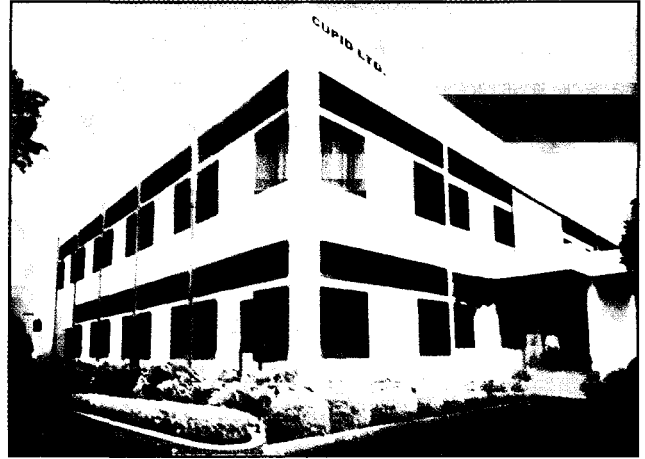




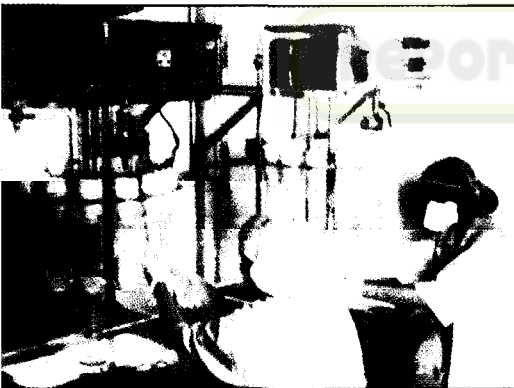
ISO 9001 : 2000



CE 0470



CUPID LIMITED



14th
Annual Report
2006-2007

We help the world play safe...



14th ANNUAL REPORT 2006 - 2007

Board of Directors	:	Mr. Omprakash Chhangamal Garg Non Executive Chairman
		Mr. Pawan Murarilal Bansal Executive Director
		Mr. Jandhyala Lakshminarayana Sharma Independent & Non Executive Director
		Mr. Sachin Prasad Independent & Non Executive Director
Auditors	:	M/s. Bhatler & Company Chartered Accountants Mumbai
Bankers	:	ING Vysya Bank Limited HDFC Bank Limited
Compliance Officer	:	Mr. Pawan Murarilal Bansal
Factory Address	:	A-68, M.I.D.C., Sinnar Village, Malegaon, Dist. Nashik- 422 113, Maharashtra (India).
Registered and Corporate Office	:	103, Sona Chambers, 507/509, J. S. S. Road, Mumbai – 400 002, Maharashtra (India).
Registrars & Share Transfer Agents	:	Bigshare Services (P) Ltd, E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri(East), Mumbai – 400 072.
Share Holder General Information	:	Listed at Bombay Stock Exchange Limited, (BSE Code; 530 843) Member of NSDL & CDSL
ISIN No.	:	INE509 F01011
Compliance for	:	ISO 9001:2000 & CE 0407



NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the members of Cupid Limited will be held on Saturday, 29 September, 2007 at The Silk Merchants Association Hall, 1st Floor, Dahanukar Building, 480, Kalbadevi Road, Mumbai: 400 002 at 10.30 a.m. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2007 and the Profit & Loss Account of the Company for the year ended on that Date and Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Jandhyala Lakshminarayana Sharma who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sachin Prasad who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

Special Business

5. To consider and if thought fit to pass with or without any modifications the following resolution as Special resolution

"RESOLVED THAT pursuant to the provisions of sections 198, 268, 269, 310, 311 and Schedule XIII of the Companies Act, 1956 the appointment of Mr. Pawan Bansal as Executive Director of the Company from 1st January, 2007 to 31st December, 2011 be and is hereby ratified on the following terms and conditions.

- a) Monthly salary of Rs. 35,000 per month with a yearly increment of Rs. 5,000 per month.
- b) Contribution to provident fund, superannuation fund or annuity funds to the extent these, either singly or put together are not taxable under the Income Tax Act, 1961.
- c) Gratuity payable at a rate not exceeding half month salary for each completed year of service.
- d) Encashment of leave as per company rule.
- e) Reimbursement of Medical Expenses for the personal & dependants as per company rule but not exceeding one month salary payable.
- f) Leave Traveling Allowance as per Company rule
- g) Ex-gratia / Bonus not exceeding as per Company rule but not exceeding one month salary payable.



Cupid Limited

“RESOLVED FURTHER THAT where in any financial year during the tenure of Mr. Pawan Bansal as Executive Director, the Company has no profits or its profits are inadequate, the Company shall pay minimum remuneration to Mr. Pawan Bansal by way of consolidated monthly salary not exceeding the ceiling limit of Rs 4,20,000 per annum or Rs. 35,000 per month, or within such ceiling limits as may be prescribed under Schedule XIII to the Act from time to time. The said ceiling limit of minimum remuneration does not include the above mentioned perquisites in the computation of the ceiling of minimum remuneration.

For and on behalf of the Board of the Directors

PAWAN BANSAL
Executive Director

REGISTERED OFFICE

103, Sona Chamber,
507/509, J.S.S. Road,
Mumbai – 400 002,
Maharashtra (India).

Report  Junction.com

Place : Mumbai
Date : 14th August , 2007



Notes for Members Attention

1. **A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.**

Proxies in order to be effective must be received at the Registered Office of the Company at least 48 hours before the meeting. Proxies submitted on behalf of Limited Companies, Societies, Partnership firm, etc must be supported by appropriate resolution / authority, as applicable, issued on behalf of the nominating organization.

2. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, September 22, 2007 to Saturday, September 29, 2007, both the days inclusive.
3. Members can avail facilities of nomination in respect of shares held by them and may send their Nomination form duly filled in to the Company.
4. Members holding shares in dematerialised mode are requested to intimate all changes with respect to their address, nomination, mandate, and other related to their Depository Participant (DP), where they hold their demat account.
5. Members holding the shares in physical form should intimate any change in their address, nominate, Mandate and others be informed to the Companies Registrars and Shares transfer agent (i.e. Bigshare Services Pvt Ltd)
6. In all correspondence with the Company, members are requested to quote for physical share their Folio No. and for the dematerialised form quote their DP ID and Client Id.
7. A copy of the explanatory statement under section 173 (2) of the Companies Act, 1956 is annexed herewith :

Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956.

As required by Section 173(2) of the Companies Act, 1956, ("ACT") the following explanatory statements set out all material facts relating to the business mentioned under Item 5 of the Notice of the Annual General Meeting.

5. The Board of Directors appointed Mr. Pawan Bansal as Executive Director of the Company at their meeting held on 27 December, 2006 on the following terms and conditions for the period of five years w.e.f. 1st January, 2007.
 - a) Monthly salary of Rs. 35,000 per month with a yearly increment of Rs. 5,000 per month.
 - b) Contribution to provident fund, superannuation fund or annuity funds to the extent these, either singly or put together are not taxable under the Income Tax Act, 1961.
 - c) Gratuity payable at a rate not exceeding half month salary for each completed year of service.
 - d) Encashment of leave as per company rule.
 - e) Reimbursement of Medical Expenses for the personal & dependants as per Company rule but not exceeding one month salary payable.
 - f) Leave Traveling Allowance as per Company rule



Cupid Limited

- g) Ex – gratia / Bonus not exceeding as per Company rule but not exceeding one month salary payable.
- h) Minimum Remuneration: Wherein any financial year during the tenure of Mr. Pawan Bansal as Executive Director, the company has no profits or its profits are inadequate, the Company shall pay minimum remuneration to Mr. Pawan Bansal by way of consolidated monthly salary not exceeding the ceiling limit of Rs. 4,20,000 per annum or Rs. 35,000 per month, or within such ceiling limits as may be prescribed under Schedule XIII to the Act from time to time. The said ceiling limit of minimum remuneration does not include the above mentioned perquisites.

The Company has not entered into any Agreement with Executive Director. The office of the Executive Director is terminable by giving 3 months notice.

The appointment and payment of remuneration to Mr. Pawan Bansal as Executive Director of the Company is subject to the approval of the shareholders at the general meeting.

Details regarding the person proposed to be appointed as Directors and their brief resume have been given in the annexure attached to the notice.

Except the proposed appointee and Mr. Omprakash Garg being his relative no other Directors of the company are interested in the Resolution.

The above explanation be treated as Disclosure to Members an abstract of the terms and conditions of appointment and remuneration payable to Executive Director under the provisions of Section 302(2) of the Companies Act, 1956.

The Board of Directors recommends to the Shareholders to accord their approval by way of passing Special Resolution.

For and on behalf of the Board of the Directors

OM PRAKASH GARG
Chairman

PAWAN BANSAL
Executive Director

Place : Mumbai
Date : 14th August , 2007



Cupid Limited

Details Of Directors Seeking Appointment at the Annual General Meeting

Details regarding the persons proposed to be appointed as Directors and their brief resume in pursuance of Clause 49 of Listing Agreement.

Name of Director	Mr. Pawan Bansal	Mr. Jandhyala Lakshminarayana Sharma	Mr. Sachin Prasad
Date of Birth	22-05-1963	23-05-1939	24-09-1963
Qualification	Graduate	PH. D.	M. B. A.
Date of Appointment	01-12-2001	21-01-2004	21-01-2004
Specific Experience	Experience in business environment, marketing and corporate Management	Has got vast experience in finance and law matters	Provides good guidelines for further planning of the Company as per current economic condition due to his qualification of MBA
Directorships held in other Public Companies	Nil	Somayajulu & Co. Limited	Nil
Membership/ Chairman Of Other Public Companies (Includes only Audit and Shareholders / Investors Grievance Committee)	Nil	Nil	Nil



Cupid Limited

REPORT OF BOARD OF DIRECTORS

The Directors hereby pleased to present the **Fourteenth Annual Report** together with audited statements of accounts for the year ended 31st March, 2007.

Financial Results

The highlights of financial result of the Company are as follows :

PARTICULARS	(Amount in Lacs)	
	31st March, 2007	31st March, 2006
Turnover and Other Income	1893.22	1293.40
Profit before depreciation,		
Finance charges and tax	470.95	394.20
Add: - Interest Write back	Nil	159.56
Less: - Depreciation and finance charges	82.24	68.66
Profit before tax	388.71	485.10
Less: - Provision for Current year Income tax	40.80	50.00
Less: - Provision for Earlier year Income tax	Nil	3.85
Less: - Provision for Current year FBT	2.00	2.50
Less: - Provision for Deferred tax	75.33	126.03
Net Profit after Tax	270.58	302.72
Balance brought forward from previous year	315.01	12.29
Balance Carried forward to Balance sheet	585.59	315.01

Operations

During the accounting year under review, the Company achieved turnover of Rs.1,893.22 Lacs as compared to Rs.1,293.40 Lacs that is increase of 46.38% over the corresponding year.

After providing for all the charges, The Company has made a profit after tax of Rs. 270.58 Lacs as compared to Rs. 302.72 lacs which included interest write back of Rs. 159.56. The operating profit after tax has increased by 89.01% on year to year basis.

Finance

Long term borrowing from banks, Issue of securities and Internal accruals have been used to meet the requirement of funds for the modernisation of Existing facilities, Expansion of capacity by installation of 2nd imported plant having capacity to manufacture 80 million pieces p.a. and meeting the increased requirements of the working capital.



Utilisation of the proceeds received on Preferential issue of Securities

The Aggregate of the total proceeds received till 31st March, 2007 from the issue and allotment of Company's securities on preferential basis was Rs. 198.99 lacs. The amount was fully utilised for the purpose stated in the notice convening the general meeting held for the purpose such as enhancing capacity, requirement of long term working capital and repayment of debts.

New Projects / Expansion of the Company

During the year, production capacity of contraceptives (i.e. Male Condom) was increased from 160 Million pieces p.a. to 240 Million pieces p.a. The commercial production of the increased capacity commenced from March 2007, to increase the further market share and with a emphasis of further growth. The Company has decided to further increase capacity by 80 million, which will lead to total production capacity of 320 Million pieces p.a., as the 2nd phase of Expansion project is likely to be completed by the end of September, 2007.

Future Prospects

The Company's products is well recognized in the market and is best in terms of quality and standards. The Company enjoys a cost advantage given the proximity to markets. The cost of productions are also kept under constant reviews and controls.

The Company believes that it is well placed to take advantage of opportunities that the market offers. The progress made in the year 2006-2007 has set the Company on a course to enhance growth in subsequent years. The Government's continuous thrust on controlling of Birth control and prevention of HIV disease, the demand for the product will be sustained in the coming years. With this perspective, the Company has embarked upon augmenting its capacity through further expansion of 80 million pieces till end of September, 2007. It is expected that after this expansion, the total production capacity of Male Condom of the Company would increase to 320 Million pcs. in the year 2007-08.

Quality and Systematic Organisation flow Initiatives

Company reinforcing commitments to High Standards of quality products and Systematic Organisation flow recommended by programs for the ISO 9001:2000 and CE 0407 Certification.

Dividend

To conserve the resources, the Board do not recommend payment of any dividend for the year 2006-2007.

Directors

Mr. Jandhyala Lakshminarayana Sharma and Mr. Sachin Prasad retire by rotation but being eligible offer themselves for re-appointment. Mr. Dinesh Pachori Independent non-executive directors resigned on 30th July, 2007. Mr. Pawan Bansal seeks the re-appointment as Executive Director of the Company.

Employees

The Company has not employed any employees drawing the salary in excess of the limits prescribed under section 217 (2 A) of the Companies Act, 1956.



Cupid Limited

Conservation Of Energy, Technology absorption, Innovation & Adaptation

The Company has taken all the effective steps to conserve the energy. As stand by arrangement the Company has installed generator set.

The Company has deployed Indigenous Technology to manufacture its products. The Company is also taking steps to upgrade its technology to improve the quality of its product so as to make same cost effective and compete in international market.

Foreign Exchange Earning & Outgo

The Company has earned foreign exchange of Rs. 330.25 Lacs through exports and whereas the Company spent foreign exchange of Rs. 194.95 Lacs towards imports of plant & machinery and remittance of technical know how fees.

Fixed Deposit

The Company has not accepted any deposits during the year from the public.

Auditors

M/s Bhatler & Company, Chartered Accountants, Mumbai, who is the statutory auditors of the Company, holds office upto the conclusion of forthcoming Annual General Meeting and are eligible for re-appointment.

Insurance

Adequate Insurance Cover has been taken for the major assets of the Company including Buildings, Plant & Machinery and Stocks

Directors' Responsibility Statement

Pursuant to the provision of section 217(2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that:

- i. in the preparation of the Annual Accounts for the year 2006 - 2007, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures.
- ii. selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the financial year.
- iii. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, and there are adequate systems and control for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. prepared the annual accounts on a going concern basis.