

## Transcript

### Conference Call of Repro India Limited

**Event Date / Time** : 07th May 2010, 04:00 PM IST

**Event Duration** : 28 min 11 sec

#### *Presentation Session*

---

***Moderator:***

Good evening ladies and gentlemen. I am Edwin, moderator for this conference. Welcome to the conference call of Repro India Limited. We have with us today, Mr. Mukesh Dhruve, Executive Director of Repro India Limited. At this moment all participants are in listen only mode. Later, we will conduct a question and answer session, at that time if you have a question, please press \* and 1 on your telephone key pad. Please note this conference is recorded. I would now like to hand over the conference to Mr. Mukesh Dhruve, please go ahead sir.

***Mukesh Dhruv:***

Good afternoon ladies and gentlemen and all my friends. Welcome once again to the conference call of Repro India Limited. And I thank you all for participating in this call with us. This has been an exciting quarter for Repro India Limited. Results were announced yesterday and I am sure most of you would have seen the results. It's already come on the website as well as on the stock markets website. Just to give you a very brief, this quarter we have a 6% improvement in the operating margin, which is moved from 15 to 21%. There is a 64% growth in the PBT from 3.61 crores to 5.57 crores. 68% growth in profit after tax, which has moved from 3.74 crores to 6.3 crores. In fact, this has been the highest profit ever for a quarter for Repro India Limited. Last quarter, we thought was the highest, but this quarter has beaten the previous quarter. More important than all this, I think Repro India has done a cash and cash equivalent to almost 45 crores as on 31<sup>st</sup> March. So, there is a cash balance on the balance sheet of almost about 45 crores. The revenue of course has gone down from 61 crores to 45 crores for the quarter. For the year, the revenues have gone down from 238 crores to 201 crores. However, the operating margins have improved again from 15% to 17%. And the profit before tax has remained constant at 8%. The profit after tax has improved from 7 to 9% for the year, in actual terms from 16½ crores to 17½ crores. And overall I'll put it like this, this has been an exciting year for Repro India Limited. In terms of overall performance, if I have to summarize for all

of you, I think we have done exceptionally well in the situation that we were in the last whole year. There was a downturn everywhere, demand was coming down, we were in the stage of consolidation. And what we did was, reduce all the turnover which were not very profitable for our company. And try to only gauge and take business which are only profitable. And that is one of the key reasons, if you can see from the results, the turnover has gone down from 238 to 200 crores. However, the profits have gone up by more than a crore, 16½ has become 17½. It's been an exciting year. And going forward the current year looks to be more exciting than what the last year was. So, I think this is going to be a great year for Repro India Limited. I thank you once again for all of you to participate in this concall. I look forward to your questions.

---

*Question and Answer Session*

---

**Moderator:**

Thank you sir. Ladies and gentlemen, we will now begin the question and answer session. If you have a question, please press \* and 1 on your telephone key pad and wait for your turn to ask the question. If your question has been answered before your turn, and you wish to withdraw your request, you may do so by pressing # key.

First question comes from Mr. Ritesh Khanna from Aadhar Securities.

**Ritesh Khanna:**

Yeah hi, could you just take us through the seasonality of the business please?

**Mukesh Dhruv:**

Ritesh, in the olden days there used to be a bit of seasonality in the business. Now, the mix of our India business and exports, we do not face much of seasonality. If I would say, in India, there are two segments which we focus on, which is the corporate segment as well as the education. The corporate segment, especially one particular product which is the annual report, there is a bit of seasonality which is in Q1 and Q2. Because, all the corporates in India would end the year on 31<sup>st</sup> March, annual reports would come for printing typically in Q1 and Q2. However, there are large numbers of corporate which have different year ending like say Hindustan Lever, your ADB, some multinationals who try to close their accounts on which their parent companies in UK or US, which ends on 31<sup>st</sup> December. So, there is a bit of a turnover which happens of this. But, seasonality would be only one product which is annual report. But, with our exports and especially our focus on the domestic education market, we do not face much of seasonality in this any more.

**Ritesh Khanna:** So, export businesses are throughout the year, if I am correct.

**Mukesh Dhruv:** That's correct. Export is throughout the year. Again, the products there in exports are children's book and education books. And both the products are required throughout the year.

**Ritesh Khanna:** And how's the performance been so far in last year when it comes to there were markets like US, EU and Australia etc. that you mentioned last year?

**Mukesh Dhruv:** Yes, if I were to take a comparison of 2008 and 2009, 2009 was definitely better than 2008. We can see a trend of improvement in both the markets, especially the developed nations which you referred US and UK. Last year was again it was the way that I mentioned in the beginning; it was a consolidation phase for us. This year, we can see definitely a good growth happening in both the markets.

**Ritesh Khanna:** Okay. And you mentioned about these higher margins businesses, tell us the region where you are getting the maximum, which one got the highest margins?

**Mukesh Dhruv:** You see, if I have to compare the margins, definitely export gives us a better margin than the domestic business. Couple of reasons for that, one is on the export business; most of it is done from the SEZ unit, which is located in Surat. We don't pay duty, levies, excise, no VAT nothing and all that you handle is again completely tax free. So, here lot of benefits of efficiencies and less of bureaucracy. The margins definitely there are much better than the domestic margins. However, even in exports and even in domestic, there are clients where you've got certain capacity and you just fill it up without earning too much of margins. This year we are very careful, we do not take business which do not give good margins. That is what I meant by consolidation.

**Ritesh Khanna:** So, in the exports side of the business, are you getting lump sum orders? How do get the orders like annuity based contracts or quarterly or how do you get these orders?

**Mukesh Dhruv:** We get orders which are, they are not yearly orders in this like what you asked. They are specific orders based on quarter on quarter. And this contract comes directly from the publishers as well as from some Government tenders.

But, these are specific projects, there is no yearly contracts as you can call it.

**Ritesh Khanna:** Okay sir. Secondly, your export trigger of FY 10, how much would be repeat orders and how much would be new orders?

**Mukesh Dhruv:** Are you asking for the current year or the year which got over?

**Ritesh Khanna:** FY 10.

**Mukesh Dhruv:** FY 10, you can say almost about 70% would be repeat orders. 70 to 75.

**Ritesh Khanna:** Okay. Thanks I will come back for more questions later.

**Mukesh Dhruv:** Sure, my pleasure.

**Moderator:** Thank you sir. Next question comes from Mr. Sanjay Shah from KSA Shares & Securities.

**Sanjay Shah:** Good evening Mukesh bhai. Congratulations for good Q4 numbers. Sir, I would like to understand from you regarding that as you said that revenue has gone down because you have been choosy for certain high margin business. But, how that is not, how you can explain me about Q4 wherever even turnover has gone up and even the margin is substantially gone up. And could that repeat in the current year?

**Mukesh Dhruv:** Q4, the turnover has come to 45 crores and we are on the highest margins at 6.3 crores as you can see.

**Sanjay Shah:** Q4, I think turnover is 61 crores, am I right?

**Mukesh Dhruv:** No, turnover was 61 crores for the previous quarter, this quarter it is 45 crores. The previous quarter was 61, this quarter is 45.

**Sanjay Shah:** Okay, I mistook it, okay.

**Mukesh Dhruv:** I think you have taken the other way round.

**Sanjay Shah:** Right, I have taken the other way round.

**Mukesh Dhruv:** But the point is very clear that this quarter we will be very choosy and we will try to take profitable businesses, because we've actually grown as our bottom line has grown as a result. To answer your question specifically, I think the same strategy is what we will follow in the current

year. We are going to be choosy. More than focusing only on the top line, we have to focus on the bottom line, because I think that is what is beneficial to the shareholders and the stakeholders of the company.

**Sanjay Shah:**

Right. But, taking this expanded capacity into consideration of Surat as well, then how we can get that economies of scale, if you don't utilize, full utilize our capacity, by only accepting the high margin business? But, are you sure of getting good business of good margins for the full capacity?

**Mukesh Dhruv:**

We are quite confident, especially since what we have learned in the last two quarters. If you see my last two quarters, we are having the best quarter for FY in terms of profitability. The previous quarter what we had earned 5.5 crores, we thought was the highest profit for the quarter. We beat that itself in the last quarter when we had 6.3 crores for the quarter. I think what we have started doing is seeing a strong result and we should be able to continue. And as far as Surat capacity is concerned, yes, we have learnt that about 50 to 60% capacity is what we would have liked it. There is no point of running at 40% and bringing down your bottom line and just filling up the capacities where you don't earn money. It's not a question of just printing without earning margins. That's our point.

**Sanjay Shah:**

Okay sir. The current year what growth you are targeting with this business?

**Mukesh Dhruv:**

Yes, current year, this year we have closed at 200 crores, 201 crores. We will be disappointed if we don't grow at the rate of at least 25%.

**Sanjay Shah:**

25, top line?

**Mukesh Dhruv:**

25 top line.

**Sanjay Shah:**

And how about bottom line sir?

**Mukesh Dhruv:**

Almost at the same levels, that's what we hope the result to be.

**Sanjay Shah:**

At the same level, means you will concentrate on that type of business where you get that type of margins?

**Mukesh Dhruv:**

Exactly.

**Sanjay Shah:**

That is I am talking, that is average margin is around 16.6, the full year. Would we be able to improve that?

- Mukesh Dhruv:** Definitely. That is our focus, in fact.
- Sanjay Shah:** Right. Thank you Mukesh bhai, thank you very much.
- Moderator:** Thank you sir. Ladies and gentlemen, please press \* and 1 for your questions.
- First follow up question comes from Mr. Ritesh Khanna from Aadhar Securities.
- Ritesh Khanna:** Yeah, sir for this revenue growth, you are guiding a growth of 25% for FY 11. Can you break that in terms of organic and inorganic?
- Mukesh Dhruv:** I would say almost about 70 to 75% will be organic and balance 20-25% will be inorganic.
- Ritesh Khanna:** So, you also have been mentioning in your concalls that you are looking at acquisition, so any shortlisted companies that you are looking for?
- Mukesh Dhruv:** There are about 7 or 8 companies in India which are right now ready for acquisition, joint partnerships etc. We have not shortlisted anything right now. In the same way, there were companies available in Africa, actually West Africa, South Africa. We are, yes, open to that, we have not moved into that direction. But, we are actively looking at those options. But, nothing concrete has happened as of now. Moment it happens, I think all of you will be the first ones to know that.
- Ritesh Khanna:** Okay and what about your outlook on your margins?
- Mukesh Dhruv:** We are definitely expecting to be better than what we have earned this year. I just answered that to Sanjay Shah in the previous call that his question was specifically, if you are earning about 16½ for the current whole year, are we expecting that to improve? I said, yes, we will definitely improve and I answered we are expecting both top line and bottom lines to improve at least by 25%.
- Ritesh Khanna:** Okay. And can you just give me some idea about, what should we built in as our tax rate for FY 11?
- Mukesh Dhruv:** Virtually, you can say less than 2 or 3%, the reason being that, most of the profits are being earned from the SEZ plant. And we have a high amount of depreciation in our Mahape plant, in the Bombay plant. So, because of the high cost of depreciation, there will hardly be any taxable profit in the company as a total.

- Ritesh Khanna:** So, this is after including the MAT, right? This is after considering the MAT, MAT that you were talking about, this 2-3%?
- Mukesh Dhruv:** That's correct.
- Ritesh Khanna:** And could you just give a break up of your term debt please?
- Mukesh Dhruv:** Break up of?
- Ritesh Khanna:** Term loans?
- Mukesh Dhruv:** We have ECBs basically, External Commercial Borrowings.
- Ritesh Khanna:** How much is that exactly?
- Mukesh Dhruv:** Basically the entire amount is ECB. We don't have any Indian rupee loan.
- Ritesh Khanna:** And what about the hedging for the ECB?
- Mukesh Dhruv:** We have not done any hedging for the ECB, for the simple reason that our ECB, we have a natural hedge because of the exports. And the ECBs are payable after two years. So, whatever is the installment payable in every quarter, I think we are more than comfortably naturally hedge against our receipts of the US dollars.
- Ritesh Khanna:** Okay. And also recently we have seen some increase in the prices of paper pulp, now your raw material. How do you see that as a pass through for your customers and your orders?
- Mukesh Dhruv:** As I have been saying on this, our method of costing is always cost plus. So, very easily whenever the paper prices increases, it increases globally. We should be able to pass it on to our customers very comfortably. As far as our orders which are already booked and for which we are going to produce after the price increase, we are not affected much because we have price protection at least for a quarter. For example, we have catered this paper mills in India, where we have a price protection at least for a quarter. Any increases that happen, it happens after the quarter for us.
- Ritesh Khanna:** And we believe you are importing some of the newsprint as a raw material that also would be beneficial to you?

- Mukesh Dhruv:** Yes, definitely. We have imported, no, not newsprint. We do not import newsprint at all. We are not in that segment. We import normal coated paper as well as uncoated paper which would be 60 grams, 70 grams and onwards. Newsprint is something in the range of 40-45 grams. We don't import that at all.
- Ritesh Khanna:** Okay I will come back then again for more questions. Thanks.
- Moderator:** Thank you sir. Ladies and gentlemen, please press \* and 1 for your questions.
- Next question comes from Mr. Vinay Bhandari from Enam Securities.
- Vinay Bhandari:** Good afternoon sir. Good set of numbers. Sir, wanted to know at full utilization from Mahape and Surat, how much revenue could be generated sir?
- Mukesh Dhruv:** At Surat, it is fully utilized, we should do about 120 crores very comfortably.
- Vinay Bhandari:** Where sir? At Surat?
- Mukesh Dhruv:** 120 crores.
- Vinay Bhandari:** 120 from Surat?
- Mukesh Dhruv:** Surat.
- Vinay Bhandari:** And from Vashi?
- Mukesh Dhruv:** From Vashi, very comfortably between 150 to 160.
- Vinay Bhandari:** 150 to 160?
- Mukesh Dhruv:** Crores, yes.
- Vinay Bhandari:** Okay. But, previously you have shown that I think, more than that in terms of.
- Mukesh Dhruv:** Net-net, both together the capacity is roughly about 300. So, 120 and 160, that's about 280. That is a ballmark figure that was given, I remember that figure my friend, you are right. That is what I said last.
- Vinay Bhandari:** In this, if you are looking for some acquisition, what could be the ticket size in that?

- Mukesh Dhruv:** Difficult to say, Vinay at this stage. There are ticket sizes available from as low as about 10 million dollars going up to 100 million dollars. It is difficult to predict at this stage. We are quite open. And these are exciting times for people like us.
- Vinay Bhandari:** But, are we looking for some big ticket size where we would require some debt or some kind of loan?
- Mukesh Dhruv:** See, we have not decided. But just to give you a perspective, world over the printing industry is going down. Globally, especially Europe and US, the printing companies are earning operating margins in single digit which could be 2 or 3%. In India, most of the printing companies are earning operating margins in the range of 7-8-10%, which means close to almost 18-19% and we are expecting this to pick up. So, with that objective we can see a win-win situation. As I have seen in the past, printing is exactly the same stage where IT was 15 years back, before Wipro, Infosys and TCS of the world came in this world. So, we are exactly in the same stage. To take advantage of the situation, we need at least 20 Repro India Limited in this country.
- Vinay Bhandari:** Okay. Sir, you said that maximum profitability is coming from Surat plant?
- Mukesh Dhruv:** Yes. Not maximum profitability, I said the profitable business is being done from Surat quite a lot. We have the option of doing at both the plants. Surat has the advantage of the SEZ, no duties, no levies, no VAT and on top of it, no income tax.
- Vinay Bhandari:** Okay. Sir, how much ECB is outstanding now?
- Mukesh Dhruv:** As on now about 10 million dollars.
- Vinay Bhandari:** 10 million?
- Mukesh Dhruv:** Yes.
- Vinay Bhandari:** And in this year what was your foreign exchange policy in terms of, because I believe last year was very bad year for us where we booked some 16 to 17 crores of losses. But, those are only what on paper losses or what sir? But, if on paper then we could have gained in this year also, because the currency has appreciated from 48-49 levels to currently at 44-45 levels.
- Mukesh Dhruv:** Correct. Yes, definitely. Both of the points which you have made, yes, there is paper losses, as per the Accounting

Standard 11 which we have to make the provisions for. The current year those have come back to that extent, but very partly, because the current year is not moved. What you are referring is the movement which happened from Rs.38 to Rs.52. Now the currency has moved between 48 to 44. So, the movement has not been as big as what it was in the past, number one. Number two, to answer your first part of the question, our hedging policy, we put a detailed hedging policy into place, which has been approved by our entire Board of Director which includes our External Directors, which includes Dr. J. J Irani.

**Vinay Bhandari:**

No, no, right sir. But, what's your policy basically?

**Mukesh Dhruv:**

Coming to that. The policy is basically that whatever is our exports receivable in the next four quarters, we take that as the top, deduct from that all our imports, deduct from that all our imports payment, deduct from that all our ECB payments, all foreign currency payments, deduct from that all the interest foreign currency payments. The net position of that is almost about 80% or 90% of that is what we hedge. This is very a conservative forward policy.

**Vinay Bhandari:**

So, then as per that you could have made decent profit this year, because currency had moved from 50 to 44-45 over the past one year. So, where is it reflecting actually?

**Mukesh Dhruv:**

It is shown in the operating expenses only. Even last year when we incurred a loss, it was shown in the operating expenses, the way when we are incurring profit also, it's a part of the operating expenses only. It's not been shown separately. So, that is what is allowed under that.

**Vinay Bhandari:**

So, but from which expenses you have deducted that?

**Mukesh Dhruv:**

Sorry.

**Vinay Bhandari:**

You must have deducted that in from some expenses, right?

**Mukesh Dhruv:**

I think that would have gone down from the raw material cost.

**Vinay Bhandari:**

So, currently your raw material cost is approx 106 crores, if I am not mistaken, for the full year of FY 10? So, on the FOREX, if we add the FOREX, what actually could have been this?

**Mukesh Dhruv:**

This would have been almost about 6 to 7 crores more.

**Vinay Bhandari:**

So, 112 crores was the raw material cost then?

- Mukesh Dhruv:** Yes.
- Vinay Bhandari:** So, this means we have gained 6 to 7 crores on FOREX?
- Mukesh Dhruv:** Right. About 6 crores ballpark figure. I don't have the break up here Vinay; unfortunately, I can mail it to you.
- Vinay Bhandari:** Sir, what is our provisioning now on debtors like?
- Mukesh Dhruv:** Yeah, we are following the same policy which we had defined last time. In fact, you have missed that point but in the current years, we have made a provision of doubtful debts for almost 7 crores, which was not in the previous year.
- Vinay Bhandari:** Doubtful debt of 7 crores; but, any bad debts previously?
- Mukesh Dhruv:** Not really. They may not, in the global business you would get about 1% bad debt, which is a normal thing. What we have done again is put a provisioning policy which is approved by the board, dependent on the hedging policy. Based on the hedging policy, even if though the debts are very good, we are supposed to make a provision. So, we have based the provision, but we are quite confident that out of this 7 crores of provision, we are expecting 5 crores plus to come back in this year. You are not feeling well or what?
- Vinay Bhandari:** Yeah, yes sir, sorry sir. Sir, from I can assume from 7 crores, 2 crores is over 180 days?
- Mukesh Dhruv:** Yes, that's correct.
- Vinay Bhandari:** Okay. Fair enough sir. Thank you so much.
- Moderator:** Thank you sir, again a follow up question from Mr. Ritesh Khanna from Aadhar Securities.
- Ritesh Khanna:** Yeah hi, since you mentioned the focus on profitability, what are the kind of, can we expect Surat capacity to operate at optimum capacity?
- Mukesh Dhruv:** You are talking about the top line?
- Ritesh Khanna:** Yes.
- Mukesh Dhruv:** About 120 crores.
- Ritesh Khanna:** Can it operate at optimum capacity this year?

- Mukesh Dhruv:** We should, we should, definitely.
- Ritesh Khanna:** Then I think that is only strengthen your profitability then.
- Mukesh Dhruv:** That's correct.
- Ritesh Khanna:** And secondly, you mentioned ECB of 10 million dollars, at net level what's your debt free including cash?
- Mukesh Dhruv:** Yes.
- Ritesh Khanna:** Is that correct?
- Mukesh Dhruv:** Just come again.
- Ritesh Khanna:** Since you mentioned your term loan of 10 million dollars of ECB and you have got a cash of 45 crores, so we can assume that you're virtually debt free at the net level excluding the working capital.
- Mukesh Dhruv:** No, with the working capital, definitely is more. But, yes, the long term loans, if you remove the cash then against the cash they completely become zero. The long term debts can become zero. The working capital loan would still be roughly about I think, 80 crores.
- Ritesh Khanna:** Right, right thanks.
- Mukesh Dhruv:** Sorry.
- Ritesh Khanna:** Current order book.
- Mukesh Dhruv:** Current order book will be roughly about 75 to 80 crores for Q1-Q2.
- Ritesh Khanna:** Okay, for two this thing?
- Mukesh Dhruv:** Yeah.
- Ritesh Khanna:** Fine sir, thanks.
- Moderator:** Thank you sir. Ladies and gentlemen, please press \* and 1 for your questions.
- Again there is a follow up question from Mr. Ritesh Khanna from Aadhar Securities.
- Ritesh Khanna:** Sir, just one thing, could you just take us through your hedging policy once again, what exactly is the policy that the company is following now?

**Mukesh Dhruv:** The policy is that whatever export receivables or export turnover top line that we are expecting in the four quarters, we will take that for the four quarters, deduct from that all our imports of paper that we are going to do in foreign currency, deduct from that all our expenditure of foreign currency, deduct from that our ECB loan repayments and interest repayments. Whatever is the net balance, we will hedge almost 80 or 90% of that as a simple forward cover.

**Ritesh Khanna:** Okay. Thank you.

**Mukesh Dhruv:** No, no, derivative product, nothing. No fancy products.

**Moderator:** Thank you sir. Ladies and gentlemen, please press \* and 1 for your questions.

Ladies and gentlemen, please press \* and 1 for your questions.

Next follow up question comes from Mr. Vinay Bhandari from Enam Securities.

**Vinay Bhandari:** Sir, if we look at both the capacities which can give us 280 to 300 crores, so and we are looking at 25% growth rate. So, this means in the next 21 months, we could be able to achieve 300 crores of turnover. Then after, what sir?

**Mukesh Dhruv:** We have to look at acquisitions, our new CAPEXs, if you want to grow.

**Vinay Bhandari:** Okay. So, what sort of outflow would be there if we want to build a similar Surat kind of capacity or if we want to bid for similar Surat kind of capacity which can generate approx 100 to 125 crores of revenue going forward?

**Mukesh Dhruv:** We have built Surat with foreign currency loan of just 7 million dollars.

**Vinay Bhandari:** But, the next if we are looking for some acquisition, cannot become so cheap because it's in SEZ.

**Mukesh Dhruv:** I know, I know. That's why I am saying, the output is that we don't have any, we have not glued down or fixed on any one particular place right now. We are open to that my friend, we are not yet decided, that's what I am saying.

**Vinay Bhandari:** So, my question is if we want to take a similar capacity like Surat, but not in SEZ, what could be our outflow in terms of CAPEX or acquisition cost?

- Mukesh Dhruv:** In today's situation, you can consider about 10 million dollars minimum.
- Vinay Bhandari:** Okay, fine sir. Thank you so much.
- Moderator:** Thank you sir. Again there is a follow up question from Mr. Ritesh Khanna from Aadhar Securities.
- Ritesh Khanna:** Sir the question is that is there further room for capacity increase at the Surat facility?
- Mukesh Dhruv:** Just come again, Ritesh?
- Ritesh Khanna:** Is there any room left for capacity addition at Surat facility?
- Mukesh Dhruv:** Yes. We can do, what do you say, little bit of expansion there, because the building is quite occupied and we need a lot of space for the storage of the finished goods as well as the raw material. But, yes, definitely we can do about 20% of expansion there. But, I don't know whether that would be advisable at this stage. We have not thought of that. But, when we are with the situation, definitely we will look at that.
- Ritesh Khanna:** And when do you expect the acquisition, so called announcement or plans?
- Mukesh Dhruv:** Nothing. I genuinely don't know the date, because there is nothing concrete that we have firmed up right now. The moment we do something, I think it will be news to all of you.
- Ritesh Khanna:** And size is mentioned was 8 to 10 million dollars, correct?
- Mukesh Dhruv:** No, I didn't say that. The question which Vinay had asked was, that if you need to put up a facility like Surat anywhere other than Surat, what can be the approximate cost? So, I said it'll be about 10 million.
- Ritesh Khanna:** So, what is the kind of acquisition size that you are looking at in terms of revenues or cost price?
- Mukesh Dhruv:** Difficult to say anything at this stage my friend. We have not chosen anything. The moment we do something, we will inform all of you. It's too early. It's too early to say anything on that.
- Ritesh Khanna:** Okay, thanks.
- Moderator:** Thank you sir. Ladies and gentlemen, please press \* and 1 for your questions.

Next question comes from Mr. Lokesh Singhal from Citi Bank.

**Lokesh Singhal:**

Sir, is your company looking forward for some new fund raising for your CAPEX or maybe for working capital requirements in the near future?

**Mukesh Dhruv:**

Not immediate future, because our own cash generations are quite good. But, if it comes then definitely we are going to be open to that.

**Lokesh Singhal:**

Okay sir, thanks. Thank you.

**Moderator:**

Thank you sir. Ladies and gentlemen, please press \* and 1 for your questions. There are no further questions, now I hand over the floor to Mr. Mukesh Dhruv for closing comments.

**Mukesh Dhruv:**

Ladies and gentlemen and all my friends, once again thank you for joining us for this concall. It's always been a pleasure to talk to all of you. And I get a lot of intelligent questions which really helps us in keeping us on the toes. But, I would like to sum it up like this, that 2010-11 definitely looks to be better than 2009-10 for Repro India Limited. The company is in an exciting environment. And we can see a good amount of growth with a lot of potential in the years to come. We will see a different Repro India Limited in 2010-11 as compared to 2009-10. Thank you once again. Good evening and have a nice weekend.

**Moderator:**

Thank you sir. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you and have a pleasant evening.