July 29, 2026

To,

The Listing Compliance Department
BSE Limited
P. J. Towers,Dalal Street, Fort,
Mumbai – 400 001
Scrip Code – 522295

The Listing Compliance Department,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051
Symbol - CONTROLPR

Ref: Transcript of Q1FY2027 Earnings Conference Call

Sub: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement), Regulations 2015

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, read with para A of part A of Schedule III thereof, please find attached Transcript of the Conference Call with the Investors / Shareholders of Control Print Limited ('the Company') fixed through Kaptify Consulting held on **Friday, July 24, 2026 at 12:00 P.M. IST** on **Q1FY2027** of the Company**.**

Further, the said Transcript will be made available on Company's website at www.controlprint.com.

This is for your information and record.

Yours faithfully,
For **Control Print Limited**

Murli Manohar Thanvi
Digitally signed by Murli Manohar Thanvi
Date: 2026.07.29 17:31:08 +05'30'

Control Print Limited MUMBAI 400059

Murli Manohar Thanvi
Company Secretary & Compliance Officer

Place: Mumbai

Control Print Limited, C-106, Hind Saurashtra Industrial Estate, Andheri-Kurla Road, Marol Naka, Andheri (East), Mumbai 400059, India
t. +91 22 28599065 / 66938900 | **f.** +91 2228528272 | **e.** ho@controlprint.com I **w.**www.controlprint.com
CIN. L22219MH1991PLC059800
MUMBAI (Regd.Office). AHMEDABAD. BENGALURU. CHANDIGARH. CHENNAI. COLOMBO. DELHI. GUWAHATI HYDERABAD. JAMSHEDPUR. KOLKATA. NALAGARH. PUNE.

CONTROL PRINT LIMITED

Q1 FY27

POST EARNINGS CONFERENCE CALL

July 24, 2026

Management Team

Mr. Shiva Kabra - Joint Managing Director
Mr. Jaideep Barve - Chief Financial Officer

Call Coordinator

Strategy & Investor Relations Consulting

Presentation

Vinay Pandit: Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the Q1 FY 2027 Post-Earnings Conference Call of Control Print Limited. Today on the call from the management we have with us Mr. Shiva Kabra, Joint Managing Director and Mr. Jaideep Barve, Chief Financial Officer.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements, which may involve risks and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to detail us about the business and performance highlights for the quarter ended June 2026, the growth perspective vision for the coming year, post which we will open the floor for Q&A. During the Q&A session, you will have the option to put a question in the Q&A box, instead of the chat window. So over to the management team to give their opening remarks.

Jaideep Barve: Thanks, Vinay. Good afternoon, everybody. I am Jaideep Barve, the Chief Financial Officer of Control Print Limited. Welcome, everybody to the earnings conference call for the first quarter of FY 2026-2027. We appreciate that you have taken out time from your busy schedule to attend this call. Mr. Shiva Kabra, the Joint Managing Director of Control Print Limited, also joins me on this call.

For the first-time joiners, more information about our company can be obtained by visiting our website. Just for information, the detailed presentation has already been put up on our website, as well as in the investor presentation notification on the exchanges for this call. Let me provide you some highlights of the performance of CPL on a standalone basis for the first quarter. On a standalone basis, the total revenue in the first quarter is approximately ₹107 crores.

Just for information, the total revenue for the last three full financial years was ₹460 crores, ₹395 crores, ₹347 crores, and ₹295 crores respectively. Out of the total revenue, the operating revenue for the standalone financial statements is approximately ₹105 crores. This was approximately ₹100 crores in the Q1 of the previous year. Coding & Marking continues to be the most significant business segment.

It contributes about 95% of the total operating revenue. The business outlook for Coding & Marking for the next three quarters is promising. New customers are getting added to our portfolio. We are having new solutions in printers, inks, and cartridges, and we are also hopeful of improving the contribution margin. Pipes, food, dairy, cable, FMCG, steel and metal, and wood are our top-performing business verticals. We continue to be market leaders in cement, plywood, sugar, and dairy.

The business outlook remains bold for the Track & Trace division. New solutions have been developed. Acquisition of new customers is another plus point. We are getting good traction in the co-packing activities in the Packaging division. A pipeline is being generated for the laminates business as well as for the co-packaging activities. The management of this division is strengthened, and operations are more tightly controlled now.

The mask lab has now been operating as a PPE and a safety division, along with masks, hats, flash suits, helmets, gloves, blankets, etc., are also sold in this quarter. New customers are also being added. On a standalone basis, the cost of goods sold is about 42% of the operating revenue for the first quarter. This was 44% in the first quarter of the previous year. Manufacturing costs remain at 3% of the operating revenue.

This is in line with the prior periods. Depreciation is also approximately 4% of the operating revenue, which is consistent with the earlier periods. On a consolidated basis, the operating revenue is ₹115 crores in the first quarter, corresponding to ₹111 crores in the first quarter of the previous year. The cost of goods sold is approximately 43%. It was 42% in the prior year. On the overall basis, management still remains committed to improve the revenue as well as optimise the procurement costs.

We are also looking closely into the economy, efficiency, and effectiveness of the operations. This, we feel, can definitely lead to a reduction in the operating costs and increase in the profitability. The way forward for Control Print is to consolidate the Coding & Marking business. We aim to increase the installed base, provide robust solutions. Recently, an increase in the prices has also been implemented.

We would be developing new solutions and also capitalise the available market opportunities in the Track & Trace segment. We expect an increased revenue in the Packaging business, both in India and overseas, through the sale of machines, co-packaging, and laminate sales. We are also considering a distributor model for the

Packaging business. All our overseas subsidiaries will be continued to be monitored with focused growth targets. Business plans have been mandated for execution for them. With this, I leave the floor open for questions from the audience. Thank you.

Question-and-Answer Session

Moderator: Thank you. We'll now begin the question-and-answer session. All those who wish to ask a question, please use the option of raise hand. If you are unable to ask a question, raise hand, you can put your questions in the Q&A box. And I would request the participants to limit questions to two per participant. We'll take the first question from Samarth Singh. Please go ahead.

Samarth Singh: Thanks for taking my question. I just have one question. Yes, Shiva had made a statement regarding the V-Shapes business. He said it is not a demand issue, but rather an execution issue.

Jaideep Barve: Yeah, Samarth, can you please continue? Or your question is over? You said that Shiva mentioned that it's not a demand issue, but it's more of an execution issue. Is that your question?

Samarth Singh: So my question was, if you could just drill down on that in terms of the demand. If you could talk about who the potential customers are. Is it one customer, many customers? What geographies are these customers from? What industries and use cases would they be? I'm just trying to understand whether we are still trying to convince clients of the use case or there's a large market now that can be serviced, it is just a matter of executing on the same.

Shiva Kabra: Okay. Going back to the demand question. What happened is, initially, we purchased CP Italy. Obviously, everyone's very bullish about it. We increased our sales team, and we made a few sales around the co-packaging and the machines. What's happening is they didn't perform that well. We sold some stuff, but it didn't work up to the expectations, is what I would say.

Or we had to produce it in-house because our operators or the operators in CP Italy are like. This is a more finicky system. If people make one product continuously, it works well. If you make a change of products, we make multiple products, the system has to be adjusted each time. Unless you've got an operator who's willing to go through that, or a series of operators willing to go through that steep learning curve, the system is not reliable enough as of previously.

So what happened was, the point is not to sell the machines and not get the repeat business because customers feel that it's too difficult to use or sometimes the packet doesn't open perfectly 100 out of 100 times. It only opens perfectly, well, 95 out of 100 times or even worse, one packet leaks and then there's some products spilled on the rest of the packs in the same carton and so on, so you can imagine that. What we've been really focusing on is improving our own co-packaging and improving the machine so that we can meet those types of customer requirements.

And if everything runs smoothly, like I said, there are many customers who approached us, and maybe I'll also do a lot of co-packaging business. Yeah, there's a learning curve that's there. The primary market, of course, food is the biggest. It's quite price sensitive. Pharmaceutical is the best market, but it has a long gestation period, and we've got some good customers there. We've got some good cases there, but it's a longer gestation period type of business because of the qualification that goes.

I think that if you ask me, cosmetics and nutraceuticals are the two biggest target industries in terms of the fact that price is not an issue and there's a clear use case. Not only like an aesthetic benefit, but also functional benefit for those types of brands, in that they can perfectly control their dosing and so on.

Of course, there's an individual barrier for each product and so on. So what's happened is, even right now, I was at Interpack earlier this year, and there's a lot of customers interested. I just want to make sure that the product is something that is successful. Because what happens is, if you create a poor reputation in the market, and this is what happened with V-Shapes prior to our purchase. They did sell. Their peak sales in 2021, there was more than €12.5 million. What happened was that there's more than 70 machines in the market, but most of them are not running because the system was too fiddly.

Honestly, each machine is slightly different from the previous. It's very Italian thing. It's been a challenge, but we are trying to fix it. But I don't think that if we fix the issue, the problem is going to be that customers are not interested in the product. That was yesterday's. Yeah, of course. I don't know how many of you are aware of the AGM questions from yesterday. I think the question was, talking about V-Shapes, and what I see for the future of that business. I said the demand is there for that product. It's just that we're not able to execute well enough or confidently enough. Therefore, if the demand was an issue, I would agree that, yes, we need to relook at that entire investment.

If the demand is not an issue and we can see that if we can execute, there is going to be a large profitable market potential at this thing and a very big scope, then the focus right now is on improving our execution. I hope this answers the question.

Samarth Singh: Just one follow-up on that, Shiva. As of today, where we stand, we are still trying to perfect the machines, or we have sort of closed that gap now and now we just need to sort of execute in terms of sales and just getting the product out there?

Shiva Kabra: Right now, I think let's see our own internal production in India and in Italy for the co-packaging, that's quite stable because we have people. Those guys are much more trained, right? They're technicians, so they're aware of what's happening. When we sell the machine, I think if the person making a single product, I'm packing like, what? 10 grams of honey, and I'm making that same pack again and again. I think it's very stable. This is a good product. But if I'm going to change from a 10-gram pack of honey to a 20-gram pack of honey, and then I'm going to pack something else with a different viscosity of six, seven, and it's too difficult for users to do. The wastage just becomes too high. It's not like it can't be done.

It is copy but it is also because we're doing like 100 lot runs. The experience that those guys have is quite different. So that's the situation right now. Obviously, the idea is to make it that anyone can run any group at any time, and it's 100% stable. We're not through with the machine challenges, if that's what your question is.

Samarth Singh: Got you. Thank you. Thank you for that answer.

Moderator: Thank you. We'll take the next question from Mr. Saket Kapoor. Please go ahead.

Saket Kapoor: Namaskar Shivaji, Jaideep, Namaskar. And thank you, firstly for the opportunity. Just to take the conversation forward for where we left yesterday evening. Shiva, the first question is addressed to you. In continuation to what Samarth was asking, you used the phrase there that we are now moving from terrible to poor. If you could just explain, this is what you meant for the V-Shapes, this CP performance going ahead, that we still have the treating problem.

Rather, I would also frame my questions in just a more broader way. In the opening remark, Jaideep did alluded to the fact of how the performance was. Shiva, if you could just take a few minute and explain to us how our core domestic business have performed in terms of on a comparable basis.

If we exclude the one-off items, the profitability has also taken a dip. Firstly, if you could just give us some broader picture of where we stand today in the core business and then the health of the subsidiary and the way forward for us. If you could just summarise it in a more precise manner, addressing as you have addressed yesterday to your shareholders, that would suffice many points and then I will put forward my question.

Shiva Kabra: Okay, Saket. It's a very broad question. I will try to address it. Fundamentally, the difference in the profit before on a standalone basis, one is partly down to some foreign exchange gains or something or the other. There's still a slight gap after that, is what I believe. I'm not going to the exceptional items or something, because that was a one-off. Like I said clearly last year in the AGM yesterday, fundamentally nothing has really changed in the market between what I feel in the last couple of years and this year so far.

My view is that we lost maybe a few crores worth of consumer sales because of this whole Iran thing. There's been a lot of fluctuation of volume or prices. And I think that that's why the extrusion business specifically was very slow plus whatever question on El Niño and whatnot so. No excuse. I think that from whatever I see in our core Coding & Marking business standalone, we are still going to do as well, or not as well, but I don't see any major as of right now, changes as compared to what I'm seeing in the last three, four years post-COVID. I think we should be consistent in that business, at least this year and the next year, from whatever I know from our pipeline.

So, yeah, of course, on a quarter-to-quarter basis, it's difficult to predict, but by the end of the year, we would expect the core Coding & Marking business to be anywhere between that 10%, 12%, 15% growth numbers in that specific standalone Coding & Marking business. We did have a couple of cost increases. So what we've noticed is, prior to COVID, the prices for our products were very stable for all the imports. I don't know what's happening since COVID. I feel like a lot of cost increases are not temporary anymore. They've become very sticky. And suppliers are exploiting the fact that these are qualified products on our part. And we are very reluctant to change suppliers. Or for whatever reason, costs have increased.

We've been a bit slow in understanding. I mean, we're like not very aggressive in our pricing. We are a little bit more Japanese in that style, that we charge what is the correct price rather than charging what is the maximum price before you feel the pinch. So yeah, but we have had a couple of price increases. One price increase. And we had a surcharge since the Iran war began. So I think those things should get our margins back up that couple of percent maybe we've lost. So I think this covers maybe some questions on the standalone Coding & Marking business.

Now, if you can repeat the rest of the questions that you wanted to address. The way forward of what?

Saket Kapoor: I want you to address us on the status of the health of, firstly, the subsidiary companies today. What is likelihood the roadmap? Give and take, the business environment, the sentiment, and unknown factor. There is definitely a very strong and a concrete plan with which you and your team is working. And whatever can be explained to us in the most simple way, please do try to elaborate on the same rather than being only conservative on the fact that something or the other cannot be spoken. But I'm just trying to make sense of -- we as investors understanding where our company stand in terms of our investment in the subsidiary part. And how much more are we going to invest in the current year to support the operations there?

Shiva Kabra: Yeah. Again, like I said, with Markprint, we've picked up the digital printing part. We also have our own digital printing solutions in Control Print. I don't know if it's on our website. We've localised our own solutions. Part of it is, of course, using the technology we absorbed from Markprint, and we're selling these solutions actively.

So it's a big part of our business right now or our future growth strategy, and we expect to get a lot of sales. And we've already got some sales, and we expect this to be a big growth area for us going forward. So that is one of the core reasons to invest in Markprint. Markprint itself is doing well. We expect them to do better. I mean, so definitely, I expect that business to pick up further. Codeology, we've taken over the Print and Apply business, and we've localised that, and now that's product available for sale.

Someone did mention about printing on cartons, and the market for that, for printing barcodes, whether linear or 2D on cartons for supply chain tracking. That is the single biggest application globally. So out of the $7 billion or $8 billion Coding & Marking market, about 30% to 40% of it is printing on the outer cartons, both with Print and Apply or with our piezo inkjet printers. So to print barcodes and to trace them through the supply chain and use it for warehouse management. Now in India, this is not there as of yet because it's a kirana store network. I don't know if it's going to change. I don't know what's happening, because I've been working on this application for at least 15 years. I've gone to customers, like whether it's Unilever or Godrej or Procter & Gamble and God knows whoever. And it's always been interesting, but it's never been like, we need to do it.

So even though they do it abroad. So I don't know. It's normally the retail chains that specify this barcode, but I think DMart and Reliance Retail and those types of guys still don't have enough market share to enforce this on their suppliers. And the smaller suppliers anyways, like hand-based labels and other stuff like that, so that's another competition. But yeah, the Print and Apply have a lot of industry and other applications, especially in exports and other stuff. Our competitors do about ₹25 crores to ₹30 crores of Print and Apply sales each, from whatever I know. And obviously, that's something that we are missing that market entirely. So from this is obviously the base here, and we also expect that we needed to be in this market. So that was one of the main things of the Codeology acquisition. And separately, how we address the British market is something we've not super focused on, but now we're going to focus on it much more intensely.

So the third part, which is, of course, the big one, which is CP Italy. Like I said, it's been a big area for us. We have started streamlining costs. We have reduced some manpower. We are reducing some further manpower, and we're supplementing certain resources. So we've increased our sales manpower. We've reduced a lot of general purpose people in what you can call as like operations and back office, and we continue to do that. And we've increased the salespeople, and we've decreased lumps, like people in the technical team, we've increased some people in India. So there's more of a combination of work going on between India and there. And started using some more outside consultants who are experts in certain areas to help us get over some teething issues.

So like I said, I think that once the machines are, final changes are made and tested, if everything works, then I think we'll be in a much better position to execute some of the sales orders that we have and be confident that it's going to work perfectly. So I think that from all areas, I do believe that things are going smoothly. Like I said, there's differences in both those things. CP and MEA FZE is more of a sales outlet for us. And our international sales are increasing. That's doing okay. I'd say, like, we probably already going to break even this year itself and our whatever investments we made in the international businesses.

The investment, of course, has to be looked at because a lot of times for our international sales, we sell from India directly to those customers, even though those salespeople are based outside of India. So it's a bit tricky to get the exact picture, necessarily bill it through our subsidiaries.

Yeah. Overall, I'd say the packaging industry this year is more of a streamlining activity. It's more of stabilising everything, stabilising the quality, growing the sales, and being solid, and really focusing on expanding that business next year onwards. The Track & Trace business, the Q2 score of the business is where we were working on some pilot projects. We're going to get a fair idea of where those projects are in Q2, and whether our unique propositions are working as we believe they should in the market and as per the customer expectations. And we'll get a lot more visibility on that set of solutions.

Again, both like in the Packaging, in the thing, we've got like a lot of patents around all the solutions that we're delivering. So I think that if we are successful, we have like very long runway in those types of solutions.

Saket Kapoor: Only to add to it. When we say that if we will be successful, if the sales will happen, when you being leading the team, is not confident or not using the phrase, what should investors take home from the understanding? There has to be some concrete evidence of the business fundamentals that you are working on. So there should be revision upward or downward in terms of sale. But if word does not make good to us whether we are on the track or not. I'm trying to make sense and make myself understand, when you yourself leading the entire operation is using the phrase, if the sales happen. What should we take home? It can be a variation. You may say that we may be doing, say X revenue, and that may go up or down by 10% to 15%.

But if we use the phrase that whether the sales will happen, if they will happen, then we are not confident on what we are trying to sell or what we are trying to do. I'm unable to understand what exactly is being communicated. I hope, I have been able to explain my thought.

Moderator: Saketji, please rejoin the queue.

Saket Kapoor: No, I will rejoin the queue, but my message and the reply is what I'm looking for it.

Vinay Pandit: Let the management answer this question.

Saket Kapoor: Yes, let's complete. And no more further questions as of now.

Shiva Kabra: Saketji, it's a fair question. Again, my answer is that, see, I can't predict anything. We don't operate on intent, feelings, and all this other type of stuff. When I get a firm purchase order also, I don't talk about it. When I get the payment, and the job is completed and the customer signed off, that's when Control Print considers a sale and a success. So I withdrew from the Packaging business, I said that slow down on the sales, don't do all this stuff. I don't care about the losses, because first you're going to fix everything. It's going to work perfectly. Control Print is here for the next 10 years, 20 years. Past when Shiva Kabra, there's going to be some other person there. Past when Jaideep Barve is there's going to be someone else there, and we're like an institution.

And I don't care about selling machines which are not going to work perfectly. So I have to be very clear that I can only be relatively confident on the standalone Coding & Marking business. Like I said, I know that we should have a steady growth. We should be at that 60% gross margin, 30% EBIT margin on that business if I take out the investments in other parts of the business. This year, I hope, again, like I said, in the end, I'm not making the evaluation. I have worked on a product. Our team has focused on it. We have done what we think is something leading. But in the end, it's the customer who's going to decide whether he believes in this. So I think, I have to be very clear, like I mean we are shareholders, and I understand where this is coming from.

But at the end of the day, like the customers, our reputation, our technical expertise, and the development of that, our employees, like I'll have to look at all of those factors and I'll have to look at it over a longer period of time rather than saying that I need to make an immediate announcement for the comfort of shareholders. Because if I make an announcement and I don't live up to it, then I don't want us to lose credibility. I don't want us to sell machines which don't have performance, even if that helps boost sales in the short term, but helps damage my long-term reputation.

So I'll just have to repeat my thing. I don't expect the packaging to be a major contributor. I do expect that sales to improve, losses to narrow, because we are then now getting much better pickup in the co-packaging business. And the second, of course, we've also got a bigger pipeline because we've also been working on these projects for longer. That's one part of it. And I do definitely expect, like I said, we're working on some pilot trials, and there's no point working in giving to every customer in the market, because I've already got two, three key customers. They're giving me the feedback I require, making the changes. We're working with them. I don't see the point of making a lot of announcements. If I can't keep these customers happy and they're not finding some benefit in the market, then obviously my reading of what developments I need to do was incorrect.

Moderator: Thank you. We'll take the next question from Disha Sheth. Please go ahead. Disha? We'll move on to Saloni Arya. Please go ahead.

Saloni Arya: Good afternoon. So Mr. Shiva, most of the big picture and broader questions have already been asked by Saketji. I'll just get to the specific segments and specific developments. So I'll start with the Track & Trace division first. In the earlier calls and presentations, we have been updating that, we've been in negotiations with two of the large pharma companies, and it was at the final stage. So currently, what is the update on that?

Shiva Kabra: Yeah. That's what I said earlier. Right now, we've run some pilots, with a couple of machines. We are putting the stuff in the market. This is the pharmaceutical industry, I just want to explain to everyone. They are very specific. So for us to go through the IQ, DQ, PQ, and then put the product out in the market, and then they put it on a controlled supply chain. They're going to get the feedback from their controlled supply chain, some additional trials will be run, and then, these three customers will get back to us on what their final thoughts are. They're three different customers, we can have three different outcomes. We don't know.

Saloni Arya: Do we have a tentative timeline as to when we can see sales coming from this division? It's been long overdue.

Shiva Kabra: So I think that this division is already, like in the plain vanilla Track & Trace, we are already doing a certain amount of sales, maybe close to ₹20 crores or something, and we're already profitable or at least breakeven. The innovative stuff, which is what our main focus on, is underway.

Like I said, in the end, each customer has their own process and cycle, and maybe we've gone for some of the most thorough but slowest customers that are there in the thing. That's good because, honestly, there has been a lot of feedback from them. There's been a lot of improvements in development from our side. I think we're going with a far more mature product, over this 1.5 year, two year period that we're working on this.

Saloni Arya: You said ₹20 crores in this quarter we have done. Last year, I'm assuming we didn't do any…

Shiva Kabra: ₹20 crores in the last financial year. I'm sorry.

Saloni Arya: ₹20 crores in the last financial year. Okay. What about this quarter?

Shiva Kabra: Must be in a similar line. I'll have to get the exact breakup, but it would be similar, I would think.

Saloni Arya: Okay. Any specific reason that standalone business has not performed well this quarter? I know you have addressed this in terms of the cost increase and the geopolitical issues, but any specific reason for such a huge impact on standalone sales, as in the growth has not been there only this quarter?

Shiva Kabra: Like I said, I think it's partly because of Iran or the polymer prices changing. The extrusion industry is our biggest sale. The extrusion is our biggest sale, and I think because of some of those things, especially, are more cyclical. I think because maybe your price is going up and down, I think there's been a little bit of a lack or slower production in that area. I see it going back to normal right now. For whatever, like I said, over the course of the year, I'm pretty sure we're normal.

Saloni Arya: In terms of the long-term view of the business, obviously these quarterly impacts from the geopolitical issue don't matter. Now it's mattering because we have been invested so much in the subsidiaries, and that has been a pain point, basically from a top-line perspective as well as on the operational profitability. The reason I'm asking this is because, if, for example, it takes much more longer for V-Shapes and Track & Trace to pick up and the base business itself, which was giving a steady number, starts to basically dwindle a little. So I would need to understand your thought process on this as to how you are trying to balance it all out, from the operations perspective.

Shiva Kabra: So I don't think we're increasing our investments in other businesses as of right now. Like I said, I do believe that the standalone Coding & Marking business is steady, from whatever I can see, because obviously I get a lot of data and access to the CRM and other types of stuff, and of course, we have our own reviews. So we are confident of what we are going to do still this year, and there's no major market outlook. Even if we have to understand that today if I'm making, like, if I didn't get ₹5 crores out of consumable sales this quarter because it got delayed, and I got 85% margin on that, and we add that ₹5 crores and the 85%, the numbers look different. If it's pushed out to the second quarter, third quarter, to us, it doesn't make any difference, personally speaking.

So I think the standalone business is, like I said, the engine, and we are absolutely sure that that engine is not under any effect because so far people still need their date codes and batch codes and all this other type of information. Of course, like I said, there's no guarantee on anything. In the end, if the government changes the rules and regulations, even that business can be impacted. As of right now, we don't see any upcoming legislation on those areas. I think that that business it's predictable and steady, and we retain our market shares and slightly increasing, if anything, over a period of time.

Saloni Arya: We are not expecting to invest any further. We've invested around ₹65 crores in V-Shapes till date. No more investments from us? And no more cash burn expected?

Shiva Kabra: I think, the update in one of the previous meetings, we're now doing the tech transfer. So we'll be purchasing it so that all the IP is shifted to Control Print. And we have to revalue the IP in Control Print Italy. It's also going to be relevant because it's all 100% subsidiary in the sales and whatever. In a way it is like, yeah, there will be a cash element going there and the IP coming here. This is pretty much going to be the last ever infusion from what we know, for our own internal calibrations are.

Saloni Arya: Right. Because if I see this quarter's number. Just one last question and I'll get back in the queue. So if I see this quarter's numbers, the trajectory in terms of top-line from subsidiary's perspective as well as the losses that has been incurred has remained the same. Last time I met with Mr. Barve in a one-on-one meeting, so he basically specified that this year we basically have to do something about it, that V-Shapes has to pick up because a lot more cash has been invested.

Along with that, a lot of challenges have been already faced by the company in V-Shapes, like the RM is still imported and standardisation is still causing an issue. There are certain execution challenges. So just to get an overall picture on this V-Shapes part, when can we actually expect the numbers to materially improve?

Because in case of Track & Trace, the market size I assume is ₹600 crores, and whenever these things click, we'll reach a certain point. But V-Shapes is what is basically providing the company an opportunity to get to the next level. So I'm trying to understand the pain points and what specific strategies have we adopted to really overcome them and overcome them fast. So I'm sorry it's a long question, but just trying to get your perspective on this.

Shiva Kabra: So just to answer your question, obviously when we talk about V-Shapes, the idea was to focus on the team there, strengthen the marketing and sales in India. With some cross-border stuff, we made some sales. We had some good initial success, then we weren't able to sustain it because of consistency, other types of issues. So we said, we'll take a bit slow. What we've done is we've started streamlining some costs. Like I said, there's been a decrease in the number of people there. Rather there's been three or four people who've left, and we've added three or four people in sales. Maybe it's not an overall, I don't know what the numbers are, but the focus has shifted from keeping more people in operations, back office and other stuff which is not required into more into strengthening our sales and marketing network there.

We are closely interacting much more with India. We have a person that we've got in India who is basically spending a lot more time in Italy, and hopefully if he gets his Blue Card soon, he will be based there. So we've got a very sharp guy, too. So he's helping streamline all the business processes and operations there and improving the coordination between India and Italy and in the future, between North America and Taiwan and everything else like that.

So we're working very actively on that. Like I said, we are also not through with some of the streamlining of expenses and manpower, so we are also working further on that. It's not going to show a result in this year because even if, I mean, the severance pay and all, it's like about a year of salary or whatever it is.

In the end, even if you reduce your lower cost in the longer term, the expenses will still be there for this year. And like I said, I think as we are focused on improving our product execution, that's going to make a difference. We are working on the material manufacturing here. We've had some hiccup with UNNATI in the northeast, where we were making an expansion in the existing factory or facility in Guwahati, because the government has claimed that the funds have run out of that scheme.

So we are still moving ahead with our manufacturing of the materials in-house, both for consistency, but also for improving our margin sharply on the materials. We believe that is another demand obstacle. One is the consistency of the machinery, which we want to improve, and the speed and the performance.

The second part is of course, the cost per pack. Especially in the food industry, this is a bottleneck. I think step by step, we're moving forward and it's working out well. Like I said, I think I'm hoping that we see some benefits this year and definitely next year. And like I said, in the Track & Trace, what we want to do is try to do some stuff which redefines the industry into these codes and we're going to see how successful we are in not too long from now.

Moderator: Thank you. I request the participants to limit their question to one per participant. We'll take the next question from Badri Narayana Ravi. Please go ahead.

Badri Narayana Ravi: From my side, I have two questions. So can I know what is the printer sales for this quarter? If I see from last 12 quarters, our revenue top-line growth year-on-year, it's in worst case, it's 9.10%. Why it's cost 4%, this 4% growth this quarter? What is the root cause? Because it's more predictable cash flow we can expect in standalone basis. And I want to know the, what is the profitability number of our subsidiary Codeology and Markprint.

Jaideep Barve: Yeah. So Badri, I could only hear the first part very clearly. You asked about the volume of the printers which are sold in the first quarter, right? Yeah, Mr. Badri Narayana?

Moderator: Yes. His question was that.

Jaideep Barve: So we sold 574 printers in the first quarter.

Badri Narayana Ravi: Yes.

Jaideep Barve: Mr. Badri Narayana, does it answer your question? The first quarter we sold…

Badri Narayana Ravi: Yes.

Jaideep Barve: Can you just repeat? Because I could not hear the next questions properly.

Badri Narayana Ravi: Next question. If you see our last 12 quarters, our revenue growth has been consistently about 10%. This quarter's 4% on standalone basis. So what is the root cause? Because it's more a predictable business. It's a predictable business. How we are seeing next quarter, which quarter.

Jaideep Barve: Okay. An answer to your question, Mr. Badri Narayana is that, like in every business, the Q4 is the most prominent aspect of every business. Most of the sales happen in the end of March. So what happens is that the first quarter is always a little bit slower for even our kind of business. And our business was also affected by sluggish trend in the pipes and extrusion business, where most of our consumables are used. The, as a result of, like decrease in the momentum of the business in the extrusion and the pipes and the cables, the demand for the consumables was lesser because the printing didn't happen on the pipeline. But hopefully, we'll catch up with that very soon.

The business outlook for the next three quarters for the Coding & Marking is stable and we'll definitely come up with better numbers than the first quarter.

Moderator: Thank you. We'll take the next question from Vinit Thakur. Please go ahead.

Vinit Thakur: Hi. Thank you for the opportunity. I joined late, so I missed a little opening remarks. Could you shed some light why is there so margin compressions so much? And what would be our sustainable margin for this year?

Jaideep Barve: So in the Coding & Marking business, our margins have not changed much because if you look at the overall profitability and if you compare it to Q1 of the last year, for the standalone business, except for the foreign exchange fluctuations, there's not much of a change in the PBT.

So we are quite confident of, like, retaining the same trend for forthcoming year. The Q2, Q3 and Q4 business is on a positive trend. That's for us. So we are not overly bothered about it, bottom line. Our standalone coding business, the margins have remained more or less constant. But yes, there was a slight decrease in the trend in the sale of consumables in the first quarter, which I just mentioned in the prior question. Hopefully, that should have, like, that will be eased out. The last worry we would have is, the standalone business and Coding & Marking happens to be our bread and butter business, that is doing fine.

Moderator: Thank you. We'll take the next question from Raj Vyas. Please go ahead.

Raj Vyas: Yeah. Thank you. I have just two quick questions. One is that we have also mentioned that the Track & Trace segment is expected to gain strong momentum, and we have recently read some articles where the government is also agreeing to the 1,000 drug makers for this QR code thing. So just wanted to understand what is the total addressable market for the same, and where we are currently and what is our focus going ahead. This is one question. I'll ask another question if after this you answer.

Jaideep Barve: Yeah. You asked about the total addressable market or the target market for the Track & Trace. I would imagine it's about ₹500 crores to ₹550 crores. Does that answer your question, Raj?

Raj Vyas: Yeah. Where we are currently, like how much is the revenue coming for Control Print from this segment? If you can give the breakup.

Shiva Kabra: No, no. Can you repeat the question? I just gone to the bathroom.

Jaideep Barve: He was asking about the TAM for Track & Trace. I said it was ₹500 crores.

Shiva Kabra: Yeah. Right now, yes, it's about a ₹600 crores market, the Track & Trace. This is including not just the printers, but of course I'm talking about the equipment in the line and the software. It's about a ₹600 crores a year market. We were about ₹20 crores last year. And what was the rest of the question again?

Jaideep Barve: He's saying that, I mean, how are we progress and what's our market share as of now?

Shiva Kabra: So we are ₹20 crores. The market was ₹600 crores. There are going to be two different levers of growth potentially, Raj. So one is that the, like I said, we're working on some unique propositions, which will both expand the market and hopefully expand our market share, both factors. We'll find out and I'll disclose more maybe in the Q3 presentation, depending on what outcomes I'll see.

The second part of the thing is that right now the top 300 drugs were mandated carry QR codes. Some people also do it on more products, some people don't do it on many other products. The government has put out, it's right also in a discussion paper, it's not actually been fully mandated, to go from the top 300 brands to the top 1,000 brands. So the top 300 brands, about 2,000 SKUs. And if they go to the top 1,000 brands, the number of SKUs will increase. But in that discussion paper, they have also mandated the QR code for antibiotics, similar products, anti-infectives, and for psychotropic medicines, stuff like SSRIs and similar. So that would go from what is about 2,000 SKUs currently about 25,000 SKUs. It would be a significant expansion of the mandate from the government. Now this is supposed to happen over the course of two years. Right now it's still out in discussion. So there's some part where the market itself may expand. I would think that if the mandate is actually implemented, then the market will anyways go from maybe ₹600 crores to ₹1,500 crores or something anyways. And it will be a sizable market. The second part of it is, yeah, I mean like now, what is the final outcome of those regulations? I'm not completely sure. Let's see, perhaps.

Moderator: Thank you. We'll take the next question from Diya Jain. Please go ahead.

Diya Jain: Hi, what is the revenue from exports for this quarter?

Jaideep Barve: So our exports are about 4% to 5% in this quarter.

Diya Jain: Okay. This new manufacturing facility that is going to come in Assam, when is this going to be commissioned and how much revenue can we expect?

Shiva Kabra: So Diya, there's been a suspension of the incentives from the government. We have already ordered our equipment for the plastic film manufacturing for our V-Shapes. So we're still waiting for some government updates. Yeah, right now it's a little bit in limbo, because the government has suspended the scheme, so we are still waiting. We're ready with our papers and registration and everything, but since the government has suspended new units under the scheme until further notice, we are waiting for their notice.

Moderator: Thank you. We'll take the next question from Kewal Shah. Please go ahead.

Kewal Shah: Yeah. Thank you for allowing me. Basically for V-Shapes for breakeven, do we stick to breaking even the second half of FY 2027 or does it gets push back to FY 2028? If you can get clarity on that. And secondly, for the Assam CapEx, was it mainly for the co-packaging for V-Shapes or that facility will also be used for other business like Coding & Marking or anything else?

Shiva Kabra: Okay. The questions. Yeah, I think, the Packaging business as a whole would probably only break even in the first half of next year, the first half of next financial year. I don't think it'll necessarily break even in the second half of this financial year. I'll keep you posted with an update in Q2. The second part of the question was regarding the UNNATI project. So yeah, we were planning to do some Coding & Marking and some other stuff there, just to ensure a quicker outflow of incentives to us.

Right now, like I said, the whole project is a bit in limbo, so we're not sure. But yeah, it was going to be used primarily for our packaging industry, for the co-packaging and for the manufacturing of the core films that we sell.

Moderator: Thank you. We'll take the next question from Pranay Shah. Please go ahead.

Pranay Shah: Hi. Thank you for the opportunity. My question is basically on the Codeology and Markprint. In the last quarter, we said that we expect 15% to 20% growth. And looking at the standalone business, we say that there's no material change, so any change on this part of the business segment? And secondly, we had also said that some machines were not delivered due to change in the Packaging segment. So there's some change in specification. So what is the update on that side?

Shiva Kabra: So I'm not sure of the first part. I'll ask Jaideep to do it, but, yeah, we did see some revenue growth across Markprint and Codeology. The second part is, yeah, we do have a few machine orders, which we have requested some additional time for those deliveries to be made. And right now we're servicing those customers through Packaging whatever lots we can at our own facilities.

Moderator: Thank you. We'll take the next question from Raj Vyas. Please go ahead.

Raj Vyas: Yeah. Thanks for the opportunity again. So just last question with respect to, you said that, because of Iran, there were some new clients, they were deferred from buying. So what is the current status? Has the demand improved? And what are the biggest challenges where we anticipate over the next 12 to 18 months with the respect to raw material cost or competitive intensity or the execution front? Just wanted to understand this.

Shiva Kabra: Raj, just to go back. Yeah, I think there may be a little bit of uncertainty in the last two, three months of this thing. I think by June, things seem back to normal. Everyone's just like, stuff is going to happen, and business is going back to normal. Of course, there's been some recent escalations. So what happens, I think, it affects people like us because, in our Packaging business, we have some co-packaging that we have signed. Now, the raw material for the co-packaging has increased sharply, so it's negatively affected our margins. Even though, we've sort of committed to giving packs at a certain price to our customers, and we've already committed to that.

Now, the same thing happens in the industry. I think that, the issue is one of the high price and one of the low price. But when there's volatility, then I think customers get more concerned about buying materials and other stuff at a higher price. And I think that's why specifically in certain things, anyway, the margins are relatively thinner for people who are like more conversion. You're buying plastics and then you're converting them to other stuff, through extrusion or through other things. Those customers get a slightly more conservative, and I think that's probably where we saw some issues.

So I think the volatility is what is more of an effect. If I have to buy a thing at 150, and I know it's going to remain 150, that's not a problem. But if it goes from 70 to 150, and I'm like, I'll buy it at 150, it'll go back to 80, then that's a huge loss for me to carry. That's the type of thing that I can't deal with. That uncertainty causes more issues rather than the pure price per se.

And I think, like yeah, from whatever I feel is that it seems like all customers have to adjust to this, because, yeah, and go back to business as normal and I think that's what's happening.

Moderator: Thank you. We will take the question from Mr. Chirag Barasara. Please go ahead. Yes, Chirag.

Chirag Barasara: Good afternoon. My question is regarding last con call you mentioned about Track & Trace solution. One loophole was there, like a QR code can be copied by some sellers. So that problem is solved now?

Shiva Kabra: No, that problem is not solved. That is why our solution is unique, and hopefully it will solve that problem, but that problem is still very much true. So if you buy a medicine today, and even if you authenticate it with the QR code, the likelihood of it actually indicating in any seriousness whether the medicine is actually genuine or not is pretty negligible, because all smart counterfeiters do not even just copy one medicine, they batch counterfeit and, with the amount of scanning that goes on, and it's just a complicated thing, but, yeah, I would not say like the counterfeiting has been addressed in any way.

Chirag Barasara: What would the charge per QR code for any other manufacturer?

Shiva Kabra: So normally, what we do is we sell the equipment, and then, depending on the customer's preference, we would charge them on a per QR code basis and a separate charge for the line equipment, a separate AMC charge for that. That would be a percentage of the equipment that we supply them. In some cases, they pay on a line charge, including the software. So it depends from what the customer's method or the standard way that they operate. And the QR code price. Price per QR code depends on a bucket, so it depends on how many QR codes you purchase from us, and then that determines the pricing. So if it's less QR codes per line, if you have a high value but low volume product, the cost is higher. And if you have a high volume low value product, then your cost is lower. It's a slightly more complex pricing methodology which is employed.

Operator: Thank you. We'll take a question from Ashutosh Singh. Please go ahead, Ashutosh.

Ashutosh Singh: Hi. I just wanted to know like, what's your internal reference point after which you will pull the plug on these underperforming businesses, because we have been investing into these businesses for some time. I just want to understand, like at what point enough is enough and you'd rather do something else?

Shiva Kabra: So I think the QRiousCodes business is very straightforward, like it's already breakeven, if not mildly profitable. So I think that there's no reason for us to stop. That business is closely allied to our existing business also. The international business also, I feel, should be breakeven. So let's see how that goes, whether we're actually successful in growing our sales abroad. Because again, there's a lot of optionality out there, in terms of that it's the same manufacturing facility, it's the same everything. So out there, in both these cases, those benefits are there. Whatever digital printing solutions we're building around, both QRiousCodes and our core business is something that we've already sunk in a good chunk of investments, but we're going to continue with that. So I don't think our development plans are going to reduce over the next few years. We'll continue to invest in that.

Now, getting back to the large question of the somewhat less related thing, and also where, frankly, all the losses lie, which is the Packaging business. I think, like I said, the demand issue is not there. And I'm not an expert on the packaging machine manufacturing side, but I know that these are issues that we are having can be addressed. I also know that we have a lot of levers to improve margins by lowering costs as we get economies of scale in the machine manufacturing. Definitely lowering costs by making the materials in India or sourcing from elsewhere, from lower cost suppliers.

So right now we're focusing on those things. And like I said, I think that the opportunity is very big and we should try to do our best to capture that opportunity rather than focusing on pulling the plug. As of right now, if we feel that there is no path forward, then obviously we're not going to hesitate to take a tough call. But right now, the issue is that we're just not performing. It's not that the opportunity is not there.

Vinay Pandit: We'll take the last question for the day from the Q&A box. There's a question from Parag Hinde. The Ministry of Health and Family Welfare has expanded its QR code-based Track & Trace regulations under Schedule II of the Drugs Rules 1945 to cover all vaccines, anti-cancer medications, antimicrobials, and narcotics or psychotropic drugs, moving beyond the previous top 300 pharmaceutical brands. And the implementation timelines are July 1st onwards, right? So his question is, do we expect substantial growth in the Track & Trace business because of this?

Shiva Kabra: I think I've answered this question earlier, that it's going to go from about 2,000 SKUs across the top 300 brands to the top 1,000 brands. And like I said, of course, there is also those other elements like vaccines and stuff, but we're talking mainly of the antimicrobials and the psychotropic narcotics and psychotropic substances, which is like pro medicines. It'll go up to 25,000 SKUs. All of those SKUs will not have the same volumes as the top 300 brands.

But like I said, that should expand the market from, accordingly, from ₹500 crores to ₹600 crores to maybe even ₹1,500 crores. But the issue is that, right now, maybe my information needs to be updated, but I think it's still a discussion paper that's out there. They're still taking feedback from the industry. My past experience has been that the industry does not like any regulation, and they may lobby against this regulation or tie unit down.

So right now, there's still a discussion that's been put out there, and feedback is still coming in from various people in the supply chain like us or customers, and whoever else is involved. Maybe they consulted doctors and hospitals and other types of chemists and so on also. So right now, they're getting feedback from the relevant chain around this. And if everything is true, there'll be a two-phase implementation, one of which is pertaining to July 1st of next year, and one to another year down the line.

But right now, to my knowledge, it's not being enforced. And I can assure you that it definitely won't happen till July 1st of this year. It's won't happen for July, but it's still in discussion. Let's wait to see what the final outcome is. I don't like to comment on government regulation, which is not completely announced.

Moderator: Thank you. Since that was the last question, would you like to give any closing comments?

Shiva Kabra: Yeah, I want to thank everyone for all the questions. I understand a lot of concerns around losses and other types of things, like I said. I can understand everyone being very sceptical also. I appreciate that. We appreciate that feedback. And we hope to come back with better news. But the message is that the core business is steady and we are definitely working aggressively on all the other areas and trying to take those businesses forward and get them standing where they should be, and make them real contributors.

Jaideep Barve: Yeah, thank you, everybody, for the time during this call. And we look forward to your support and cooperation for the rest of the year. Thanks.

Moderator: Thank you. Thank you to the management team, and thank you to all the participants for joining on this call. This brings us to the end of this conference call. Thank you.

Shiva Kabra: Thank you.

Moderator: Thank you.