

August 03, 2018

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

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

Dear Sir / Madam,

Sub: Transcript of the Conference Call held on August 1, 2018

Please find enclosed the transcript of the Conference Call conducted by the Company on August 1, 2018.

This is for your information and records.

Thanking you,

Yours faithfully,
For Repro India Limited,

Kajal Damania
Company Secretary & Compliance Officer

Encl: As above



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“Repro India Limited Q1 FY‘19 Earnings Conference Call”

August 01, 2018



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





Repro India Limited
August 01, 2018

Moderator: Good day ladies and gentlemen and welcome to the Repro India Limited Q1 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 call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Mukesh Dhruve. Thank you and over to you sir.

Mukesh Dhruve: Good afternoon ladies and gentlemen and all stake holders. Welcome back to this con-call of Repro India Limited. We truly appreciate your participation and it has been a very exciting quarter. I hand over to my colleague Dr. Pramod Khera who will take you through the results that we have announced today.

Pramod Khera: Thank you Mukesh. Good evening to everybody. We have sent the presentation to all slightly late but we had the AGM today, so after the board meeting and hence the delay. Also, henceforth we will be putting up the results and the presentation onto the website; also the con-call details and we'll discontinue the practice of sending e-mail because a whole lot of issue in terms of right e-mail address and email may not reaching etc. So, normally on the day that we announce the results evening 4.30 would be the conference call and the presentation will be available both on the BSE website as well as on the Repro website.

I will just take you through the presentation and later on you can have questions depending on what anyone of you would like to know more.

First slide talks about the key strategies for 2018-19. We had formulated these strategies at beginning of the year and which is actually continuation of the last two years that direction and the strategy. We are growing the e-retail business and we are trying to create a platform, a robust platform which can give us exponential growth going forward. The objective is to focus on the right customers in the print business, focusing on the MNCs both domestic and global.

The financial consolidation continues, focus is there on cash flows and collections and reduction of expenses so that we get a healthy bottom line. So, that has been the strategy and the results that we have announced for Quarter I are in line with the strategy.

Going on to the key highlights in terms of the financial highlights for the quarter: as you are aware our quarters are comparable for the same quarter in the previous year. So, if you compare this current quarter which is the Quarter I of 2018-19 with the Quarter I of 2017-18, we are seeing a good growth of 38% of the revenues which have increased from 70 crores to 97 crores almost. Operating profit also has shown a healthy growth. Most important is the PAT which has jumped to 5.33 crores compared to 2.42 crores. Now all this has happened while keeping an eye on collections hence there is a reduction of debtors and reduction of borrowing which I have more details in subsequent slides.



The Repro books in demand; the key highlights on the next slide, the growth is continuing. We have strong relationship with Amazon and we are developing a similar strong relationship with Flipkart. The Ingram, global connect program is going strong and we are seeing good traction for international books in the Indian market. We have experimented with a pilot for schools for K12 offerings. We did 8 schools along with Amazon where we looked at the books that the school was prescribing, grade wise we procured the books from publishers, so we created kits and we created stores for schools on Amazon where parents could login and order books which were delivered to them at doorstep. Seeing the success that we've got from this pilot we are now gearing up by investing in sales and manpower, so that we build a strong funnel for school in the next academic year which would start from January February next year. July, 2018 was an eventful month for us where we shifted to our new facility in Bhiwandi which is a much larger facility which gives us the opportunity to streamline our operations and also enhance the capacities. So, this has got operational and now we are in the process of augmenting the capacity to 12,000 books per day as was informed to all of you in one of the previous conference call. Then once this Bhiwandi facility expansion is completed and stabilizes, we will immediately embark upon setting up setting up the two new facilities, one in Bangalore another Delhi and hopefully both of these should come up within this financial year.

July, 2018 we continued with the trend of growth which we have been seeing quarter-on-quarter. As you would recall last quarter we had clocked a run rate of more than 7 crores per month, 7.2 or 7.3. This month we were well on track of touching 9 crores for the first 21 days after which the shifting happened and we had to close down our seller flex site but the run rate of 9 crores is where we are today. We are doing almost selling 9000 books per day which were 7500 books last quarter. So, quarter-on-quarter the growth is continuing and in the coming quarters also we should be seeing similar sort of a growth on the sales on Repro Books on demand.

Going to the next slide which is on the print business; our strategy of focusing on key customers which are strategic so that we enter into a partnership arrangement rather than transactional arrangement with the client has yielded results and focus on shifting to clients where payments are secure, the multinational clients also is working. More than 30% of businesses coming from MNC customers and the idea is to give them customized solution. The customized solution either on a giving them content services or warehousing in fulfillment services which are integrated with the printing and the distribution. So, this is a strategy we adopted.

Exports also have seen a good growth and similar type of multinational customers is what we are focusing on the export business. Export business also has become more broad-based where we are getting more business from countries from the Francophone region of Africa which includes country like Cameroon, Ivory Coast and also country like Kenya and South Africa in the East and West of Africa.



Repro India Limited
August 01, 2018

We closed the quarter with the closing order book of 47 crores, so this gives us a good start into the Quarter 2.

Coming to the financial highlights; the next slide talks about consolidated financials for Repro. As I have mentioned this quarter compared to the same quarter previous year we have seen a healthy growth, the top line as well as the bottom line. And also, if you compare this quarter results with the previous quarter, there has been for growth and if you remove the effect of the other income on the gross profit and PAT, are quite comparable. Highlight; 38% growth in revenue Q1 over Q1, operating profit has gone up to 10.58 crores and PAT to 5.33 crores. I have already talked about this in my opening slide.

Debtors, the trend that we have been seeing over the past few quarters, reduction of debtors continues. Net debtor stands at 82.4 crores. As I had mentioned in the previous quarter since that was a quarter where we did a lot of business for the domestic clients, the debtors had increased but the recovery also is along similar lines and the debtors are well under control. As a result of all this even our requirement for short-term debt has come down and which now stands at 76.6 crores. Overall debt is 124 crores giving us a debt equity ratio of just 0.46.

The last slide gives a one-page result for consolidated Repro and which I think all of you would be having or would had a look at. That brings me to the end of this presentation and now we can open the floor and we can take questions from any of you who are interested to know anything further of the result that we have just talked about. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Kumar Saurabh, an individual investor. Please go ahead.

Kumar Saurabh: One question I have on books on demand; if I see the Q1 result or if I see the run-rate number of 9000 books, currently it looks like we are almost at 100 crores per annum. So, will it be possible to give some kind of breakup, what are the major key expenses in this business and what is the share of expenses if we consider the tentative revenues around 100 crores?

Pramod Khara: This business is retail business, so typically any retail business works on the contribution that you get from the sale of goods. The contribution varies with the type of books that you are selling, international the contribution is higher, domestic for front titles the competition is there, the contribution is lower and back titles where there is no competition contribution is higher. So, the idea is to maximize the contribution so that from the contribution then you are able to cover your overheads which give you the EBITDA. So, if you see this quarter results for books on demand, we have turned around and we posted a positive EBITDA, marginal but we are no longer burning cash. That's the positive sign and going forward this should grow, and we should start contributing to the overall profits of the company.



Kumar Saurabh: If I see the last year result as per annual report, my understanding is the non-traditional business contributed to 13 crores of loss annually and this is at PBT level and this quarter at PBT level it looks like almost around 1.1 crores. So, as you said we have turned EBITDA positive. So, what I'm understanding is that the revenue is growing up, the trajectory of the losses coming down is playing out, is my assumption correct?

Pramod Khara: That is correct yes.

Kumar Saurabh: Are we doing any business in Rapples part because last 2-3 quarter we didn't discuss, so I understand it looks like it has become insignificant but is there any contribution from Rapples coming either on the revenue side or are investing anything in Rapples?

Pramod Khara: No we are not investing anything more like I have been saying in the past few conference calls. We are just servicing the schools which are already there and if through reference we get any new schools we are taking those up. Now going forward once our K12 business, book distribution takes off then we will have more access to schools and we will try to bundle in Rapples also. But currently as of now we are not investing in sales or marketing for this product.

Kumar Saurabh: One last question on the domestic publisher side are we doing more tie-ups, can you educate more on the domestic publisher side how we are working on?

Pramod Khara: There are close to 9000 publishers in India, out of which may be around 150 to 200 publishers would be the large publishers. And our first attempt has been to tie-up with these publishers and more or less we have most of the large publishers on board. These publishers the focus is now to acquire more and more titles from the catalog so that we are able to broad-base our range of books that we have on offer and different segments with different strategies. So, there is the test-prep segment which is very-very amenable to the solution that we are offering which is books on demand because test date gets announced and immediately books are required. So, there the titles keep on changing and we have to always keep procuring the new titles from the publishers and make them available. Academic books are more stable and whereas on academic said books are also once you acquire the titles these are the larger range of titles to cover the entire gamut of offerings that are required for different streams of academics. Then coming to K12; K12 is again these are prescribed books. So, depending upon what books have been prescribed by schools we have to procure those titles. And last category is the trade segment, now trade segment is basically fiction, reference books and here again whenever new titles are launched we do pre-orders before the books coming to the market, we are able to aggregate orders so that on the day the book is launched we are ready with the books to be delivered. So, like you said different strategies for different segments and attempt is to get more and more publishers on board and to get more and more titles from the catalog onboard.

Moderator: The next question is from the line of Amit Verma, an individual investor. Please go ahead.

- Amit Verma:** Was there any increase in the paper price because we did 7% on gross margin in effect of 7%.
- Pramod Khera:** The paper prices have hardened, they have increased and normally we are able to pass on these costs to the publishers because the publishers all are aware of what the paper costs are. There could be a slight lag of maybe 2 or 3 months because board contracts which we have with publishers will take some time to execute those. Otherwise our costs of raw material have been more or less in line if you compare the previous few quarters.
- Amit Verma:** The next question was on the books on demand, did you see any drop in July sales for books on demand?
- Pramod Khera:** No, like I mentioned July we have touched the run rate of almost 9000 books per day. But we were shifting to a new location and that's when we had to stop selling the books till our shifting was completed, so that was the last 10 days. Otherwise if you look at the daily run rate that has been growing month on month and week on week we will see growth.
- Amit Verma:** My final question on the business side, so once we scale so do we get economies of scale in terms of purchase of the raw material. how are we going to increase our margins now since we have broken even, so what is the exponential rise with the rise of sales in EBITDA?
- Pramod Khera:** The books on demand right now like I said our focus is to grow and expand the market and to acquire more titles which would give us a good market share and once scale is achieved our overheads are not going to grow at the same rate at which the contribution is going to increase and thereby the EBITDA margin should also keep improving as we go along.
- Moderator:** The next question is from the line of Sharad Tripathi from Edelweiss. Please go ahead.
- Sharad Tripathi:** Can you really highlight on the capacity addition plan under POD going forward from a one-year or two-year's perspective? And second, only one clarification for this quarter your other income has dropped sharply, so can you throw some light on that?
- Pramod Khera:** As far as capacities are concerned like I mentioned in the presentation we are augmenting the capacities in Mumbai which will go upto 12,000 books per day. Now this capacity is for books on demand, we are also pre-printing books. Based upon certain demand estimates we print in advance and for that we have separate capacity. We also pick up stock from the publisher wherever we find that there is a surety of sales coming in the month or so. So, if you see our sales typically one-third of sales we do print on demand and two thirds is from pre-printed stock or the stock that we picked up from publishers. When we are saying a capacity of 12,000 theoretically we can sell three times of that number with the same capacity. So, I hope that gives you some idea about the capacities. On the other income Mukesh would like to take the question?

- Mukesh Dhruve:** We had a lot of—if you remember last year we had a lot of our—old debtors which we collected back. Now those which we collected back were added as other income but however against those other income we had made provisions of contingencies which include our payment to workers, one-time stock, various items were there. So, whatever income we had received we had almost made contingent provisions against that. As compared to that this time may have not received much of the debtors back but going forward in the coming quarter we should be getting those old outstanding back.
- Pramod Khera:** Just to add to what Mukesh said, we have made provisions as per Ind AS for debtors which are old and if we recover those moneys then we write-back as other income. So, that is what has been happening in the previous quarter and this quarter there was no such recovery.
- Sharad Tripathi:** Any particular reason about that?
- Pramod Khera:** These were debtors which have been written off and there are all attempts to recover that money. It takes time and going forward like Mukesh said we are quite hopeful of recovering more money in the coming quarters.
- Moderator:** The next question is from the line of Anirudh Shetty from Solidarity Investment. Please go ahead.
- Anirudh Shetty:** This sales of BODC for 9 crores those are only for 21 days of this quarter?
- Pramod Khera:** No, so 9 crores we would have achieved in July if we would have continued to operate at the run rate which I talked about 9000 books per day for the full month. However, because we were shifting we were operating only for 21 days.
- Anirudh Shetty:** So, 9 crores was for the full month and on an annualized basis you do roughly about 120 crores give or take?
- Pramod Khera:** Correct. If that is the run rate, we would do around 108 crores.
- Anirudh Shetty:** So, we are looking to gain more and more titles and we have this tie-up with Ingram I just wanted to know exactly how does it work? If you have a tie up with Ingram who has got this entire network of publishers, is it considered a done deal that we can get the titles from publishers or is there extra effort that Repro needs to take and make to actually go and get the title? What I'm trying to get at is when the publishers despite being Ingram wouldn't participate they know who is sharing of their title.
- Pramod Khera:** Ingram is an aggregator of content. They have aggregated more than 14 million titles from 45,000 publishers. Now these publishers they have to be made aware of the market of India, the potential in India so that they give right for selling those titles in India and also the titles that they might have given to Ingram might not be the complete set. They could have some

titles which are more relevant for India, so we need to go and talk to them and educate them about what type of books are selling in India so that they give us the right title and the relevant titles. So, there is some amount of work that we need to do. However, once a publisher has tied up with Ingram it becomes easy for us to access that publisher and get more and more titles from them.

Anirudh Shetty:

The new POD model would definitely have a different return on capital employed as compared to our traditional print business given that there could be a higher share of back title which are higher contribution margin plus it makes it a working capital as well. So, do we have a sense of on a steady-state basis what kind of a return on capital employed this business will generate?

Pramod Khera:

It's a bit early to really talk about that. We are in the aggregation model. Now if you look at any of the aggregation models either in the hospitality industry or in a travel industry, these are very asset-light models. So, similarly we are also not going to be investing in any copyright or any acquisition of assets which are relevant for us for sale and only for production side. So, going forward our investments are going to be light and like you correctly mentioned working capital is also going to be negative. So, hopefully with scale we should be able to get good returns on capital.

Anirudh Shetty:

So, directionally we will see an improvement given the favorable...?

Pramod Khera:

Yes.

Moderator:

The next question is from the line of Amit Jain, an individual investor. Please go ahead.

Amit Jain:

I just wanted to have an understanding about our school project: I wanted to understand how we are actually adding value to the school, what our pitch to them is? And my second question would be around what's our roadmap and what's our expectation from the school segment?

Pramod Khera:

If you look at the schools model, currently the way it works is that the school describes the text books then they procure the books from the publishers directly or through distributors or dealers and then the parents go to the school and there are stalls which have kept in the school for certain days and the parents have to pay and pick up the kit and go home. Sometimes the full kits are not available so they might have to go again and so that's what happens in most of the schools. So, the advantage with our model is that first the parents don't have to go to school, the books will be delivered to their homes and secondly, for the school also there is no administrative hassle of getting all the stocks in and catering kit for the different standards and then cash collections and things like that so all the logistics hassles and administrative hassles for the schools are being taken care of. For the publishers also it makes sense because it's a one-stop arrangement and for giving all their books to different schools which are centrally handled by Repro through Amazon. So, it's a win-win situation for all the people concerned and everybody sees value in that.

- Amit Jain:** But as far as my understanding goes, so school also makes some income on the books that they prescribe, if the sale is made through Amazon and through Repro channel, so are they missing out on that commission?
- Pramod Khara:** That is something that is between the publisher and the schools. When the publishers still has to go and market his books to the school so that their books are prescribed, so what happens between them is none of our concern.
- Amit Jain:** What's our roadmap and what's our expectation from this segment?
- Pramod Khara:** We did a pilot which was pretty successful and now from the August-September onwards we are recruiting people, putting them in field, approaching schools. And till December-Jan we will be tying up schools because book buying starts from February onwards depending upon which board the school is following. Sales can go up to June-July also for the ICSE, CBSE or state board schools so the sales. So, the sales period is typically February and two June or July whereas all the work starts happening from now onwards. Now there are more than 3.5 lakh private schools in the country so the potential is quite enormous. So, let's see how this whole model takes off. We are gearing up to grow this business in the coming years.
- Moderator:** The next question is from the line of Kushal Rughani from HDFC Securities. Please go ahead.
- Kushal Rughani:** On the margin front if you compare YOY or QOQ, the margin is down on both the front, so can you elaborate on that?
- Pramod Khara:** If you remove the effect of the other income you will see margins are equivalent or they are better. So, like we were saying that the other income does not pertain to revenue from operations and to get a clear idea of the EBITDA and the margin, we should remove the effect of the other income.
- Kushal Rughani:** Actually we have already removed the other income still if we see last year June it was 14% EBITDA margin and this time around it is 10.9%.
- Pramod Khara:** Which quarter you are referring to?
- Kushal Rughani:** If I see in the March quarter also it was 14% EBITDA margin and even in Q1 FY18 quarter it was 14% EBITDA margin. This time around it is 10.9.
- Pramod Khara:** Correct. So, the previous quarters which you talked about are with other income and there is no other income in this quarter. If you remove the effect of the other income then it comes to similar margins.
- Kushal Rughani:** No, if I compare sequentially then other expenditure has gone up as a percentage of sales 530 basis points sequentially.

Pramod Khera: If you look at the other expenses if you look at it along with the employee benefit expenses, there is a slight re-grouping which has happened. So, if you combine both of them together if you look at my presentation and see, you will see that the total expenses are similar for both the quarters if we had both of them.

Kushal Rughani: So, there is adjustment in that?

Pramod Khera: Correct.

Moderator: The next question is from the line of Kaivan Shah, an individual investor. Please go ahead.

Kaivan Shah: I have question related to books on demands. I want to understand what is the contribution coming from the Ingram contents and what is the contribution from the other publishers?

Pramod Khera: The contribution keeps varying from the type of books, the type of segments that we are catering to and whether it's a front title, back title. So, Ingram we are able to get good contribution upward of 14%-15% and even from domestic back titles we are able to get similar contribution of 10% to 15%. front title contribution is lower, it is in single-digits.

Kaivan Shah: We believe that Ingram will be a game changer for our company, so what is our plan to increase this contribution?

Pramod Khera: As we go along one is we are adding more and more titles from Ingram and secondly, awareness about these titles and visibility of these titles need to be improved, so we are doing that through promotion and marketing on many of these channels and also on social network.

Kaivan Shah: How much revenue are we getting from the Amazon kind of Flipkart at the other channels, can you just provide some revenue segmentation from Flipkart and Amazon and other retail channels?

Pramod Khera: If you look at the past data, sales from Amazon are the highest, in fact nobody has the complete data, but it is believed that Amazon controls almost 75% to 80% of the online books market in India and our sales also are in line with that.

Kaivan Shah: Could you please provide some kind of guidance for this financial year for books on demand?

Pramod Khera: As a practice we don't give future projections or guidelines. But like I mentioned we have been showing consistent growth month-on-month and quarter-on-quarter as far as books on demand is concerned and we expect that trend to continue. As far as our print business is considered, we are not really growing that. Our focus there is to maintain revenues and constantly keep an eye on the bottom line so that we get healthy cash flows and internal accruals from that business.

- Moderator:** The next question is from the line of Kumar Saurabh, an individual investor. Please go ahead.
- Kumar Saurabh:** My question is on the online business, what is our market share on online books and if you can provide more color on like what is the market share in our school business?
- Pramod Khera:** Your voice is not very clear Kumar but if I heard you correctly you are asking of market share. The total online book sales is around 1.2 or 1.25 lakh books per day and we are doing around 9000 books per day, so that is our market share right now.
- Kumar Saurabh:** And any idea about the biggest player, how much they sell?
- Pramod Khera:** There are a lot of traditional distributors who are selling online but they are the traditional distributors in the sense that they pick up stocks from the publishers and they sell. Whereas we are picking up files from the publishers and we're printing on demand. So, ours is a unique model but all of us are selling the same books, so there are large distributors who are doing more business than we are doing but we are catching up very fast with them.
- Kumar Saurabh:** What is the growth rate you are seeing on the online book sales, is it same like, 19%-20% or is it different if we compare the overall online sales per day?
- Pramod Khera:** One is the books market is growing at like you said 19%-20% plus also the e-commerce business is growing, so it's a combination of both the growths. So, we are seeing good growth, better growth on the online books sales.
- Moderator:** The next question is from the line of Vikrant Kashyap from Kedia Securities. Please go ahead.
- Vikrant Kashyap:** My question pertains to BOD, I want to know how many titles we have currently listed on Amazon and Flipkart from Ingram?
- Pramod Khera:** More than 4 million titles.
- Vikrant Kashyap:** One more question regarding to Ingram, we have these titles from last 1-1.5 years since we have started this business but most of the readers would not know many of the international titles that we are providing. So, how we are going to make awareness in the readers community that these titles are available in India so that we can scale up our business?
- Pramod Khera:** Like I mentioned we have to improve the discoverability of these books. Now how does that happen? That happens through promotions. There are three or four different types of promotions that can be done on these channels. One is a sponsored products promotion where you buy certain key words, for example if we have a good book on a certain topic but nobody is aware of that. But there are other books available on same topic and people are searching for that key word then our book should appear up front. So, there we have to buy keywords so that the book starts appearing and people know that there is a book which is available from Ingram,

they start buying and once they start buying then automatically it will keep appearing searches. So, initially we have to just seed the discoverability and then it becomes automatic. So, like that by turns we are taking more and more different sets of books and promoting them. And then there are other ways by taking banner ads and by publishers also contributing and therefore there are various ways and means by which we are doing the promotion and marketing and improving the visibility and discoverability of these books.

Vikrant Kashyap: So, are these activities are visible on this e-commerce channel or in the social media like Facebook or anything where we can find that?

Pramod Khera: You will not be able to find it because these are typically like I said for certain topics that rather than advertising a book we said that anybody who is looking for a certain topic he should be able to see our book. You will not be able to see any ad coming from Repro, however, we are sponsoring ads. So, if anybody sees those ads and click on that then they come to our book and they can buy our books.

Vikrant Kashyap: If you can also quantify how many titles we have listed from domestic publishers?

Pramod Khera: Domestic publishers would be more than 25,000-30,000, I'm not very sure about the accurate number but it would be in that range.

Vikrant Kashyap: One more question on your debt reduction plan: we have successfully reduced our debt over the years, so what are the plans going forward for FY19 if you can provide?

Pramod Khera: The trend that we are expecting that to continue because one is recovery of debtors which is happening and secondly, the focus that we have had over the last couple of years on getting business from strategy customers where the debtors don't get delayed plus the focus that we have on collections that's reducing the number of days that we have got outstanding. So, that trend is going to continue plus as more and more business shifts to Repro books on demand we will not be requiring that type of working capital and working capital requirement will come down in the future.

Vikrant Kashyap: On your order book of 47 crores, how much is export order?

Pramod Khera: Around 30 crores.

Vikrant Kashyap: One question from AGM, in your presentation you have highlighted a key focus is strategies in which you have talked about e-books and kiosks. If you can explain what are our strategies and how we are going to scale this?

Pramod Khera: E-books also is one disruption which is happening in the publishing industry. However, in India it's not had a major impact yet because the cost of devices also still quite prohibitive. But going forward looking at a global trend e-book is going to increase but paper books are not

going to disappear. However, on the e-book platform we have the capabilities, we have the arrangements with Amazon and with Ingram for selling the e-books and we are doing it. But revenues today are miniscule.

Vikrant Kashyap: And on plans on kiosks?

Pramod Khera: Kiosks is basically something that once we have a full catalog available then we can set up kiosks at relevant point, a retail shop or book store and depending upon the type of footfalls that retail outlets are getting we can have those relevant books listed in the kiosks and anybody who looks at that can order the book and get it delivered at home next day.

Vikrant Kashyap: So, kiosks are future plans, we have not initiated it?

Pramod Khera: Not yet. These are all future....

Moderator: The next question is from the line of Keyur Shah from Emkay Global. Please go ahead.

Keyur Shah: I wanted to know that this model for school we can scale up but there would be other players that would be trying to pry our pie, so how is it that we can differ from others and we can be a market leader?

Pramod Khera: You are right but the whole thing is one especially in the K12 segment if you look at our print business, 90% of businesses coming from K12. So, we have got very strong relationship with publishers there and that is our strength which Amazon is looking at. That's how they are tied up with us for doing this business and also our print on demand capabilities will be useful here to cater to any short quantities or any last minute demands which comes up from schools which other distributors, other sellers will not be able to which differentiates us with the sellers.

Moderator: The next question is from the line of Shreyash Shah from Maitri Financial. Please go ahead.

Shreyash Shah: Who is our closest competitor in books on demand?

Pramod Khera: Like I was telling earlier there are the traditional distributors who are selling online. Now they are also selling off-line, so they procure the pick-up books from the publishers and they are listed on Amazon and Flipkart and just keep selling. Now here they are able to sell limited number of titles because it is very difficult to pick-up large number of titles and secondly, many times they go out of stock. But that's been the traditional model. However, our model is different where we do pickup stock also but our major business is to pick-up the files so that we are never out of stock.

Shreyash Shah: But does anyone else print books on demand in India?





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Pramod Khara: Print on demand is actually digital printing, now digital printing a lot of people are doing. But one book printing requires high degree of automation and I doubt if there are many players in this space. So, currently we are the people who are selling online on print on demand.

Moderator: The next question is from the line of Bhargav Kartik, an individual investor. Please go ahead.

Bhargav Kartik: My question is on the cost of materials consumed. If we see quarter-on-quarter our revenues have been increase from operation were around 11% but the cost of materials have jumped more than 80%, so is there any reason for that?

Pramod Khara: When you're looking at the cost of material you have to look at it in conjunction with the changes in the inventory. So, those two line-items are there, you add them up and you will see that they are more or less they are consistent.

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

Pramod Khara: Thank you once again for participating in this conference call. Wish you all the best from the management of Repro, from Mukesh and from myself. Thank you.

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

