



July 22, 2021

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The Compliance Department, BSE Limited , P. J. Towers, Dalal Street, Fort, Mumbai – 400 001 Scrip Code – 522295	The Compliance Department, National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Symbol - CONTROLPR
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Sub: Transcript of Q1FY22 Earnings Conference Call

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirement), Regulations 2015

With reference to above mentioned subject and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirement, Regulation, 2015, read with para A of part A of Schedule III thereof, attached please find Transcript of the Conference Call with the Investors / Shareholders of Control Print Limited (the Company) fixed through Asian Markets Securities Private Limited (AMSEC) held on **Tuesday, July 20, 2021 at 4.00 p.m.** on Q1FY22 of the Company.

This is for your information and record.

Thanking you,

Yours sincerely,

For Control Print Limited

Rahul Khettry

Chief Financial Officer

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“Control Print Limited
Q1 FY2022 Results Conference Call”

July 20, 2021



ANALYST: MR. KARAN BHATELIA - ASIAN MARKETS SECURITIES LIMITED

MANAGEMENT: MR. RAHUL KHETTRY – CHIEF FINANCIAL OFFICER – CONTROL PRINT LIMITED
MR. SHIVA KABRA - JOINT MANAGING DIRECTOR - CONTROL PRINT LIMITED



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Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY2022 Results Conference Call for Control Print Limited hosted by Asian Market Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Karan Bhatelia from Asian Market Securities. Thank you and over to you Sir!

Karan Bhatelia: Thanks Sunita. Ladies and gentlemen good afternoon and welcome all to the Control Print Limited Q1 FY2022 earnings conference call hosted by Asian Markets Securities. From the management side, we have with us Mr. Shiva Kabra - Joint Managing Director, and Mr. Rahul Khettry, CFO. I now hand the conference to Rahul for his opening remarks post which we shall open the floor for question and answer. Over to you Rahul!

Rahul Khettry: Thank you very much Karan. Welcome everyone to the first quarter FY2022 earnings conference call of Control Print. We appreciate you are taking out time from a busy schedule to attend the call. Hope you and your loved ones are safe and healthy. Mr. Shiva Kabra - Joint Managing Director joins me on this call. Let us start with a brief on Control Print followed by specific analysis of the financials of the current quarter and end with a Q&A session. The detailed presentation has already been put up on our website as well as the investor presentation notification is sent to the exchanges.

For those who are probably reviewing the company for the first time Control Print is in the niche coding and marking segment which is an oligopolistic market with four major players, three of whom are MNCs and Control Print is the only Make in India manufacturer. This gives us an advantage to sell our products locally and compete strongly with the other multinational players. We are the only integrated player with capacity to manufacture both printers as well as consumables in India giving us an advantage to share the benefit with our customers. This also gives confidence to the customers for long-term partnership with Control Print.

We have our manufacturing facilities in Nalagarh in the State of Himachal Pradesh for the manufacturing of the printers and in Guwahati in the State of Assam for the manufacturing of consumables. Both the manufacturing locations are state-of-the-art facility to produce good quality products. All our consumables are manufactured in the Guwahati plant and in addition to this we have also started manufacturing some printers in that location.



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We have a strong sales and service team of 350 plus engineers across our 11 plus branches, which gives us the advantage to service our customers efficiently and timely since after sales service is very critical to ensure that the production lines of our customers continue to function continuously thereby maintaining customer satisfaction. The 11 plus branches across North, South, East, West and Central India gives us an advantage to be in direct contact with all our customers in a timely manner since our products are critical to their production process. Post sales of printers there is a continuous demand for consumables over the life of the printer, which typically lasts for 5 to 7 years depending on operating conditions. We have our complete attention on our customers' requirements to ensure that production is never affected and service requests are immediately attended thereby gaining our customers' confidence.

We have an end-to-end SAP ERP system setups which ensures maximum transparency in accounting, sales and after sales service as well as total control from raw material planning to ordering of the receivable collection and is integrated with our CRM system which gives the confidence to the team, the customers as well as our auditors and investors. We have a widespread customer base catering to multiple industries like pipes and cables, metals, automotive, food and beverages, FMCG, Pharma, and we continuously endeavor to customize our products to reach out to other industries to increase our installed base. We have the entire range of products in our portfolio to meet the coding and marking requirement of the industry, the details are elaborated in our company presentation. As of today the company has an installed base of 14000 plus printers across industries, which enables the sale of consumables across the lifecycle of the printer. We are very confident that we have the best in class products to meet the requirements of most of the substrates which gives an additional advantage to the customers to do business with Control Print. With a strong foundation and 5 pillars that are man, machine, material, technology, and finance, well established to augment our business plan, we are continuously striving for greater heights.

Let me give a brief analysis of the financials of Q1 for FY2021-2022. The manufacturing activities in the last quarter of FY2021 that is the previous quarter were very strong and most of the industries were pushing the productions to make up the time lost due to the impact of the pandemic. The momentum continued in the month of April 2021 but the eruption of the second wave of COVID once again forced almost all the states to announce lockdowns and restrictions in activity. This has once again affected our economy as a whole and weakens the demand cycle. The production in most of the industries was curtailed in the month of May and though the lockdown was eased in the month of June the recovery in production has been slower than expected. In our assessment the worry about the third wave of COVID is unique and various industries are producing cautiously. These are



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extraordinary situations when the strength of the company is tested and we can assure you that Control Print is geared up for any challenge. We are financially stable and robust and will continue to perform in spite of the unforeseen challenges. The stability of Control Print has been reaffirmed by credit rating agency CRISIL with an A rating after considering the short and the medium-term impact of the COVID pandemic. Our investors can maintain their belief on the company's management for an optimistic future. This quarter we achieved revenue above Rs.50 Crores for the fourth consecutive quarter which makes it sustainable in the long run. We are confident the revenue and profitability levels will increase as the economy stabilizes post the pandemic. We delivered revenue of 54.4 Crores in this quarter in spite of the slowdown due to the second wave of COVID. We are not making any year-on-year comparison as the first quarter of the previous year was the peak for the first wave of COVID and more severely affected than the current quarter. Profit before exceptional items is Rs.8.69 Crores which was lower than the previous sequential quarter mostly due to lower phase of consumables as the industrial production was restricted. With recovery in the industrial production the consumables revenue will also increase which will boost the profitability. The company maintains healthy margin with profit after tax at 21.5% and EBITDA at 22.35% with scope of improvement due to better product mix and higher revenues triggering economies of scale. We should continue to maintain EBITDA margins north of 24% on a long-term sustainable basis.

Let me brief you on the performance of various divisions, products and business segments. Printers had a positive demand in spite of a challenging environment though the installations were delayed. The increased installed base will drive the business in the coming quarter. The company continues to dominate the wood and the pipe sector and FMCG is picking up. The flagship division CIJ witnessed positive demand and will remain strong over the coming quarters. The demand was mainly due to some of the industry where we have a stronghold like pipes, cable, steel, food, FMCG, beverages, and it was also encouraging to see growth in some of the upcoming sectors like dairy, pharma, paints, etc. New product launches of TIJ, TTO, HiRes are very bullish with some good installations and we are confident they will continue to add value to the company's businesses. We have dedicated managers and teams to drive these verticals to focus on dairy, beverages, biscuits, frozen food, ready-to-eat, pharma, packaging, plywood, lubricants, carton coding, etc. The new product should continue to generate traction during these challenging times which builds confidence on the potential of these products in the coming years. Laser printer business is growing steadily with positive response from the customers and new opportunities expected in the coming quarter. The face mask division will contribute to the company's revenue and the second wave of COVID has created additional demand for the mask. The company has strong cash flows and this has helped us reward the shareholders



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with final dividend of 4.5 per share which was approved in yesterday's AGM thereby taking the total dividend to 8.5 per share for FY2021. Control Print retains its position in the list of top 1000 companies in the stock exchange by market cap on the National Stock Exchange. While the pandemic has impacted the economy as a whole we hope with the increase in the vaccination population the worst is behind us and with return to normalcy over the next few months we hope for similar trend of growth trajectory. Fundamentally the company remains strong and we are focused on our plan and strategy and we are confident of the growth potential to deliver positive returns. The floor is now open for questions.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Swechha Jain from ANS Wealth. Please go ahead.

Swechha Jain: Thank you for giving this opportunity. Sir, I am pretty new to this company, some of the questions may be repetitive, the questions may have been asked in the previous call so please apologize me for that, but my first question is if you could throw some light on the industry as to how big the industry is globally and particularly in India and how do you see the industry going ahead and also if you could throw some light as to who are the key players, how big is the unorganized sector in this and what is our market share for this?

Shiva Kabra: Regarding the industry size in India it is a four player market essentially, there are three foreign subsidiaries of three global companies that compete along with us and between the four of us approximately the revenue size about between 1050 and 1100 Crores, the unorganized market would be another 25%, 30% of the overall market, so maybe 1500, 1600 Crores of the size of the overall market in India as of right now and worldwide it is just depending on how you define it, it could be between about \$4.7 billion to \$7 billion, so it depends on which products include exactly on that. So that was the first part of your question, then you had asked something about the evolution so if you can just repeat it.

Swechha Jain: Yes, how do you see the market shaping up in India because 1500 Crores is still a very small market right and for us how do you see in terms of the export opportunities and then what is our market share and you have answered the unorganized so if you could just throw the light as to how do we see the industry shaping up because I see 1500 Crores is still a very small market size?

Shiva Kabra: Frankly, like the market of course for the last one-and-a-half years has been quite stagnant to be honest because of the whole pandemic so we are in an indirect market so it really depends on manufacturing growth, so if you look at China for example they are like as a market they are more than 10000 Crores, so like they are a pretty big part of the market because of a lot of manufacturing there whereas India till the GDP reaches per capita which

is about \$5000 normally the organized segment of the market increases faster than the unorganized segments, organized packaging, so there is a sort of trend that people used to buy sugar in gunny bags now they buy it in packets, people used to buy chips from the local bakery now they buy it from Frito-Lays or package chips so the packaged consumer goods sector normally grows faster than the overall market and the same thing is there for the industrial side so you sort of make a bulk steel before then you start making value-added products, cables, wires and those types of things and they all require more printing so as GDP per capita goes to about \$5000 maybe \$5000, \$6000 per capita observation from other countries being that the industry growth is about twice that of GDP growth it is also slightly difficult to predict because in India the manufacturing growth was a bit weak over the last few years so it is also going to depend not on overall GDP growth of course if TCS or Infosys and all are driving India's GDP it does not really benefit us particularly but if it is more broad-based, it is more manufacturing led then obviously the market should be about twice the pace of GDP that is the normal way that the market extrapolates till you get about \$5000 to \$6000 per capita after that it reaches about \$10000 per capita it goes about one-and-a-half times GDP growth and then beyond that point it is not really about volume growth it is more about premiumization so people will go from regular chocolate to like dark chocolate to like single origin dark chocolate so the total volume you are consuming of products is going up quite slowly then so then it sort of slows down and it goes along with GDP at about \$10000 or \$12000 per capita so that is sort of where the market is. So if you see stuff like Thailand or Indonesia on a per capita basis their consumption or the size of the market is much bigger than us or China because they are at about \$8000 to \$12000 range per capita Indonesia will be about \$4000, \$5000 but significantly it is almost half the size of the Indian market if not more even though it is not that big of a country. So that is sort of where the market goes but in the end it is going to depend on the manufacturing growth within India indirectly.

Swechha Jain: Do we see export opportunity for us?

Shiva Kabra: We have started in Bangladesh we have been operating for a few years and in Sri Lanka also and even in Nepal. Nepal also sometimes so we are not focused beyond this area, we are actually looking quite actively at Africa and some other things but then because of the pandemic of course everything has sort of gone silent keeping all honestly so again because we cannot travel, we cannot do anything it is not the main area we do have a strong market in India so obviously for us this is the price right now because this is where the market is growing we are very well established and I will be honest there is also like a certain amount of management bandwidth and energy we have it is not really about capital right now, it is not really about the products so if we can do it without really making a huge investment in terms of manpower and diverting our attention then we will surely focus on the export



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market more but the main focus is to grow our business in India and then in the South Asian countries first and that is the primary focus for us right now because there is a lesser amount of management bandwidth to be honest.

Swechha Jain: I have one question, I will join back in the queue. Thank you.

Moderator: Thank you. The next question is from the line of Devanshu Sampat from Yes Securities. Please go ahead.

Devanshu Sampat: I had a few questions, one is I just wanted to check that the share of traded goods in sales has been on the rise so I presume these are the non-CIJ printers that we are selling so is there any plan to start manufacturing these or we are going to continue with the same way that we are operating right now?

Shiva Kabra: Devanshu, we actually manufacture all the non-CIJ printers ourselves, we manufactured the entire product range or sometimes a lot of accessories, software, conveyors and other things that go with our printer so it is not just a printer but it is some people want sometimes a full system for traceability or sometimes they want there is some other equipment that goes along with the printer like sensors and other things so those all come as part of our traded goods so that would be met and sometimes when we launch new models just in the beginning when the volumes are low we import those models so it could have gone up or down but I do not see it being a major factor, Rahul you want to reward back on this?

Rahul Khettry: Yes, Devanshu mostly we are manufacturing most of our printers unless it is a special kind of printers.

Devanshu Sampat: The reason I am asking because the share of your purchase of stocking traders moved up quite a bit in the last three, four years, so I will be wondering.

Rahul Khettry: Those could have been some unique printers.

Devanshu Sampat: Another point is 40% of your cost of material consumed is imported which has been on the rise from roughly around 18% in FY2013 gradually has been on the rise will come to about 40% I presume this would largely be consumables?

Shiva Kabra: It is going to be equipment printers.

Rahul Khettry: Yes, it is basically the electronics Devanshu, which are high value and that is what we are dealing with, there is a shortage of chips and other things in the market so that is why it has



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slightly increased compared to this previous year I am not comparing it to 2013 but if you compare it to the previous year it is increased by a few percentages and that is mostly because of shortages.

Shiva Kabra:

Also, I just want to point out something earlier on when we were importing certain goods some of the suppliers of ours like say the supplies for the pumps or the electronics they had their own distributors in India also and we used to purchase through their distributors and what happened was it is actually the same good, but we are buying it from the local partner of whoever from AMD or whatever for example we are buying from AMD India and as our volumes increased, we found it more cost efficient and better to just import it directly rather than pay the additional overhead costs of getting it through the Indian distributor or subsidiary or whatever arrangement they had out here and so we have shifted a lot of the purchase of goods and it is a quite low value items we now prefer to import them directly so it is not fundamentally changed from a level that it was still imported then but it was just being routed as a direct purchase in India but now we are purchasing it directly from the suppliers so that could just change up the numbers but fundamentally it has not actually changed.

Devanshu Sampat:

Coming to your depreciation for the quarter from what I remember you are saying earlier that we have the investment that we did for the mask business and we thought that the life will be longer so depreciation should be lower but again it moved up so can you throw some light on this please?

Rahul Khetry:

So, I did mention that the depreciation would be similar to the whole year so actually do not compare it to Q4 because in Q4 it had a impact of the previous quarters depreciation getting negated but if you compare it to the full year's depreciation of 12 Crores then this quarter about 3, 3.3 should be fine so I think on a yearly basis the 12 to 13 Crores is what you should assume the depreciation to remain, do not compare it to previous quarters.

Devanshu Sampat:

So basically this 3, 3.5 Crores should remain run rate?

Rahul Khetry:

Yes, 12 to 13 Crores for the year so maybe 3, 3.5 for the quarter are what should be, Q4 was actually reverse it was not because of some previous quarters.

Devanshu Sampat:

Last question from my side can you tell me what the planned capex for this year and also what was the 7.3 Crores CWIP as of March 31, 2021 if you can throw some light on that?

Shiva Kabra:

Yes, so for the current year and the next year we do not foresee any major capex beyond what I was maintained and it is maybe 3 to 5 Crores a year, this year and the next year so I



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think you have mentioned it before but I think we are pretty good to be about 300 to 350 Crores so we do not need anything and fundamentally we did a debottlenecking in our Nalagarh factory, it was actually stuck up because of COVID so we have expanded that factory, so that because we need to de-bottleneck our printer production capacity so that is where we spent some money a few Crores on that.

Rahul Khettry: Devanshu that has got capitalized as of June 30, 2021, the 7 Crores that we are seeing at CWIP.

Devanshu Sampat: This 7 Crores is towards this debottlenecking Sir?

Rahul Khettry: Yes, for the Nalagarh facility and that got capitalized on June 30, 2021.

Devanshu Sampat: Thank you Sir, all the best. Thank you.

Moderator: Thank you. The next question is from the line of Madhuchanda Dey from MC Research. Please go ahead.

Madhuchanda Dey: I have just a simple question how has the pickup been in the month of July so far and if you were to compare it with 2019 July what percentage of 2019 July have you reached so far?

Rahul Khettry: So, Madam to be honest once things opened up in June we expected that to be a quick recovery, but that was lesser than expected, but if I have to talk about July the first half of July has definitely been a faster recovery and we are seeing some good demand but comparing it to 2019 I think you will have to give us the full month of July because second half is always stronger compared to the first half of the month so that might be premature to compare it to July 2019.

Madhuchanda Dey: I understand it is premature but if you could just give a ballpark indication whether it is 75%, 50% whatever is your broad sense?

Rahul Khettry: We are little higher than that I think we would be definitely 85% to 90% of figure to compare with, do not compare it to all other industries because our installed base keeps increasing and what we have installed over the last two years is going to give us benefit in the coming year so for us it is nearing 2019 July maybe a 10% lower.

Madhuchanda Dey: So any kind of, suppose assuming, but not admitting suppose if the third wave is mild given your installed base, the demand for consumables, etc., what kind of ballpark topline are you gunning for in 2022?

Shiva Kabra: Like I said, I think Rahul was talking something first I apologize, because of course we would have some sort of a July-on-July comparison definitely with previous years but considering this is like I think this is July 20, 2021 we do not have like a 18 or 19 day comparison just available offhand although it might be there on Rahul pulls it out, but as far as the year goes it has been a strange year for us and the strange two odd years to be honest now almost because of the pandemic so I really hope if the economy rebounds which I am hoping it will then we had like I think the last few months of the previous financial year were probably better indication of where the market was or where it would be if it was not affected by the pandemic or maybe that was a rebound which was more than normal so it is very difficult for us to predict I think it is just going to depend on where the economy is, if the economy is strong then I think we should definitely have a very good year, if manufacturing growth is strong, I think May was very down for us because in April we had a lot of spillover orders from March so actually we had a strong April and then May was quite muted and June was better than May but it was still quite dull but then July is being quite looking back to normal so it is really difficult to predict and there is a lot of variables because nobody even knows if there is going to be a third wave if how the economy is going to react and so on, so I think if the manufacturing growth is strong we will definitely have a good year and if not we will still have a fairly good year because of all the internal work that we have done in the market share gains and so on.

Madhuchanda Dey: So in this installed base of 14000 plus what is the industrial, non-industrial mix?

Shiva Kabra: I am not sure off-hand but overall our revenue is about 65% industrial to 70% industrial traditionally and about 35% FMCG.

Madhuchanda Dey: That is on your historic base but incrementally suppose if you were to just take the last 12 months if you could just give us a sense of what has been the incremental ratio of industrial mix?

Shiva Kabra: Last year we had a stronger sale in the packaging segment again that was because the industrial segment was more up and down but again it is like a year one year thing so we do not know if that was so longer-term trend or is it just the industrial production is down and it will reboot completely so what happened was again towards the end because a lot of stuff like where we sell a lot of things in construction material based industries like steel but pipes, cable and wire but of course board and so on we got a good amount of sales in the last few months last six months of last year and then again this quarter was a bit down so the packaging sectors maybe very frankly focused on more in the last 15 months because our belief is that it will get less affected by the pandemic or next waves that are happening have but I do not know it is very difficult to understand how the mix is affected I think the

industrial sector goes down more when demand comes down and when the demand increases it shoots up more so whereas packaging sector is more consistent this is my rough reading of the situation and so we have had better sales in the packaging sector but I am sure that this year will be a good year for the industrial growth if there is no further pandemic related issues and the economy supported well by the government.

Madhuchanda Dey: As far as your new generation printers are concerned who are the buyers again if you could give us a sense of the rough mix between industrial and packaging?

Shiva Kabra: The thermal inject is mainly in the packaging sector it would be mainly food, pharmaceutical, some beverage, and personal care. The high resolution printers would be a combination of packaging whether used for carton coding and stuff a lot of those in the wood sector. I think the thermal transfers is entirely in snack foods, so yes, I would say like in fact most of the new generation printers in packaging would be the majority of that packaging, pharmaceutical related industries.

Madhuchanda Dey: So typically the cyclicity of your revenue would tend to go down as the share of the new generation printers go up is that a correct understanding?

Shiva Kabra: If you ask me personally, I do not know like this pandemic was for me is the first time in a lifetime something like this happened so it is very difficult to say. I think considering that this was such an extreme event obviously the packaging sector was more resilient because people are still going to buy biscuits and things like that whereas you can put off your consumption of buying washing machines and then all the components and one side of washing machines which are printed by our self and so on, so yes you are right about that in a way, but I think that it is really difficult for us to understand what is the long-term effect of the pandemic and if it is like what was this a one off or will this happen.

Madhuchanda Dey: Thanks for patiently answering all my questions and all the best.

Moderator: Thank you. The next question is from the line of Jayesh Gandhi from Harshad Gandhi Securities. Please go ahead.

Jayesh Gandhi: Sir my question is also on the industry only. While the current market size according to you is closer to 1500, 1600 Crores do we see it going to 2500, 2600 Crores in next five years, well our annual report generally says the industry will grow by 10% to 15% do you see that coming supposed to say after this year maybe when everything normalizes do you see it going to 2500, 2600 Crores and can we increase our market share here?

Shiva Kabra: So in the past the market size is doubled about every six, seven years or from, so, if you look at say 2007 to 2000 up to now the market size has gone from about 400 Crores to about 1500 Crores or something. So again like I said it is a very strange thing because this last 18 months has been very unpredictable and nobody is exactly sure as to whether there is going to be a third wave or whether there is a permanent damage to the economy or it will bounce back, but I think if the economy continues what it was before this then I do not see why the growth will not continue at the rate of 10%, 15% a year easily, for the next 10 and like I said all the way till we hit \$5000 or \$6000 per capita.

Shiva Kabra: Mr. Gandhi also to you your quick question even if we do at a CAGR of 11% for the next five years, we will reach 2500 so I think that is quite achievable, 10% to 15% CAGR is achievable once the economy normalizes.

Jayesh Gandhi: Sir, one more thing in the first caller's question you were you were talking something about per capita income and I mean you were relating our growth with the per capita income, can you repeat that?

Shiva Kabra: Basically as the economy the per capita GDP goes to about \$5000 to \$6000 per capita, the coding and marketing industry typically grows at about twice that of GDP or twice that of manufacturing growth, if you will.

Jayesh Gandhi: So only beyond \$5000 per capita it grows at say two?

Shiva Kabra: Up to \$5000 to \$6000 it grows at about double arrow GDP.

Jayesh Gandhi: How about beyond that if so once we are i mean \$5000 per capita how we grow beyond that.

Shiva Kabra: Yes, eventually \$5000 to \$6000 goes about one and a half times GDP to about \$10000 to \$11000 and then post \$10000 to \$11000 of the experience in other countries mean that it grows at about the same rate as GDP or other manufacturing growth. So when I mean GDP I am talking about manufacturing growth and all these situations.

Jayesh Gandhi: I get that. Thank you very much and best of you for future.

Moderator: Thank you. The next question is from the line of Kunal from Vallum India Discovery Fund. Please go ahead.



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Kunal: Thank you very much for the opportunity. I wanted to understand the potential of these new printers which we have launched so what just wanted to understand in terms of you know TTO TTJ and high-rise printers so want to understand how big could be the market for these printers in terms of units over the next three to four years and in terms of our competitors I mean how big are these products? So that is my first question?

Shiva Kabra: I think that as far as the global market goes it is more sophisticated in India. In India the CIJ would be about 65%, 70% of the revenue of the overall market sort of in 1500 Crores, say a 1000 or 1100 Crores with 1000 Crores plus would be the CIJ market and maybe 500 Crores would be all the other products whereas abroad the CIJ is about 40% of the market of about \$7 billion and you know the rest is other products. So we are just expecting that the same trends will fall in India is what they do abroad, because in the end the bigger companies are very tuned to what the international packaging outlook is and then they adopt the same guidelines as what their parent companies or the leading companies abroad doing their field and it all percolates with a few years gap so the same thing we are expecting here. As the market goes from 1500 Crores to 2500 Crores the CIJ will continue to grow maybe from a 1000 Crores to say 1500 Crores, 1400 Crores or something, but as a percentage it is a non-CIJ market that will grow faster. Maybe instead of the market being 65 who thought CIJ and one-third of the process like 60%, 65% of CIJ, it will be maybe more you know like 55%, 56% CIJ and 45%, 46% of all the products.

Kunal: Even their sales mix would be the same which means that even we would have 65%, 70% CIJ sales which is what we have?

Shiva Kabra: It is similar for all of us except for I think Mark M is a very strong TTO sale so it could be. So we all have our own speciality like we are very strong in the thermal inject market margin is a bit stronger than thermal Transfer which is a bit stronger Laser so but yes we are then we it will be the strongest in thermal inject or high resolution printers by law.

Kunal: Got it and in terms of the value of these printers I mean in terms of when you compare it these the cost of the customer for these printers or for the device as well as you know in terms of the consumables what is the difference between these new generation printers and the old CIJ printer in terms of the value of the device and the cost of the consumable which the consumer has to consume and in terms of the consumable which the consumer is going to use for the life of the printer is that any different, I mean do these devices require less amount of consumables and at the same time they have a higher value for the unit for the device or is it the same ratio?



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Shiva Kabra: So the device value depends on which configuration you take. So it could be lower than CIJ it could be higher also it just really depends on what exactly you want with the printer or the exact specification of the printer you are choosing. As far as the cost per print goes normally the non-CIJ printers in our experience are more expensive to run than the CIJ printers but because of improved reliability they prefer so that is the thing. There is an important mix-up difference between the CIJ printers in general versus a lot of the non-CIJ printers and non-CIJ printers have less service so that is why customers prefer them because they do not have to rely so much on our service so they feel if there is a breakdown they can just replace the part themselves which is swap out the printer very easily themselves, they do not have to rely on us. So the consumer's revenue is higher in the non-CIJ business normally on a per print or business it also depends on the type of application you are selling in and the service revenue is quite low.

Kunal: Got it. All right so we would be fair to say that over a lifetime for the same industry and for the same setup same quantum of usage for the same application and same quantum same time of usage the aggregate revenue from a new generation printer of these new generation printers and a CIJ printer that the new generation printers would have a higher revenue per unit including the value of the device and the consumable and the service.

Shiva Kabra: So, for the same application yes but what we have seen is that you know new printers create new applications also so a lot of times where the CIJ printers being used, people are continuing to use the CIJ printer but then in certain industries like pharmaceuticals say people for the thermal inkjet printer and they were not even using any type of printer previously so that is an expansion of the market and snack foods also for example a lot of people were using older printers like thermal or control coders and they fish directly from thermal coders, directly to thermal transfer printers so sometimes it does not go it is not necessary that it goes from there to the CIJ and then to the next technology sometimes people are swapping, so in milk people for example in the dairy industry they use embossing so if you see your milk product they use a really cheap roller coder which the inks all spreads, so blue or violet coloring and then sometimes they just emboss the pouch and now you see that something will go directly to thermal transfer thermal inject, they do not go to CIJ. So if it is if it is a swap for swap whereas CIJ is being used and you convert to a non-CIJ you will get a higher advocate revenue, normally it also depends on the volume, so the volume is quite low, the service revenue actually becomes quite important to us for those applications and if the volumes are higher the consumer's revenue is more important as a driver of revenue from that printer the aftermarket business. So where the volume is quite low because these new generation printers do not really require much service at all. So it could be that it is cheaper to run but in standard applications which are higher volume, we will make more revenue for printers.



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Kunal: Got it. Just final question from my end; I wanted to understand in terms of the technological is there is there a possibility that over the next four or five years this the CIJ printers could go through some sort of technological obsolesce or do you imagine customers using these technologies let us say for the foreseeable decade and in terms of your actual install base of 14000 printers how many printers move out of their useful life in any given year I mean what is the annual life average life, how many printers are out of the useful life every given year?

Shiva Kabra: So, I will just take it up one question at a time because it will be difficult in general from our base about seven to ten years is the useful life for printer. So it depends on the age of the base also. If you have sold more printers recently, there is less printers that go into obsolesce, printers between five and ten years old normally they have a major breakdown or some new requirements covered that is when customers face them out so as Rahul would maybe give you just a better number on that exactly.

Rahul Khettry: Roughly, We have about 15% to 17% which over a period do get either upgraded or replaced or stuff like that so whatever our 14000 installed base we are talking is about the active printers itself in the market. Sold printers are close to 20000, so that is obsolete that is taken care of.

Shiva Kabra: Of 14000 you can assume anyway between 10% and 15% depending on the age and the mix of the printers would be obsolete every year.

Rahul Khettry: Second part of your question, I must spell out so, most of question I would say. Let others also ask.

Kunal: Thank you very much.

Moderator: Thank you. Ladies and gentlemen please limit your questions to one for participant should you have a follow-up question would request you to rejoin the queue. The next question is from the line of Siddharth Mehta, an individual investor. Please go ahead.

Siddharth Mehta: I understand you are good through the pandemic and difficult time so I appreciate your efforts to do whatever is possible. In your investor presentation, in the second last slide one sentence caught my eye where it says we have some new products that are likely to give us exponential growth and also are there any new products coming in for the for the pharma industry because that seems to be growing very rapidly.



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Shiva Kabra: So, specifically for the pharmaceutical industry, our thermal inject range is very comprehensively addressed towards that industry and we have got some solvent things for our thermal injury which actually worked quite well on that specific application, so we have got a good set of products. We have not actually been able to meet customers too much in the last few months so it is been more repeat orders from my existing customers or maybe at already cases previously but I am hoping that this could be a pickup for us going forward. That is the first part. As far as all the products that we have been talking about they are also like you know evolutions of them so what has happened, we have not got the full sales benefit of these product of the new generations of products because of certain reasons you know because of the pandemic it sort of stalled us a little bit so we are expecting that you know because we had a bunch of strong cases before and even now where you know we should be able to get and you have done the groundwork of proving the printers and establishing their performance and we are quite confident that we should get some larger orders now on these new generation printers.

Siddharth Mehta: All right. Do you feel that gives that there is so much promise that it would be worth to maybe strengthen our marketing and sales and get some more aggressive and more capable or experienced people in that department?

Shiva Kabra: Actually, we have got a very strong sales team. We actually took some of the time that we had available to us in the first lockdown and even this lockdown or the second surge, we were actually working from home and we could not really travel too much for the field because even customers are not willing to meet and either we want to risk our own people so what happened we did a lot of stuff like you know just the groundwork of cleaning databases, contacting customers, updating a lot of information sort of setting ourselves up for the next few months for the hopefully for the coming year. So we have been strengthening it up. We have got a very strong system and a good team and we have I think totally almost like Rahul, what is the exact number we have like 140 odd sales and service people and managers and some like 200 and something engineers 220 engineers, so we actually offered people and our service network has widely been acknowledged by everyone and the best in the business right now. So we are quite very proud of our service team.

Siddharth Mehta: In terms of our sales that you mentioned what percentage of our profits do you think comes from consumables?

Rahul Khettry: As we have already always maintained that consumables is our main driver for profits, we do not really, means, so our gross margins continues to remain at about 80% on the consumable.



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Siddharth Mehta: Of the overall profits what percentage, of the overall profit is from consumables, do you think?

Rahul Khettry: Generally, we do not have a breakup like that, but consumable is dominant, reporting more than 50%.

Siddharth Mehta: Thank you.

Moderator: Thank you. The next question is from the line of Saket Kapoor from Kapoor and company. Please go ahead.

Saket Kapoor: Thank you for the opportunity.

Shiva Kabra: Saket, I remember you were there at the AGM yesterday.

Saket Kapoor: Yes Sir, I was there. Firstly about this smart division part of the story, how is this unfolding for us in terms of revenue and profitability as this would be the full year and with the second wave also and even now with things about the third one so how have we positioned I think 10 Crores to 11 Crores have been invested in this segment so if you could give some ballpark figure regarding the revenue and the bottomline we are expecting?

Shiva Kabra: I think we have recovered most of the cost of this investment and that was our original target like I said it was not overall too good. We did invest some more money recently that was just to ensure that we get all because of costs Control Print we had to have all the perfect lab equipment, the best of everything, which is what we have done but at the same time, we also have right for some of the FDA and the New York certification, we already have that for the FFP so the certification process for all of the mass actually costs a lot of money, the auditing and so on so obviously we want to be absolutely top of the line of whatever we do and that is why we spend some money but like I said the idea was not it is not I mean it is not like the main area of business focus. So it was to do it we were confident, we would recover it we had some customers where we were supposed to export to them across the board but that did not work out because of the export ban, but you know it is all.

Saket Kapoor: Just what is the understanding now for this year we have taken depreciation benefits and all but how is this division going to contribute in terms of topline and bottomline that was my question? I understand what you were trying to explain.



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- Shiva Kabra:** Saket Ji, the factors to be honest we did it, obviously if there is some extra thing and we are always there to you know support with our CSR and everything and also of course to help cover that we continue selling it a mass on the side, but it is not enough to focus on factors, revenue or thinking it might contribute a few Crores.
- Rahul Khettry:** Just to add to what Mr. Shiva is saying Saket Ji, would like to all of you all do this keep the focus on the coding and marking in our main business and mask is considered as a bonus, like second wave obviously it is not predictable, third wave is also not certain.
- Shiva Kabra:** Whatever we will lose in coding and marking business with the next wave and the wave after that will be much more than any amount we will make up through them. So we do not want the best our health for you know the country and our employees.
- Rahul Khettry:** Going forward coding and marking will be our main business segment, mark we do not want much focus to be on.
- Saket Kapoor:** We did other income also for this quarter with a sale of flat what led to that Sir and does that is it a precursor to our investment in Liberty Chemical also with the market improving also what kind of indication you can give with the sale of property?
- Shiva Kabra:** That facility was not being utilized by us since Nalagarh and Guwahati had already come up over the last 10 years so it was just an asset which was lying around and we thought that it is better to monetize it rather than so we made some investments in offices like we are taking office in Kolkata, we are looking for some other office space which is on rent, we did not feel that our Vasai facility was being utilized at all.
- Rahul Khettry:** We invested in Nalagarh also. Of course, the whole work got held up because of the COVID pandemic and we had some issues with the completion. It just took some much more time than expected because it stopped in between.
- Shiva Kabra:** It is better to consolidate Saket Ji, rather than spread out, not having any utility of that plant, real estates or cash flows.
- Saket Kapoor:** Correct Sir. Net realization for this property, how much it was?
- Rahul Khettry:** Most of it was already at written down value was very low so about 3 Crores, is the profit that we made so we can add a few more lakhs less 4 Crores.



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Moderator: Thank you. The next question is from the line of Rahul Koti an individual investor. Please go ahead.

Rahul Koti: Congratulations on a good set of numbers. I have two questions. Well beginning with one, so I have been tracking like in studying a company for a very long time. So couple of years back you had done a QIP so just wanted to know what is the plan with that amount so is it still lying and we have any plans for that or what is it?

Shiva Kabra: We have explained it in the previous calls also QIP was about three years ago when we had some other business opportunities and we were looking for investments with some other R&D structure laboratory, but that has not materialized and the money has been utilized in the company and wherever it was in excess we have given it out as dividends to the shareholders. So as of now we have been working debt-free for the last three years and probably that money is helping us at that time.

Rahul Koti: You are saying that it has already been utilized whatever had been raised, right.

Shiva Kabra: For business purposes it was raised for maybe for some other growth opportunities but again since that thing materialized we are continuing to utilize it in the regular business.

Rahul Koti: Because as I remember it was being raised to go abroad and set up something, so that is not on the table as I understand.

Shiva Kabra: So, we did do our research but then with the pandemic and anything we are happy that we did not go down that route because it could have just wasted the money of the company but as of now when we get an opportunity we will reply because we have available cash flows with the company so it is not that the plan is deferred for cash flows but we will wait for better times.

Rahul Koti: The second question was on the printer. So when you say you have a printer base of more than 13000, so if I remember correctly right the previously you had mentioned that there are some printers, it is where you can cement industry which were hard using the consumables that you buy does that count including infuse those printers or it excludes those printers?

Shiva Kabra: Now, we continue to supply in the cement industry in fact even in the previous year and the current year we have been winning some long-term contracts as well as some contracts which we had lost three years back and told by my team even that is one or two of them have gone back in our souls. So we do continue to supply actively to the cement industry and the printers include those.



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Rahul Koti: If I remember correctly when I attended like a year back a couple of years back that you mentioned one of the these numbers like you were saying that okay there they have been using the consumables produced by someone else like counterfeit consumables. So because of that in the cement industry, you were taking some headwinds, so just wanted to know that whether that is still continuing and whether that those number of printers which were affected by this is being counted in this part of 13000 or is it excluding that, that is what my question was.

Shiva Kabra: I mentioned that this 13000, 14000 printers are active printers wherever our consumable is not being used we are not including it in this number, even in the cement industry our printers are active or we are gaining the installed base that gets included so this includes only the active printer not the ones which are discontinued.

Moderator: Thank you. The next question is from the line of Swechha Jain from ANS Wealth. Please go ahead.

Swechha Jain: I just had a couple of follow-up questions. Sir one was I think you mentioned the typical printer life is seven to ten years. So what typically happens to the printer after the life cycle I mean the spare part do they come back to us or they are sold in an unorganized market?

Rahul Khettry: Normally, these printers we scrap them or the customer scraps them. Because there is a hydraulic segment in it and the electrons normally get outdated. So we can only support for that long and the hydraulics and the rest of it obviously because they have got ink inside them or these aggressive things for many years so it sort of wears it out slightly almost like a car which is beyond a certain number of kilometers.

Swechha Jain: Sir also in terms of consumables is there an unorganized sector for consumables also or just wants to understand that once we sell a printer to a client if the customer bound to take the consumables only from us or you would also have other opportunities?

Rahul Khettry: Yes, so there is like a large part of the unorganized market is essentially people who deal in consumables for the major OEMs that is I would say like a certain part of the market and yes we implemented a RFID chip in our own printer in all the ink models and that is why one I think this was in CIJ printers specifically I am talking about now like it was 2017 or something like for three and a half, four years we have been quite protected because of that and it is definitely helped us but before that maybe 25%, 30% of our printers used to use pirated or spurious things and even one investor did call up so like most of the printers we sold in the cement industry also are using spurious things so yes, and those printers were not protected and hence we want to change the architecture of that printer to protect those



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new printers over there so we are putting protection in all our new generation printers as and when we redesign the printer further, so normally when we make model it lasts about seven, eight years.

Swechha Jain:

When you put the RFID chips like you said you cannot use any other products, but our product is it. And also like just want to understand that when a customer is setting up its plant or whatever at what level do we come in? Are the printers installed at the latest stage of the entire plant comes up or from day one do we supply these printers or if it is a parallel process also once the printer is installed how easy or difficult for the customer is to switch from us to our competitor?

Shiva Kabra:

So the first part of the thing is normally it depends from customer-to-customer. So there are two types of switches that happen one is of course factories that are built are normally lasting for a pretty long period of time whereas the printers itself have a life of like I said seven to ten years so printers do get phased out and replaced multiple times in the life of the factory or the production line and normally customers also upgrade their production line multiple times within that factory and when it is at a project stage, so when I am setting up a Greenfield project or a large Brownfield expansion normally customers then plan the printers, the requirements, everything much in advance whereas if it is just a minor expansion, it is just an additional line which is just a copy of the existing things that people tend to order more towards just a few weeks before the commissioning of the line, not that much in advance. So that is specifically regarding this. As far as the switching costs go, obviously there is a certain amount of hassle because the operators get used to a certain interface of the printer, maintenance cycle and other parameters of each printer different so it is a bit like switching from an iPhone to an Android to a I do not know whatever some sort of other phones. So it is not that difficult but it is problematic then again for most customers it is also about stocking multiple types of consumables and fluids in stock versus one type of fluid or rather one type of ink from one type of a supplier or it is about negotiating AMC's, filters, stocking those and spares from multiple suppliers versus one supplier. So most customers tend to prefer one maximum, two suppliers and a lot of the large customers have only like one supply and one factory and maybe another supply and another factory and so on so forth. So it is not like you cannot switch but you would not switch for a small reason or you switch if it is like sufficiently difficult I mean if you are having obviously a problem with production downtime you will switch or if there is some reasonable reason to switch but the switching costs are not very small but they are not huge either.

Moderator:

Thank you. The next question is from the line of Namit Mehta from KC Capital. Please go ahead.



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Namit Mehta: Congratulations and another good quarter. Just a couple of questions from my side so what I am just wondering if you can tell us a little bit about directionally how the order sizes are moving in terms of printers? Are you seeing a lot larger orders now that you have developed more and more responsibilities you are at a larger scale today are you seeing that order size change or is it roughly in line with what it used to be?

Shiva Kabra: Normally, what you see is the frequency of orders increases as you become bigger like I said except for large Greenfield or Brownfield expansions customers on order like printers normally large quantities, they order like two, four printers, eight printers, twelve printers at a time, depending on how many lines they have and what their requirements are. So large orders normally happen when something like a dairy which already has a lot of established lines and then they decide that they want to start printing on all their lines and then they say okay we need 40 printers at a go and that of course happens and that is mainly because of the factories themselves have become bigger but I will say like what you tend to see is that the frequency of orders increases faster of most of the time. So even established companies rather than going for everything in a big bang they tend to order more frequently and cover the new application requirements that way.

Namit Mehta: Understand. That is helpful. Can you also help me with the mix between printers and consumables and spares this quarter and if you can just point out whether that might the EBITDA margins are related to this quarter versus the past year?

Rahul Khettry: Yes on the printer front, we did about 16% to 18%, consumables was 48% to 50%, it was on the lower side, spares and service around 23%, 24% and mask was about 12% or so.

Namit Mehta: I guess once the consumable share increases you would expect EBITDA?

Rahul Khettry: That we have always discussed once the consumable is anything about 55% either which we will have much stronger that. There is no doubt on that.

Shiva Kabra: I think that there was just less manufacturing this year so I mean less a lot of this quarter. So maybe the ink sales were a bit down because of that but definitely May was and to a less extension for quite the lower expectations.

Namit Mehta: Just last question I will squeeze in. I know this business at the end of the day is a service business if you can just talk a little bit as to how different processes and systems you kind of put in place to ensure high quality of service over long periods of time, I know the SAP is one example of that if you can just talk a little bit more about that?



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Shiva Kabra:

I think first we have got a strong training program in place. Each engineer has like we have got six levels to assign for each service engineer of ours. So when you join you have to pass three levels within six months and unfortunately if you fail one level, you have to leave, if you do not go across all three levels within six months so that is the first part so that each engineer has to be at a certain basic speed where they can take care of 80% plus of all the breakdown calls within a six-month period, so the first part of the most important part of our customer satisfaction is our training program. After that of course the engineer's gains come slower. We also have a brush up test every once every year to make sure that the engine has not lost knowledge and also regular trading so they are new models new printers that are not comfortable on. They get that new knowledge and it is integrated into our testing procedure so that happens every year for every engineer for that level and then the senior engineers go on to a level four level, five level, six training so that is the core behind our customer satisfaction and our service team and of course the SAPs there to control every aspect of the service, the rundowns, the parts movement. Of course, if people enter all sorts of data like the print or the number breakdown calls the repeat analysis so we get a lot of data if we know that the same printers they broken down again within 30 days of a breakdown call, it sends in the lot and then the senior manager is supposed to look into it and find out why a second break so we have those types of processes and tickets in place but I will say like the fundamental benefit, there is two things one is the training and the second is that give away your widespread service network like I think we have something like 240 or 250 engineers across India and they are not too far from the customer in almost any part of the country so the service time it also makes the engineers life much more comfortable because almost all his calls are local calls so I think that that widespread reach combined with strong training, which is not easy to do when you have a distributed service network, I think that combination is the part that really enables us to provide a high quality of service and then of course beyond that we have an insight sales team and a service team which call off the customers randomly, they follow up to make sure that the customer is satisfied take feedback from the customer and so on but of course we have from a technical viewpoint also like I said we have some allows to make sure that if the number of technical failures in a printer is more than expected then it gets allotted and then you know all the way down from our service manager, a national service manager to our national sales and service head or and then even to me so there are multiple escalations that will happen in that particular process.

Moderator:

Thank you. The next question is from the line of Saket Kapoor from Kapoor & Company. Please go ahead.

Saket Kapoor:

Thank you for the opportunity again. I was talking about this vitiated case part of the story that is done and dusted or anything more we have done some provisions earlier?



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Shiva Kabra: No. The status quo on the case we have already explained whatever we explained previously the courts in Mumbai are not very active it is all working through virtual. So as of now there is no case on that.

Saket Kapoor: But we have done our provisions and all I think?

Shiva Kabra: We are doing directly as per the court's direction we have already given a guarantee, bank guarantee to the court.

Saket Kapoor: Sir, one of the participants did spoke about this the main threat with this industry parts business can grow depending upon the growth in the industrial segment and all but other than that in the hindsight what other technological advancement or things can change wherein this CIJ printers which are the dominant printers God forbid they become redundant with the pace of technology so I just wanted that question to be answered Sir?

Shiva Kabra: I think we have already explained like even right now if you look we have a suite of products and like I said abroad the market is already more mature so when we are talking about that \$7 billion market size abroad we will see that CIJs only about 40% of that in overall size whereas in India it is about 65%, 67% so we are expecting the same gradual evolution to take place in India also and we are seeing that. CIJ must have been 80% of the market I think like five years, six years ago or maybe more than that. So if the same thing will happen here it is a gradual change that will happen and the market is evolving so CIJ is not going to go anywhere because for many applications, it is superior to any other printer out there but for some applications specific printers are superior and we see as the customers become more mature, they will go for more of a mix of products depending on the application and the line.

Saket Kapoor: In the AGM yesterday Sir you told about this payment of royalty for Internet of Things of site printers so what is the aspect behind it and how much is the royalty that we are paying I think so we are unable to launch the product but we will be launching something this year which was communicated?

Shiva Kabra: The royalty that we pay our partners KBA Coding and we are saying that the Internet of Things is built in some of our new printers that is what we are saying but we have been unable to launch some of our new models because of the pandemic so it is a bit stuck up we are also having a shortage of chips right now. So we are focusing on the existing models rather than the models there we do not have.



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Saket Kapoor: How differentiated are they sir when you are coming, you are speaking about it what are the key differentiation on this product how are they different from the ones they will be catering to the same industry I think so?

Shiva Kabra: Yes, it is a next generation model so suppose you had a printer before you have to connect it with a serial cable to your computer now it is LAN cable so yes with the LAN now it is wireless or it is Bluetooth or maybe it is faster, it is the same type of thing fundamentally. You are still printing whatever three lines on a bottle of water that is passing by and so on but it is a bit smaller bit faster bit like bigger touch screen and all those types of benefits are there. So it is not a huge benefit there are some improvements everywhere less cleaning a little bit less maintenance cycle and so on but it is not and I mean it is an upgrade over the old printer that is not going to change it is an upgradation.

Saket Kapoor: The board has been very kind and has been very liberal in fact with the dividend distribution and I think the dividend distribution policy will also come in the anvil, but with the changes in the taxation, this is creating a more of a higher taxation at the recipient side and you being also the largest shareholder you are also facing the same so that I have had the board looked also in terms of buyback as one of the more way of giving the cash back and also creating more value for the shareholders with increased market capitalization for the organization?

Shiva Kabra: Saket Ji, the board will decide as and when things come up. We cannot answer market sensitivity.

Moderator: Thank you. The next question is from the line of Swechha Jain from ANS Wealth. Please go ahead.

Swechha Jain: Sir, just a couple of follow-up questions. So one was in terms of strategy how do we see ourselves in next five years in terms of revenue and what are the key steps that would lead us there if you can throw some light on that Sir?

Shiva Kabra: I think Swechha looking at the medium-term, I think we have got a strong suite of products like I said we also have one, two printers which we are phasing in and changing one of our core models in the CIJ so our focus is essentially to be as efficient as possible over the next few years. In fact the pandemic actually recorded a very inopportune time for us because it sort of actually become momentum away at a time we were growing faster and captured with more market share and what happens is when the customers have less time to meet you face to face the tendencies to just go with repeat orders on the existing equipment that you have. So if the market is more back to normal and there is less issues and again I am



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expecting that considerable edge we have in certain products especially with the high resolution printers and the thermal inject printer that we can gain strong market share there. In the CIJ we have been doing well but overall I think if we can do that then we can have a strong growth. So our focus is more on increasing our market share. Like I said again our industry does not allow for large market share swings unless somebody has got some really major issue that happens to them. So it is about grinding out that 1%, 2% market share gain every year for the next five years and then of course like I said the overall market size is something we cannot predict because it is going to depend on the overall industrial growth in India.

Moderator: Thank you. I would now like to hand the conference over to Mr. Karan Bhatelia for closing comments.

Karan Bhatelia: Thank you Rahul and thank you Shiva for answering all the queries. With this we conclude the call. Any closing remarks you want to make Rahul, Shiva?

Shiva Kabra: I just wanted to thank everyone for coming. We really appreciate your time. I think for the second surge took everyone by surprise and the most important thing is absolutely be safe and sound. I think that is the most important lesson for pandemic. Sincere thanks to everyone for dedicating your time to listen us.

Rahul Khettry: Thank you everybody and we wish you the best of health.

Karan Bhatelia: Thank you. With this we conclude the call.

Moderator: Thank you. On behalf of Asian Market Securities that concludes this question. Thank you for joining us. You may now disconnect your lines.