November 03, 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 Q2FY2027 Earnings Conference Call

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

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 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 **Thursday, October 29, 2026 at 02:00 P.M. IST for Q2FY2027** 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: 2026.11.03 16:06:03 +05'30'

Control Print Limited MUMBAI 400059

Murli Manohar Thanvi
Company Secretary & Compliance Officer

Place: Mumbai

Control Print Limited

Q2 & H1 FY27

POST EARNINGS CONFERENCE CALL

October 29, 2026 02:00 PM IST

Management Team

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

Call Coordinator

KAPTIFY®

Strategy & Investor Relations Consulting

Presentation

Vinay Pandit: Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations Team, I welcome you all to the Q2 and H1 FY27 Post Earnings Conference Call of Control Print Limited. Today on the call from the management team 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 risk and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to brief us about the business and performance highlights for the period ended September 2026, the growth perspective and vision for the coming year, post which we will open the floor for Q&A. Over to the management team.

Jaideep Barve: Hello, hi, good afternoon everybody. I am Jaideep Barve, the CFO of Control Print Limited. Welcome all of you to the earnings conference call for the second quarter of the financial year '26-'27. We appreciate that you have taken out time from your busy schedule. Thanks a lot for this. Mr. Shiva Kabra, the Joint Managing Director of Control Print Limited, also joins me on this call.

For the first time joiners on the earnings call, more information about our company can be obtained by visiting our website. For information, the detailed presentations have already been put up on our website as well as in the investor presentation notification on the exchanges for this call.

Now let me provide you some highlights of the performance of Control Print Limited on a standalone basis for the quarter 2 of FY26-'27. Revenues: on a standalone basis, the total revenue in the quarter 2 of FY26-'27 is approximately INR 134 crores. As of H1 for this year, it is INR 241 crores. Just for information, the comparative figures for the total revenue for FY25-'26, '24-'25 and '23-'24 are INR 460 crores, INR 395 crores and INR 347 crores respectively.

Regarding the operating revenue, on a standalone basis, it is INR 131 crores in the Q2 of FY26-'27. As of H1, this is INR 235 crores. Just for comparison basis, this was approximately INR 100 crores in Q2 of the previous year and INR 202 crores in H1 of previous year.

Coding and marking continues to be the most significant business segment. It contributes approximately 94% to 95% of the total operating revenue. The business outlook for the coding and marking segment for the next half is exciting. With new customer base getting added to our portfolio, we are also in the midst of development in new technologies in printers, inks and cartridges. Furthermore, we are hopeful of improving the contribution margin. This particular segment has seen a steady growth. Pipes, food, dairy, cable, wire, FMCG, steel and wood continue to be our top performing verticals. We are one of the market leaders in cement, plywood, sugar and dairy.

The business outlook for our Track & Trace division for FY26-'27 is very positive. We continue to develop new solutions. We have also acquired new customers. We are getting some good traction in the co-packing activities in the packaging division. A pipeline is being generated for the new machines, for the laminates basis as well as the co-packing activities. The management of this division is being strengthened and operations are being more tightly controlled now.

On a standalone basis, the cost of goods sold is about 41.65% of the operating revenue for the quarter 2. On comparison to the previous quarter, this was 42.32% of the operating revenue. Manufacturing costs are approximately 2.26% of the operating revenue. This is in line with the earlier periods. Employee costs are 17% of the operating revenue Q2 of FY26-'27. Comparative period in previous year, it was approximately 18% and for the entire FY25-'26, it was 19%. Depreciation is approximately 3.5% of the operating revenue. This remains in line with the previous years. Other expenses are approximately 15% of the operating revenue. Comparative period in previous year and the entire FY25-'26, it was about 13% of the operating revenue.

On a consolidated basis, the operating revenue is about INR 144 crores in Q2 of FY26-'27. Correspondingly, in the Q2 of FY25-'26, it was INR 112 crores. The cost of goods sold is 44% of the operating revenue. Compared to the Q2 of FY25-'26, it was about 40%. Manufacturing costs remain about 2% to 3% of the operating revenue. These are in line with the prior periods.

Employee benefit costs are approximately 20% of the operating revenue. Depreciation is approximately 3.5% of the operating revenue in Q2, which remains in line with the prior periods. Other expenses are 14% of operating revenue in Q2. Management focus will be now on

increasing the revenue for the overseas subsidies. Obviously, we will also optimize costs in these overseas subsidies.

On an overall basis, the management remains committed to optimize procurement costs and also look closely into the economy, efficiency and effectiveness of operations. This we feel can definitely lead to further reduction in operating costs and increase in profitability. The way forward for our company, we shall consolidate the coding and marking business, we will increase the install base, we will provide more and robust solutions. We have already implemented certain price increase. With reduction in input costs and overheads, we feel that our profitability will definitely improve.

The Track & Trace segment is looking very positive. There are opportunities in the domestic market as well as international market. We aim to capitalize these opportunities by focusing on better marketing and sales strategies. We have got a good pipeline of orders and delivery will be in the next two quarters. We expect to increase revenue in the packaging business both in India as well as overseas. However, as I said earlier, we will focus more and closely with the overseas subsidiaries. We have given the business plans and we have mandated strictly for the execution. The floor now opens for questions from the audience. Thank you so much.

Moderator: Thank you. [Operator Instructions]. We will take the first question from Mr. Madhu Rathi. Please go ahead.

Madhu Rathi: Thank you for the opportunity. Sir, firstly, I wanted to understand regarding this consistent delay in breaking even the V-Shapes subsidiary. So, what is happening? If you can help us understand, every quarter you mentioned that it will get breakeven in maybe next one or two quarters and then it gets postponed. So, if you can help us understand at what level of investments or losses do we expect to stop these subsidiaries or close these operations down, if you can help us understand.

Jaideep Barve: Yes, Madhu Rathi ji, your question was that quarter on quarter the V-Shapes business, you would like to understand what's exactly going and when exactly you feel the management would take a decision on the V-Shapes business. Is that right? Yes, Madhu ji. Yes, Vinay, are you audible?

Moderator: Yes, yes, sir.

Jaideep Barve: Yeah, yeah.

Moderator: So, we will move on to the next participant, Kewal Shah.

Shiva Kabra: Do you want to answer this question or are we just waiting for a confirmation? What is it exactly?

Jaideep Barve: No, we can answer the question because he still raised his hand.

Shiva Kabra: No, so, Madhu ji, I think we have been very clear that so far we are more of an execution issue, or there's no demand issue and the scope of this business is extremely large. So, if we need to keep investing in development, from my own perspective, I'm happy. If this is -- the more difficult this is, the bigger our moat is if anyone else wants to -- obviously, have a patent for, but in terms of the actual practical copying ability, it becomes more difficult.

So, normally it may seem counterintuitive to most people, but we like businesses which are very difficult to develop rather than easy stuff we can get in and then there can be like four competitors in it in no time and it's a me-too solution. So, the demand for this product is there. Our execution capability leaves a lot to be desired, but things are improving. So I know that it's not showing up in the numbers, but in terms of where we should be, or where we were, versus where we should be, we are definitely down that road and improving on a year-to-year, quarter-to-quarter basis. So, there is progress happening for sure.

We are well aware of the sort of return on investment and the rest of the aspect, but like I said, right now, we believe that it's still going to be very lucrative investment for us.

Madhu Rathi: So, Mr. Kabra, if it is really such a great business, then it should show in the numbers because, I mean, there has to be some endgame. I mean, okay, that this is the duration within which, if it does not turn around, that we will think about divesting or shutting down, or it is like a government company that no matter how much loss is there, it will just keep on going on and on.

Shiva Kabra: Well, no, Madhu ji, I think you are thinking of the wrong analogies out here. I think that, like I said in previous calls, to me, someone like TCS or Infosys has run their business poorly because they missed the SaaS opportunity, they missed the opportunity -- they have not developed a product software like SAP or Oracle or something, or even SolidWorks or any of these other types of things. They missed the AI opportunity,

they missed other things. Now, in Control Print, we are taking a conscious decision that we want to invest. We are looking at long-term technology investments, and we want to have IP-protected products. So, I am just giving some examples, suppose there is Shelly Engineering or something with their injectable pen or something.

I don't know if it developed overnight, but if I look at Wockhardt, for example, the same situation happened where they spent years on new chemical entity development, and it took a long time. Of course, we are not doing things at that scale, I have to say, but we are following a very specific sort of thought process where we want to get products which have a high level of IP and a certain moat around them. We are not in the wonderful companies like Cosmo, Polyplex, or Max Speciality, Toppan now. In this type of packaging business also, a Parkinson's, but those guys have a different type of USP, where it's about a certain type of manufacturing, and they are able to scale it up, and they can make those relatively low-margin cyclical type businesses work. And that's all credit to them. But that's not what our core identity is. Do you understand what I am saying?

We have got a business which is mature, which is generating cash, and we are sure running extremely well. We want to build three more businesses, one is of course an international aspect of our business, one is the Track & Trace or the QRiousCodes business, and the third is the packaging business. And we are willing to invest in these businesses and create a sustainable, long-term, high-margin, or a high return on capital employee type of business as a result. So that's the way we look at it. We don't look at it as we are wasting money or we are doing something.

The question is that, is there a technology that's there? Is that technology going to have a big return? So today, I mean, by some logic, why should people have invested in the cloud? When Amazon or Microsoft was doing it, I think the way the American investors thought about it was very different. Today, people are investing in AI. From what I can see, there's Anthropic and Claude, and whatever these other companies are, OpenAI, I don't even know anything. But they're all burning money left, right, and centre. But obviously, there is a certain thought that they have, that in the end, they're going to create a long-term franchise or something like that. Even Facebook was burning money for years and years and years before they became profitable.

But they were thinking with a different type of viewpoint that the first thing was to create a business which had a strong moat. And obviously,

there was a network effect. So I'm trying to say like there are different thoughts everywhere. And if you're looking at a technology investment, I have to think differently. That's the way I look at it. I look very differently in the coding and marketing business, which is also a technology business, but it's mature. And we're seeing the results of that type of business. And I have the option to create two or three businesses, which are going to be bigger and maybe give better returns than this business. And if it's going to take a bit of time and effort, it's going to be there. Even in the Track & Trace business, we've invested more than a INR 100 crores already so far over the last six years. It's just that you don't see it because that's part of the Control Grid standalone. That's all it is. But if someone says that, did we do a wrong decision? I'll say, no, it's going to have its payoff. And the product we're trying to develop is differentiated.

So I'm taking a little time for this answer because I think the same thing might happen to some other participants. And I want to be very clear again, that this is a technology development process. It's a bit more difficult in terms of timelines, in terms of optimization, in terms of doing pilots, in terms of many other factors. But in the end, if you are successful, you're going to create something which is going to have an outsized long-term moat, which can generate like, according to me, good value for shareholders. I hope that answers that question.

Moderator: Thank you. Now, our next participant is Mr. Kewal Shah. Kewal, you can go ahead.

Kewal Shah: Hello. Yeah. Thank you for the opportunity. So, sir, if I look at, say, the losses coming from subsidiaries on the PBT level, for the March quarter, it was around INR 12 crores, June quarter around INR 8 crores, and September this quarter, it was around INR 5 crores. So this reduction in losses from subsidiaries, is it like a structural thing or still there can be lumpiness and maybe next quarter it can further increase? So just wanted some more detail on this.

Shiva Kabra: So fundamentally, we believe that the trend is in the correct direction. But of course, quarter to quarter, there'll be variations. Sometimes especially in smaller businesses, when we book a couple of big sales or certain other things, it bumps it up and takes it down. But yeah, the overall trend is to constantly reduce those, I mean, or improve the business, improve the sales and improve the business. So it's in the right direction. But of course, from quarter to quarter, even a half year to half year basis, there'll be some variations for sure, a positive or negative.

Moderator: Thank you, Kewal. So we'll take the next question from Mr. Saket Kapoor. Saket, you can go ahead, please.

Saket Kapoor: Yeah. Namaskar, Shiva sir. Namaskar, Jaideep ji. Hope I'm audible.

Jaideep Barve: Yeah, yeah. Namaste.

Saket Kapoor: Sir, Jaideep ji, in your opening remark, you were alluding to some new business assignment and also something about the consumable part, which will happen in the later half of the year. So can you elaborate further on your opening remark, firstly, on our main coding and marking business?

Jaideep Barve: So, Saket ji, like I said, what I said is that we continue to do a lot of development in our consumable things as well as the printers. So we develop new solutions for our customers and they are actually very high value propositions. So we are very upbeat about that and that should bring good results for the company. We can't openly say about what exactly we are doing it, but we are definitely doing some innovations in whatever products we offer to the customers.

Shiva Kabra: And in the coding and marking business, when we do those types of things, it gives us more operating leverage, relatively speaking.

Moderator: Saket?

Saket Kapoor: Yes, sir. Yeah, yeah, yeah. Actually, there was a background noise, so I just muted myself. So, sir, if we take the EBITDA margin trajectory, sir, what should be that sustainable number? And now with the contribution and the operating leverage to kick in going ahead, how should our core business going to perform for, say, how does the outlook for H2 looks currently? And secondly, sir, as the earlier participant also mentioned about the way forward for our contribution from the foreign subsidiaries, if you could just elaborate to us what kind of business environment is currently shaping up and what is our preparation for improving, firstly, lowering the losses and then improving the performance of our investments, which we have made in the foreign subsidiaries. So just a ballpark thought process would suffice. And third question also, if you allow, sir.

Shiva Kabra: If I just can take one question at a time, before you come to the next question. So your first question, we normally target in our core coding and marking business a 60% gross profitability. This is including direct expenses like warranty, wastage, royalty and stuff. It doesn't include

R&D and certain other expenses. So it's our own definition of what we believe is a gross profit margin number. So we target about 60% gross profit and about 30% EBIT.

Of course, in our case, there's no real interest in all this other stuff. It comes to the same thing. That's in the core coding and marking business only. Then, of course, there are investments that we make in other developments and opportunities and other types of stuff. And that reduces the EBIT margin a bit. The depreciation, I don't think it's very major in our case, but I'm not sure. So that's sort of a rough target for our core businesses and that's sort of a target what we would have for our future businesses.

Kewal Shah: Yeah.

Shiva Kabra: So as far as the second half goes, I think the first quarter was a little bit off. I think it was mainly because of the Iran fiasco and all of that. It's still there. Obviously, nobody can predict because these things are still going up and down. It's not a closed issue. But I think, assuming there's no downward surprises, I think that we should be able to maintain a good performance. Like I said, the coding business itself is steady. And I'm expecting -- we're expecting that some of the QRiousCodes pilots are coming to a conclusion. And hopefully, I mean, you'll have some positive news, some negative news, but it'll be one way or the other, it'll be concluded. And we'll be able to have an idea of what's happening of that. And on the V-Shapes business, the development is progressing. I don't think you'll see like major numbers between now and Q4 for V-Shapes like in the end of this year. But in terms of the development of our platform and the gaps that were there, we're addressing those gaps pretty steadily. The international business is developing steadily, and I think we've got the right type of structure in place for that, which can hopefully scale up in the next financial year.

Moderator: Thank you. Now, we'll take next question from Mr. Praneeth Bommisetti. You can go ahead.

Praneeth Bommisetti: Hi, sir. Thank you for the opportunity. So first, I like to, I'm fairly new to the company. So I'm going to ask a few basic questions, don't mind me. So I wanted to understand since the inception for Control Print, what exactly happened that got built the company today, in terms of technology and industry, let's say if you were to segment it into two decades or the last two decades, what exactly happened and how did we start and what changed the industry that we are here today? Could you

just give a broad sense on what happened and what do you think is going to happen in terms of industry and the company?

Jaideep Barve: Mr. Praneeth, you asked a very, very wide and open question. But I'll just try to summarize. See, we started off in 1991. We are into the niche coding and marking segment. When we say coding and marking segment, we do the variable form of printing, which is the date code, the batch code, the price, the QR, etc. Till date, we've got two manufacturing facilities in India. We've got 12 offices in India. We've got a branch in Sri Lanka. We've got subsidiaries in Netherlands, Italy, the UK, as well as in the UAE.

And we in the domestic market of coding and marking, we are an Oligopoly. So we along with the other three players, we dominate about 80% of the domestic coding and marking. So our business is basically sale of printers, sale of consumables, providing spares and also engaging in after sales, annual maintenance services. So that answers the question in a nutshell. Does it help you?

Praneeth Bommisetti: Yes, sir. Yes, sir. Got it. So I'll just ask deeper questions. So coming to the international subsidies, could you explain the idea on why the management chose to go that way? Was it only technology or was it the demand also? That Indian demand has been plateauing. That's the reason we had to go out.

Shiva Kabra: No, so I think there's three very different or four very different specific lines of business here. Just like the same way coding and marking is a specific niche. Like you said, there's one area where we started setting up international operations. There's a CPL MEA, in Sri Lanka. That was a bit of a fiasco because Sri Lanka had its own issues. But now it's profitable and it's working well. And one to others also. So we are doing well in our international business. We've tried to get the right structure in place so that we can scale it up and leverage the control print knowledge and base that we have here.

That's one part of it. That's the most straightforward part. That's an extension of our coding and marking business. But not a broad-based targeting like what we do in Control Print in India, where we are there everywhere for everything. But much more specific applications, specific opportunities or industries where we have a genuine technology edge compared to our competition. And therefore we're giving outsized value.

Otherwise, to be honest, we prefer the large local supplier in most cases. And we're not a price competitor. The second part of the business, which is the QRiousCodes, is the Track & Trace. It's a software logistics type of a business. And that is something which we acquired about six years ago. We took on a team. We didn't buy the business. We bought the assets, so to say. And the people. The main assets were the people.

And we've been working on that since about six years. And really sort of doing a more integrated development between that team, our own printing team and some stuff that we've taken from Markprint. And some camera and development work, which this team itself has done. So it's a combination of various things, as an integrated solution for the customer. And like I said, I think we've got some specialties out there, which we are not able to discuss as of right now. We've got a couple of pilots going on. We're seeing what the outcome is of that at the end of the day. And yeah, so that's a that's a sort of separate business. It's more definitely pharmaceutical is the main target area there because it's regulatory compliance there. But pretty much anyone who needs traceability through their supply chain or anti-counterfeit solutions, other types of intelligence that they want in their logistics solutions could be a customer of ours.

The third business, which is V-Shapes is a specific packaging solution. So, again, Markprint and V-Shapes and Codeology were all like technology acquisitions. V-Shapes was a certain set of patents. We are buying around a packaging concept, a packaging machine concept for a single snap mono dose. And yeah, it's an evolution of the Mitsubishi packaging DISPEN PAK, which is available in Japan and with some significant benefits.

And like I said, we've got a patent moat. The only thing is that the actual, you can say, the actual performance of the machine and the cost element needs to be improved further. And that's what we're working on right now. And so that's taking more time than what we expected, because we've understood a lot of issues, a lot of replacement of the team people out there. But all three acquisitions are fundamentally in Europe with technology acquisitions. MEA, which is our own subsidiary, is fundamentally a geographical expansion. And Sri Lanka has been around for a long time. And yeah, that was the first geographical expansion that Control Print did.

So that sort of covers, I think, pretty much all the subsidiaries and everything.

Jaideep Barve: Yeah, it does.

Shiva Kabra: Yeah, I think so you get an idea. So yeah, they were basically technology acquisitions, but at least especially for the packaging business, we intend to be a global player. And for even the QRiousCodes business, we'll be exploring international opportunities once we get these pilots and everything. If we see how successful we are out here, we'll take that call. Again, I want to be very clear, we have like a ring of patents in that business also. So even that's a sort of protected business, so to say, with our IP layer that we've created around it. Otherwise, we may or may not have been that interested in that specific opportunity.

Moderator: Okay, we'll take the next question from Mr. Samad Singh. Samad, you can go ahead.

Samad Singh: Yeah, good afternoon. Thanks for the opportunity. So Shiva, just on V-Shapes, I think last time you had mentioned that we're working on, I think three aspects, three or four aspects. One was on machine reliability. The other was getting the raw material costs down. The third one was just bringing down the costs in the Italian subsidiary and sort of moving that to strengthen the sales team. And then finally, working on sales growth via co-packing and laminate sales pipeline. So could you -- if you could just get into more details on all these aspects and what the progress has been, that would be great.

Shiva Kabra: So going, okay, so the first thing I'm going to start with what we've done. So if I look at V-Shapes originally, we've got about our cost basis down by about 25% from what it was originally out there, which is why some of the losses have been reducing. We have replaced, so I think from the original people that were there, like I think anywhere between 65% to maybe 70% of the staff is not there. So we've replaced them with better people. Because that was the first thing which we understood that it's not like the people weren't there. There's some really smart people there, but there's also like a lot of people who are just not at a Control Print level, let's put it that way, either an attitude or just an aptitude. So, you know, a lot of people were replaced. It's a bit difficult in Italy. So it was a bit of a lengthy process because everyone's contracts have to be bought out if they don't resign by themselves and they don't find something by themselves, because sometimes to identify and that whole thing. So we have got new people, almost everyone's on contract. So we have a lot more flexibility.

We use a lot more outside consultants now, rather than trying to do everything in-house. So I think there's been some fundamental structural changes where the average productivity per employee and the quality of the employees improve significantly. And like I said, a lot of the excess has been taken out and the sales team has been boosted, which was zero people, has three pretty good people right now. So that is a fundamental sort of change in terms of the management, the structure and the other stuff. There's still a lot of stuff to be desired. They're still not on our SAP. They still have like different types of -- I mean, they're slower in many ways and not as their quality control and structure and stuff is being built up the way it should be. But these are like big projects because to go and implement our SAP, there's like a task. So we don't know how to do it without stopping everything else for like three or four months. And I know we don't have that type of option.

So some stuff that needs to be changed, but a certain amount of improvement that's been done, which is there. The second aspect is you were talking about the machine specifically. So yeah, a lot of issues in the machines have been identified. I think a lot of them are just stuff where changes happen and they released them without really improving upon it. So a lot of stuff is very basic, ensuring that the drawings are absolutely perfect with the machines that are being built. We've got some specific analysis of where we are finding breakdowns in the machine or inconsistencies, especially which affect the end customer. That's our priority. So that in terms of -- and that's where we've been working upon in terms of fixing it.

So we've covered a bunch of designs in terms of fixes. Now we're trying to retrofit those fixes. And then we have a second project. So when we're doing the retrofit, we'll find out probably by the end of this year, not before that, maybe the actual test will happen in January, whether the retrofits are completely successful. But we expect to improve get to a 70%, 80% level of what we should be. Maybe we are like 30% right now.

The third thing that we've done is, we are also, of course, developing that when we take the next set of machines that we have to sell we have more flexibility because there are also a lot of retrofits. So we can make some adjustments in terms of the design of the machine itself without restarting the machine from scratch. So that's a project that's going on. And our target is to finish that in January or February. So we have a blueprint for the next sets of machines that we will make. And the whole way we develop it is changed, like everything is modelled first, we're

checking it all in the software, everything is in a different way. Then only, when we see it on the software, we see how it works and solid works or whatever these guys use. Then only we move to the next level and so on. So that covers the machine developments.

Then coming to the materials, I'm not sure how many of you are aware, we had a Unnati project in Guwahati, but -- it's a bit of in Assam. It's been a little bit of a fiasco because they claim that the incentive has run out. So the program has not been stopped, but it's been suspended and we're a little bit in limbo. Now, we have ordered some machines and they are going to be ready for commissioning or testing soon. So we have to take delivery of them. So right now, in fact, right after this call, I'm going to the factory and I'm also going here. So we've got like two different locations that we've identified in a temporary manufacturing setup. And hopefully that should reduce the cost of the materials, but also give us a lot more consistency and control over the manufacturing. So that was the third point. There was a fourth question you also had, please remind me on this one.

Jaideep Barve: Increase in sales, how to increase sales?

Shiva Kabra: Yeah, so the sales part is a bit different in that we have some good projects. We just need to streamline the first other parts to be able to really step on the gas. Like I said, I'm not that type of person. I'm not that type of company that would really focus on. So we've got limited projects that we're doing. We will not go out and bombard the market and take on a lot of projects until we feel that we can scale up without having a lot of issues. Otherwise we're going to multiply the issues because we don't have that level of service and team. And these machines are going all over the place. So it's a little bit of an issue.

Jaideep Barve: Co-packing?

Shiva Kabra: Yeah, so the co-packing business is going well. That's not a problem. I think that's definitely progressing and we've got like regular orders for that.

Moderator: Samad? We'll take next questions from Mr. Jayesh Gandhi. You can go ahead.

Jayesh Gandhi: Am I audible?

Jaideep Barve: Yeah, you are.

Jayesh Gandhi: So my question is relating to Track & Trace. When I'm going through your presentation, it says that there is expected to, I mean, this segment is expected to gain strong momentum. Can you just explain in little detail how are we positioning ourselves here for next two, three years? I mean, what can be the size of opportunity here and what will be our market share? And one specifically is, is there any deadline for pharmaceuticals also to be included in this from government?

Shiva Kabra: So should I answer this question or is there anything else left to that?

Jayesh Gandhi: Sorry?

Shiva Kabra: Is there anything that you want to add?

Jayesh Gandhi: No, that's it. This is the only question I have.

Shiva Kabra: So now continuing with the regulatory part, the government had mandated 300 brands in India to implement the full Track & Trace. And so 300 brands have started, of which of course we are servicing some. Then they've come up with a mandate, I think sometime in 2027, it will be August, it will be September, but I'm not sure, where they have to implement on the top 1,000 brands of India. There is a third mandate, which is all anti-infectives, which will cover like your antibiotics, antivirals, all those other types of stuff. Vaccines and any type of medicine which has psychotropic or narcotic type properties would also come under these regulations. I think psychotropics and narcotics is also going to happen in 2027. And the anti-infectives, antibiotics, vaccines and stuff will happen in 2028. I'm not sure of the dates exactly, so take it with a pinch of salt, but 2027-2028 will be two big deadlines, because the number of SKUs and brands coming under this purview of the government will increase quite substantially in scope beyond the existing 300 brands.

So what's happening is there's been a change in thinking of a lot of large customers, where they feel that rather than focusing on putting on three lines in the 300 brands, they feel that now the government is increasing the scope of it constantly. So if I have 20 manufacturing lines and anyways 10 to 11 are covered, they're like, just implement it across the board, because slowly or the other, it's going to come across every single SKU, is what their belief is. And it doesn't make sense to go for differentiated solutions.

Now the second thing is, we've obviously been working on a specific implementation of the Track & Trace, combining some technology

taken from Markprint, developing upon that now in digital printers manufactured here, combining that with some pretty advanced software from our Track & Trace team, the QRiousCodes team that we bought out. And we've been working on this for like six years now, and we've been doing some pilots for about a year and something, like I said with two -- top 10 or top 5 Indian customers. Now we are coming to the end game of those pilots, and we are going to get a feedback of how exactly the field performance is. So we are targeting a certain percentage rate. We're going to see what we achieve in reality, and where the gaps if any are, or is our solution ready to go, because obviously there's been many iterations we've done in the meanwhile.

So we are waiting for this thing to happen. And we believe that there will be a significant anti-counterfeiting, anti-duplication, several other benefits to our solution, in addition to obviously meeting all the government norms, and there are other types of tertiary benefits that we provide. So I can't give too much beyond this, because we are under NDA with the companies we are working with, and the project is still in the pilot stage, or the development stage. If it's one way or the other, if it's successful or unsuccessful, I can then request whether I can disclose this, and then I can decide whether I can talk about it at all or not, because till then we are restricted, we can't discuss this. I hope you understand, we can't discuss any specifics.

Jayesh Gandhi: I got it, sir. Sir I just wanted to understand what can be an opportunity size in say '28 or '29? Is it going to be larger than INR 200 crores, INR 300 crores for a company?

Shiva Kabra: Right now the market is about INR 600-something crores, INR 600 crores, INR 700 crores. But like I said, out of which ACG, and Jackson, Cornot, and then there's Prophasis, there's a whole bunch including us, we also do like a INR 20-odd crore business even today. So this is a market between INR 600 crore max INR 700 crore something right now today. But yeah, it's growing. Like I said, see, this is a government legislated type business. If the government doesn't change the rules, the market might not grow that fast.

If the government is implementing on the top thousand, because it's already been gazetted. Okay, so what I'm talking about and these new SKUs coming has been gazetted. So obviously that's going to increase the market size significantly. Then if people want to go for a solution like ours, it's more expensive because there's more features and more things. And that would increase the market size. So it depends on what you want to do.

So if you want to do plain vanilla, it's a INR 600 crore market on the top 300 brands, plus certain other export and other SKUs which come in and so on. It's difficult for me to estimate what will happen when it goes to a thousand brands and all the other SKUs, but I would say that would increase the size of the market for sure.

Moderator: Thank you. Now we'll take next question from Mr. Parag Hemdev. Parag, you can go ahead.

Parag Hemdev: Hello, sir. Good afternoon. Sir I had two questions. One question was with respect to the latest FSSAI issues which are going on for the food industry. So what I understand that the unorganized guys have to also give packaging dates and other things. So are we seeing any traction because of the FSSAI mandate that the food industry calls for more like a Track & Trace or maybe like your coding business, which is there. So do they require help from companies like Control Print? Number one is that. Number two question--

Shiva Kabra: Can I answer that question?

Parag Hemdev: Yeah. Yeah.

Shiva Kabra: So first, we are not seeing anything much in the market. So I don't think this is gazetted or 100% done as yet from what I know, because normally we check if there's a proposal, but what matters is, has it come to gazette, which means also regulation. So that's sort of the specific aspect that's there. The second thing is, in general and I'm not saying it's 100%, but I would say like 99.99% Control Print is focused on the largest customers for the most complex needs and the highest speed production lines and the highest productivity. So we are like even between VideoJet, Domino, Markem-Imaje, like we are like, an A group player. Like we don't really -- we don't normally deal with like smaller customers.

We're like, let them start, have issues and when their business grows, they'll graduate to us sort of approach. So we will not see that much of a pickup this way. But so far from what my knowledge is, I've not seen it on the gazettes. We normally track this type of thing. We're just keeping you posted on that. Now you had another question, please.

Parag Hemdev: Yeah. And with respect to the international subsidiaries, so the profit, the losses, which were there in the FY20 was in the range of INR 20 crores and last year it was INR 36 crores. This year round, what is the

broader losses one could expect from international investments or the subsidiaries?

Shiva Kabra: But FY20, we didn't have any international subsidies.

Parag Hemdev: FY25, there was INR 20 crore kind of a loss. And last year, '25-'26, there was INR 36 crore kind of a loss on the international business.

Shiva Kabra: Yeah, like I said, we're looking more at a curve which is trending downwards, you know, and obviously the idea is not to be in a loss, the idea is to be in a profit. But like I said, right now we're still going through the investment phase, the V-Shapes, the packaging business. And we are very comfortable because we feel that this is a technology platform which will give us an outsized return for the next two decades when we get it exactly to that level we require.

But in the meantime, of course, there's nothing preventing us from growing our sales, improving our margins and doing other stuff. And like I said, we are doing some stuff. We have got some equipment where we will be manufacturing our materials. We are working on a recyclable pack. We are working on making the existing machines lower maintenance and higher reliability. So the customers who have these machines, they're getting more packs out and more consistently and so on. So, we're doing multiple things here. But we're also working on longer term, projects where we need like high speed machines and a lower cost of materials, stuff like that. So, yeah, I think, like I said, the loss is trending down. It's also like we've reduced some structural cost. But we expect that if things are positive, we expect that to keep coming down because the sales are quite frankly low. And as sales increases, it will directly feed to the bottom line out there because we don't need to add people or cost to service the sales that we're getting.

Moderator: Thank you. Now, we'll take next question from Mr. Moksh Ranka. And I request all the participants to limit the question to one participant. Moksh, you can go ahead.

Moksh Ranka: Hello. So, could you please provide a break up of like the losses we are doing in our international subsidiaries like in Markprint, Codeology and CP Italy, like segment wise?

Jaideep Barve: Segment wise or you want to know the company wise?

Moksh Ranka: Yeah, sorry, company wise.

Jaideep Barve: See, we normally we do not disclose company wise results. But then in case you would like further information that you are free to write an email to me or you can come and visit my office in Mumbai. We can share those results with you. But as a trend is clear that we are on a declining spree in case of the losses. I can just tell you one thing that Markprint is a company which gives profit year on year. So that's probably the least of the worries for us.

Middle East operations, which is CP, MEA operations, that is just recently started January 2025. And it's obviously going to pick up and we will definitely have a break even this year. Regarding the Codeology and V-Shapes business, Shiva has already mentioned twice or thrice in the call that we are closely monitoring the activities. We are optimizing the costs. And as it is evident from the results, the losses are on a declining spree as of now.

Moderator: Thank you. We will take the final question from Mr. Aryan Kadam. Aryan, you can go ahead.

Aryan Kadam: Hi, sir. I just wanted to know how you were planning to minimize the losses on your subsidiaries, especially Markprint and the other subsidiaries Codeology.

Jaideep Barve: So, Mr. Aryan, I just mentioned Markprint in essence is not a loss making company as such. Year on year, it has been giving a healthy profit, not a huge profit as compared to Control Print limited results. But Markprint is the least of the worries. It's a profitable company. So that's not an issue. The second subsidiary which we started, I mean, which is very recent start, which is in January 2025, the Middle Eastern operations, we are having a good pipeline of the orders which will be executed. And hopefully, and I'm very positive that by the year end, we will definitely be a profitable entity in the Middle East as well.

Shiva has actually mentioned in the call about the V-Shapes and the Codeology operations. See, we are doing a concentrated exercise focusing on the way the processes are run, the way the operations are run. We are taking a very hard close look at the operating expenses, including the personnel costs. We are also strategizing on the marketing and the sales front. And hopefully we would like to bring a spurt in the revenue, which is basically the top line. Also look at optimizing the costs. And we are seeing the results as of now. We've already downscaled the number of people in the Italian and UK operations.

So the team size has come low. So in the next two quarters, the personnel costs would definitely be lower. But as a real thing is that if we have good amount of sales, obviously the top line improves, the bottom line also improves. But we are taking one cautious step at a time. So hopefully we should be on a better footing as compared to the H1 in the H2 results.

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

Jaideep Barve: Yeah, thank you so much. On behalf of Control Print, I would like to thank all of you for taking out the time and joining us for the call. We hope to continue our best. We'll put our best foot forward. And we hope to give better results in the H2. And thanks a lot. And Shiva also would give his closing remarks.

Shiva Kabra: Absolutely. Like I said, this is a technology development platform that we've undertaken. It's a conscious long term decision. And we're confident of our path. If I felt we were down or losing battle, I would definitely think twice, but we're doing well. And I really hope that I'm quite confident that we should maintain our momentum in Q3 and Q4 and hopefully end this year well. So thank you everyone for your time. And thank you for your support.

Moderator: Thank you to the management team for a valuable time. And thank you to all the participants for joining on the call. This brings us to the end of today's conference call. You may all disconnect now. Thank you.