title and how much is coming from mid-title and back titles approximate?
- Dr. Pramod Kherra:** Yes, so see, we are selling books with international books, we are selling domestic books, international is mostly back titles and mid titles, right? And the ASP, the average selling price of international book is much higher than our domestic book. So, last quarter the revenue come from mid and back titles, if you look at the revenues.
- Vipul Shah:** Okay. So, Rs. 75 lakh per week any broad classification how much is coming from international title and domestic titles in that sense, if you can give a breakup?
- Dr. Pramod Kherra:** I do not have the break-up with me right now. I mean we have been seeing 30% to 40% of our revenues coming from international titles in the past. So, I think the same trend continues.
- Vipul Shah:** In terms of volume or in terms of value?
- Dr. Pramod Kherra:** Value.
- Vipul Shah:** Value, okay. And sir, this back titles and mid titles, are we exclusive for Indian market?
- Dr. Pramod Kherra:** Yes, see, nothing is exclusive. Anybody can sell anything because we do not own the IPR, the publisher owns the IPR. However, the title that we are getting now, the publishers have



stopped printing, right because they do not need to print now, that means we are the only people selling those titles, and anybody else wants to sell those title the publisher's tell them to pick it up from us.

Vipul Shah: Okay. But someone who is similar to your business in India, they are also similar people who are also in Books on Demand kind of business, they can also have a rise to those kind of titles, if they wish?

Dr. Pramod Khera: Definitely, I mean tomorrow if somebody comes up with similar model and if the publisher feels that he wants to give, he may give, currently there is nobody. So, we do not know.

Moderator: Thank you. We take the next question from the line of Kushal Rughani from HDFC Securities. Please go ahead.

Kushal Rughani: I wanted regarding Mahape plant strike. So, can you please throw some light on that front?

Dr. Pramod Khera: Yes, so see the Mahape worker went on strike from 1st week of April and some workers were still continuing. All of them did not go on the strike. So, a little part of the plant is still working. However, majority of the workers are not coming to the plant that is the status right now.

Kushal Rughani: And so, in the coming quarters or coming time what we expect from that plant like will the workers going to end the strike or you will distract some productions from that plant?

Dr. Pramod Khera: No. See, as far as we are concerned, we had invested over the last year or so and expanded our capacity in Surat. So, today we are well-equipped in Surat to handle the levels of print business that we are getting and we expect to get in the future also. So, the strike in Mahape is not going to disrupt any of our print business revenues.

Kushal Rughani: Okay. So, in the first quarter itself, there was not any impact as such.

Dr. Pramod Khera: Exactly, correct.

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

Parth Patel: Sir, I have question about BOD business. Sir, in last quarter you had said that the BOD business is currently doing loss and it takes some time to get it profitable. We have to reach some level to convert it profitable. So, sir can you say that what is the level Rs. 1 crores per week, Rs. 2 crores per week?

Dr. Pramod Khera: See, I would not like to put a number. See, like I said, our strategic direction for the year is to grow the business, grow the sales, acquire more titles. We are acquiring more titles and we are



trying to sell more especially front titles, we have to compete with the people as a seller and when you are competing obviously the contribution from the front titles is not as good as the contribution that we get from back titles and front titles. So, today, since we have the first mover advantage before any other competition comes in, we want to capture a large market share and want to get more and more publishers on board and more and more titles. So, that is our focus, right. So, as and when we think that okay, now we have reached a level where we can get better term from publishers because this scale once it become large, you can negotiate better terms from publishers, you can get better terms from the e-Commerce channels, plus our printing cost also reduces, that is the time to really look at the bottom-line and see what we can do.

- Parth Patel:** Okay, sir. And sir, next question is about if I order a book which is from the foreign publisher, so that book will be printed by us or Ingram?
- Dr. Pramod Khera:** No. See, in India, if you order any book from Repro Books On Demand that is printed by us.
- Parth Patel:** Printed by us. And sir, in foreign country, someone is buying Indian publisher book then it is published by Ingram?
- Dr. Pramod Khera:** It is printed by Ingram.
- Parth Patel:** It is printed by Ingram, okay.
- Moderator:** Thank you. We take the next question from the line of Bhargav Karthik, an Individual Investor. Please go ahead.
- Bhargav Karthik:** As you mentioned in the Presentation that currently we have listed 1.8 million titles, right?
- Dr. Pramod Khera:** Yes.
- Bhargav Karthik:** So, is there any deadline you have declared when we can list all the 14 million, the maximum number of titles?
- Dr. Pramod Khera:** Yes. See, the 14 million titles is what Ingram has, that also we are working with Ingram very closely to see how we can get more and more titles listed. And so there is a process that we have to go through, we also have to talk to the publishers who own the titles and to show them that is the potential in that so that they allow Ingram to give us those titles for selling in India. So, it is a process that is happening and we are moving at a pace which we think is quite good and again, at this stage it is difficult to say when we can have 14 million titles. But like I have mentioned in the beginning at the Presentation itself this year we are going to focus on acquiring more and more titles. So, we should see the pace of acquisition accelerate during this year.



- Bhargav Karthik:** Okay. So, have you set up any target like we will be listening around 10 million titles by end of 2020 or anything like that or there are no target?
- Dr. Pramod Kherra:** 2020 is too far away. We should reach that much before.
- Bhargav Karthik:** Okay. Is the entire CAPEX completed sir?
- Dr. Pramod Kherra:** I mentioned last time to expand the capacity from the current 6,000 to 12,000 books, we are going to do some CAPEX in Chennai and in Delhi plus a little bit here in Mumbai also, so that CAPEX will be required which is marginal not much.
- Bhargav Karthik:** Okay. And one more thing sir, you said we are selling around Rs. 3 crores of books per month. Can I know the volume of that like how many books we are selling per month?
- Dr. Pramod Kherra:** So, like I said 3,000 to 4,000 books per day, so by close to 1 lakh of books.
- Bhargav Karthik:** What is the average sale per book?
- Dr. Pramod Kherra:** You can calculate, no. That is easy to calculate.
- Moderator:** Thank you. We take the next question from the line of Kumar Saurabh, an Individual Investor. Please go ahead.
- Kumar Saurabh:** Sir, my question is on the new center which you are bringing in Chennai and Delhi, what is the kind of operational improvement, you will see because I believe currently all the books are being sent through one location, so if you have regional location what is the kind improvement you are seeing in margins?
- Dr. Pramod Kherra:** Yes. See, what happens is that, when you buy a book from Amazon or Flipkart, there are multiple people who are selling the same book. So, if you are based in say South of India say Bengaluru (Bangalore) or Chennai, you can get a book faster from somebody who is selling from the South compare to somebody who is selling from Mumbai (Bombay). So, today while the order which are coming from Western India we are able to service within say 24 hours, order from North, East and South, it takes more than 24 hours to reach there and there are other seller who can reach those books faster, so then people prefer to buy from them. So, once we set-up in Chennai and Delhi, our estimate is that we should be able to see may be improvement of 20% to 30% in conversion that is happening.
- Moderator:** Thank you. We take the next question from the line of Prateek Barasia, an Individual Investor. Please go ahead.
- Prateek Barasia:** I had a question on the related party transaction, I think there is some rent and some deposits as well. So, could you give some clarification on that?



Mukesh Dhruve:

Yes, so like you mentioned there is a rent and deposit. There are basically four transactions. We have Repro major shareholder for Repro Enterprises Limited, which is a sort of major shareholder and who is sort of overall doing 4 or 5 businesses. One of that is a packaging unit in which we are manufacturing cartons. Second is they are on properties. Third, there is a business of contract manufacturing which is happening down south. Now, what has happened is when we were in the process of growing and trying to look at our offices rather than investing into the properties, we decided that we should take the properties on rent. So, the three concerns both the properties and against these properties we have given a full deposit and we are paying rent. So, what is happening is against, the deposit that we have paid, we are having a national interest which is being deducted from the fair market value for the rent. So, whatever is the fair rent that is applicable less the interest on deposit has been deducted and the net rent is being paid by Repro India to those concerns and which is at arm's length and certified by the auditors as you know which is statutory requirement. As far as the cartons are concerned, we manufacture cartons in the SEZ units in this Repro Enterprises and these cartons are solely bought again by Repro India Limited for its packaging unit. This is a kind of a forward integration. Every book that we make, we need cartons for that. At one point of time we use to outsource all these cartons. So, rather than that it is now being manufactured by this concern and which are being again used by Repro India Limited. And the third thing where we are doing is there is a concern call Zoyaksa, so there are three concerns which on property, Repro Enterprises, Zoyaksa, and the trust called Trisna Trust. So, Zoyaksa is another company as you know last year we had our money which were stuck with debtors and in order to mitigate that issue Zoyaksa use to help us in buying paper and they use to buy paper on a credit and which use to augment in working capital requirements. So, basically there are four areas; one is carton, second is rent, and third is paper things. So, these are the related party transactions which are being done.

Prateek Barasia:

Okay. Since we are buying it through this Zoyaksa that means that we must be getting it a higher price and we are getting some credit for it, right?

Mukesh Dhruve:

No, we do not pay a higher price, what we are trying to do is, in the paper industry it is such a way there is no credit given and you have to make the payment within 7 days. Now, when we make the payment within 7 days, we get a discount of almost about 3%. So, in order to avail discount, we make sure that the payment is done immediately and at whatever the price that Zoyaksa is buying it, almost at the same price is what Repro buys. Basically there is no higher price that we pay.

Prateek Barasia:

Okay. So, why would Zoyaksa do that, in the sense they are giving at the same price and they are giving credit as well.

Dr. Pramod Khera:

Yes, they are giving credit as well, that is correct.

Prateek Barasia:

So, there is nothing in it for Zoyaksa.



- Dr. Pramod Khera:** There is nothing in it for Zoyaksa per se.
- Moderator:** Thank you. We take the follow-up question from the line of Vipul Shah from Monarch Network Capital. Please go ahead.
- Vipul Shah:** Sir, assuming that now majorly the Book publishing is for educational Books. Is it possible for you to directly take rights from Author and you become a publisher and you will be the exclusive supplier for Indian market based on your Books On Demand platform?
- Dr. Pramod Khera:** Yes, that is a very good question that you asked. See, the point is that, one, we are not a publisher. Secondly, if we become a publisher then there is conflict of interest with our other clients because they will say you are promoting your book and not promoting my book and stuff like that. However, the trend in the publishing industry is more and more towards self-publishing. If you see globally, the U.S. self-publishing is now 18% of the publishing market and now that market also is growing in India. So, we are helping a lot of self-publishers or Authors to do self-publishing, where we provide them the full services of selling their books, printing their books, distribution their books, they just have to write the books. So, while we are not publishers, self-publishing is one area by which we are able to do what you are saying.
- Vipul Shah:** So, in that case, entire risk of distribution is with you in terms of credit risk of various buyers.
- Dr. Pramod Khera:** No, see the point is we are doing print on demand, so we are not printing any books in stocking, so there is no investment.
- Vipul Shah:** Okay. But in that case certain book stores want to buy 20 books or 50 books they can use your platform and you have to deliver to them but again, that will be cash payment terms basis?
- Dr. Pramod Khera:** Yes.
- Vipul Shah:** Okay. How many titles we have on self-publishing, if any we have?
- Dr. Pramod Khera:** Well, off hand, if you ask me, they would be in the range of anywhere between, I do not remember with more than 50 - 60 titles now.
- Moderator:** Thank you. We take the next question from the line of Pramod Thomas from Sterling. Please go ahead.
- Pramod Thomas:** My question is regarding the market plan, what is the business loss occurring due to this strike and old is this plant?
- Dr. Pramod Khera:** Yes. So, see, the plant is very old, it is more than 24 years old. And like I have explained to somebody else who had asked the same question, we had augmented a capacity in Surat so that impact of closure of Mahape does not really affect our business. In fact, I have mentioned as



one of the strategic direction for the current year is to consolidate more and more production in Surat because Mahape being an old plant, it had built up a lot of overheads year-on-year increments and old machinery, etc., so production from Mahape was not profitable whereas Surat is highly profitable. So, overall, we are seeing a positive impact of this whole situation.

- Pramod Thomas:** Okay. And what are the number of employees at Mahape?
- Mukesh Dhruve:** Workers are 325 or something.
- Pramod Thomas:** My next question was in your financial statement, you have other income of some Rs. 10.59 crores, what is that component?
- Mukesh Dhruve:** Other income is Rs. 9.76 crores.
- Pramod Thomas:** Yes, that is that component sir?
- Mukesh Dhruve:** Yes, I have explained that in my Presentation. See, earlier we have provided for some debtors which the money has been recovered so that is being shown as other income in this quarter.
- Pramod Thomas:** Okay, I have got it. This other one is the employee cost, it has come down significantly what is the reason for that?
- Mukesh Dhruve:** See, we have been looking at our expenses over the last one year and we have been trying to reduce the expenses. And as part of the exercise we have also been rationalizing some of the employee cost, so this is a cumulative effect over the last 3 quarters to 4 quarters.
- Pramod Thomas:** And what is the total employees count excluding Mahape? I think, Mahape you said you have 325.
- Dr. Pramod Khera:** Yes, I think it will be close to anywhere between 600 to 700. I do not know the exact figure but it is in that range.
- Pramod Thomas:** Okay. My next question is what is your current debt level, how much debt you have?
- Dr. Pramod Khera:** Rs. 197 crores.
- Pramod Thomas:** Rs. 197 crores?
- Dr. Pramod Khera:** Yes.
- Pramod Thomas:** Okay. And to set up your new facilities in Chennai and all, do you need to raise more debt or you do not need any debt?



- Mukesh Dhruve:** No. See, right now we are managing from our internal accruals. So, let us see, it is not a very big amount, it is around I think Rs. 15 odd crores, so depending upon the situation at that time we will see.
- Pramod Thomas:** Okay. If you set up a plant in Chennai how many months do you need and how many employees do you need to have?
- Dr. Pramod Khera:** Yes, Chennai fortunately, we already have premises, we already have a plant. So, there it is easier and faster to start, so that is location where we will start first. And machine typically would take around couple of months to be delivered and installed and initially, when we start off, we will be having a One-Book unit with the binding, etc., so I think 15 to 20 people should be enough to run that operation.
- Pramod Thomas:** Okay. Just one last question, this other income which you had from I think payments of which were pending from earlier times, what is the total amount of payments still pending you are expecting to receive I think from foreign vendors?
- Dr. Pramod Khera:** Yes, so the current level of debtors I had said from export is Rs. 49 crores.
- Moderator:** Thank you. We take the next question from the line of Aman Vij from Astute Investment Management. Please go ahead.
- Aman Vij:** I had two questions. The first question was regarding you earlier said in the con-call, that you plan to acquire more and more titles and roughly you said 10 million titles before 2020. So, the average selling price that we are selling our title is around Rs. 300 as per whatever numbers you said. So, just wanted to understand out of the Ingram titles, how many will fit in the similar range because I expect some of the titles will be much beyond, so does it even make sense to get those 10 million numbers that soon in India. So, just wanted your thought process behind this average selling price of the products?
- Dr. Pramod Khera:** Yes, so international titles obviously are priced higher than the Indian titles. And there is a demand for those titles and people are willing to pay higher price for those books. So, it makes a lot of sense to bring those titles into India because demand for the books and today people cannot get those books, they can get it, they have to imported, it is a long league time. And these are titles which are very-very specific and people who want to buy them just buy it at the price at which we are selling.
- Aman Vij:** Okay. So, while acquiring these titles, do you look at average selling price and tend to acquire for the lower ones, so that initially as of now in India people would not be spending that much on high-end title. So, do you look at the acquiring strategy from the average selling price point of view also?



- Dr. Pramod Khera:** See, I think there is a misconception that you have because people are willing to pay. Today, for example, there are some titles we are selling at Rs. 25,000 and people are buying; one book for Rs. 25,000 and people are buying it. So, people who want to buy a book they will buy it the price is not the criteria there, if you have good content, good books then people are willing to pay a higher price even for Indian title, if the content is good people are willing to pay a higher price for that.
- Aman Vij:** Okay. So, we do not follow strategy based on price. We just look at content and get as many as titles as possible.
- Dr. Pramod Khera:** Yes, right. Because there is no cost of listing the title, right? So, when I have listed 1.8 million titles and tomorrow if you have to list 3 million titles per title for listing there is no additional cost. So, whatever I am able to sell that is bonus for me, no.
- Aman Vij:** Okay, sure. That helps. Second question is regarding this self-publishing part. So, what I understand Amazon is also very strong. So, does Amazon outsource all these things with you exclusively or how does it work or you work independently?
- Dr. Pramod Khera:** Yes, I mean, you are right. Amazon have a self-publishing arm. Currently, those books are being imported into India and there are discussion which are doing, for Amazon I would not like to reveals I would not like to reveal those discussion right now. But as and when something happens we will talk about it.
- Aman Vij:** The 50 to 60 titles you mentioned are not on Amazon, basically not through Amazon it is independently?
- Dr. Pramod Khera:** Yes, they are directly from us.
- Aman Vij:** Okay, that helps. Lastly, on this Rapples part, so any plan on further investment in this business, where do you see this business say 3 years - 5 years down the line?
- Dr. Pramod Khera:** See, we do not know because I think when we came into the market we were ahead of time and while some of the I mean schools went ahead and adopted the solution and they are pretty happy with what they are doing. There is some amount of resistance from ground, from the parents and student in adopting it, so schools are reluctant to really move forward in that. But there would be sometime when we believe that this would change and more and more schools and students would move the digital way. Currently there is no plan for further investment in that business. Whatever investments have been done and also in creating the backbone, the IT investments, etc., are being leverage for Books On Demand, that is where we are currently.
- Aman Vij:** Basically wait and watch till the market basically reach that level because I think we were very early in that.





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- Dr. Pramod Khera:** Yes, correct.
- Moderator:** Thank you. We take the next question from the line of Supreen Jain 1:08:39.7 from K55 Capital. Please go ahead.
- Supreen Jain:** Actually as you just mentioned that you are only one doing this Print On Demand business in India. There may be company who is doing the same kind of business in U.S. or UK?
- Dr. Pramod Khera:** So, in U.S. Ingram is a company which is doing the same business, right. So, Ingram has got 3 printing units in the U.S., they have one printing in UK, one Australia, so they are the largest player in this field globally.
- Supreen Jain:** Since how long they are doing and how the business is growing?
- Dr. Pramod Khera:** See, Ingram started off a distributor. So, currently their I think total business is more than \$2 billion.
- Supreen Jain:** No, for Print On Demand I am asking.
- Dr. Pramod Khera:** Print On Demand they have been doing it for the last 12 years to 14 years.
- Supreen Jain:** Okay. And suppose if Ingram wants they can their own in India also and operate it, because if they have some major titles with them.
- Dr. Pramod Khera:** Yes. So, see, Ingram like I said they have their units in UK, in Australia, they looked at India for 3 years, they tried to see, they employed some people over here and they wanted to start but then they found that it is very-very difficult for them to do it on their own. So, they were looking at the partner, they evaluated various partners, people who have the capabilities to invest in the IT to acquire the title from publishers who have the relations with the publishers. So, then zeroed on us and that is how after discussing with them for 3 to 4 years we have started this. So, they explore that option and they have rejected it. so, they want to go with a partner and that is how it has happened in India.
- Supreen Jain:** Okay. So, if suppose if you want to sell an Indian title and a global location, you do it on your own or you do it through Ingram?
- Dr. Pramod Khera:** Through Ingram. We give it to Ingram and Ingram has got 39,000 outlets from which it sells its books, so it puts up that Indian title in all the 39,000 outlets for selling.
- Supreen Jain:** Okay. And how much is the revenue generation is there for Ingram in Australia for Print On Demand business?



- Dr. Pramod Khera:** Australia specifically I would not know. It is not a publicly listed company, so very difficult to get the financials and the break-up from Ingram.
- Supreen Jain:** Any roughly idea sir you have?
- Dr. Pramod Khera:** The major business is from U.S. then the second largest market is UK and Australia they just started a couple of years back, so it is quite small.
- Moderator:** Thank you. We take the next question from the line of Jaineel Jhaveri from J&J Holdings. Please go ahead.
- Jaineel Jhaveri:** I just wanted to know do you guys get any analytics from these e-Commerce website on which books are being searched for, so that you know that you know what to populate?
- Dr. Pramod Khera:** Definitely.
- Jaineel Jhaveri:** You all do?
- Dr. Pramod Khera:** Yes, we do. And we get demand estimates, based upon which we do pre-printing. Also, we come to know these books is being searched and what are the clients views. So, we are working very closely with Amazon and Flipkart on this.
- Jaineel Jhaveri:** Okay. But then do all printers like you get this kind of data or is it only to certain selected people that are working closely?
- Dr. Pramod Khera:** They have a program called platinum sell up program. So, platinum sellers do get this data.
- Jaineel Jhaveri:** Okay. So, anyone who is a platinum seller can get this data.
- Dr. Pramod Khera:** I guess so yes. We are platinum seller and we are getting this data.
- Jaineel Jhaveri:** Okay. And that is the data that you all basically use to know now which books to put on the platform?
- Dr. Pramod Khera:** Correct. And which books to focus on and which books to promote and which books to stock.
- Jaineel Jhaveri:** Okay. And then are you all able to even go back and tell those users that this book has suddenly become available?
- Dr. Pramod Khera:** See, users are searching for the book.
- Jaineel Jhaveri:** Right. So, say I search for it today and I did not find it.



- Dr. Pramod Khera:** One second, sorry. If we are selling a book, it is never out of stock.
- Jaineel Jhaveri:** Correct. But if it is something that I searched for and it is not available, then that data comes to you, and then say you all got availability in the next one month or you got the approvals for it in the next one month. Then can you all contact me back or can Amazon contact me back?
- Dr. Pramod Khera:** Yes, then Amazon starts promoting that book. If you have searched that book and they have marketing program. I do not know whether you have noticed or not. Even if you go to Facebook you will get an ad from Amazon that yes, this book is available.
- Jaineel Jhaveri:** Okay. And this happening with only Amazon and Flipkart you said?
- Dr. Pramod Khera:** Snapdeal also to some extent.
- Moderator:** Thank you. We take the next question from the line of Prabhat Chandra from Greenfield Advisors. Please go ahead.
- Prabhat Chandra:** I have two questions. One is regarding Books On Demand or e-Commerce. So, when I searched for a few books which are listed by Repro Books On Demand, I see that the ranking for Repro is low as compare to other platinum sellers. So, Repro ranking is around 3rd or 4th for most of the books. So, my question was what is the strategy that you are following for improving your ranking. And the second question is regarding Rapples, so when you look at a few other publishers like S. Chand they have got a very similar offering by the name of myStudyger. So, in terms of Rapples, how sticky is your relationship with the schools which are already using it? And how difficult is it for them to switch to S. Chand or to Navneet or any other publisher who is providing a similar offering today?
- Dr. Pramod Khera:** Okay. Your first question about the ranking.
- Prabhat Chandra:** The ranking on the e-Commerce segment.
- Dr. Pramod Khera:** So, the ranking depends upon the feedback that you get from the customers, right. The more feedback that you have the ranking keeps on improving. Now, there are some sellers who have been selling on Amazon for last 5 years - 8 years, we have just started selling a year back. So, our rankings are improving month and month and they are becoming better and better. So, hopefully, we should be able to catch up soon with others. Coming to Rapples, yes, the competition from other publishers like Navneet and S. Chand, see, they have the digital solution like Rapples. However, schools normally do not buy all books from one publishers. They select books from different publisher and if one publisher has a solution like Rapples which they are offering the schools, they will not be able to get the books from other publishers because they are competitor, they will not give them the book. So, Rapples have that advantage where we can get books from any publisher as per the choice of the school. So, currently the schools where we have implemented that is one big advantage which the schools



are seeing and they are also satisfied with our whole solution, the students are happy, they are using more and more features. So, as of now I think there is no much danger of losing the schools to this competition that you mentioned.

Prabhat Chandra: Okay. So, is it a long-term contract that you sign with these contracts or it is an annual contract which is...

Dr. Pramod Khera: Yes, it is a long-term contract. I think, it is a 5 years contract.

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

Aneesh Srivastava: Sir, I want to know like specifically your Books On Demand vertical what is the cost distribution out of Rs. 9 crores of revenue this quarter. So, what is the distribution of fixed cost versus variable cost, if you can share some numbers?

Dr. Pramod Khera: Sorry, distribution of what?

Aneesh Srivastava: Sir, we have Rs. 9 crores of revenue from BOD business this quarter.

Dr. Pramod Khera: Rs. 11.5 crores.

Aneesh Srivastava: Rs. 11.5 crores, okay. So, what is the contribution of fixed cost versus variable cost in this?

Dr. Pramod Khera: Yes. So, see, like I said, when you look at the variable cost that is basically what we pay to the publisher, what we pay to the channel and our printing cost. So, once you remove the variable cost, you get the contribution. Now, the contribution for front titles is low because there is competition and we have to discount the books. Contribution from back titles and mid titles is higher.

Aneesh Srivastava: You have some numbers, can you share some numbers?

Dr. Pramod Khera: Yes, so contribution varies from say 4% to 5% for front titles and going up to may be 30% - 35% for back titles also.

Aneesh Srivastava: Okay. And sir, what kind of EBITDA margin we had this quarter for this BOD, specific BOD if you can share?

Dr. Pramod Khera: RKCL is a subsidiary in which we do our digital business which is a combination of Books On Demand and digital printing and I am just trying to get the EBITDA numbers for RKCL, I can share with you. It is a part of the consolidated results which we have announced, standalone we have given. So, EBITDA if you see this quarter we have more or less broken even.





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- Aneesh Srivastava:** Okay. And sir, moving forward, are you giving any guidance I mean what kind of EBITDA we can see from this Books On Demand business when we are under full capacity utilization? So, what can we expect?
- Dr. Pramod Khera:** No, we do not give guidance for the future. No, we do not give guidance's.
- Moderator:** Thank you.
- Mukesh Dhruve:** So, we will close it then?
- Moderator:** Yes, sir, we do not have any questions in the queue as of now.
- Dr. Pramod Khera:** Okay. There we are no more questions. Thank you everybody for your active participation. And hope, we have been able to answer most of the questions. And we will be seeing you again next quarter. Thank you.
- Moderator:** Thank you very much, sir. 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.

