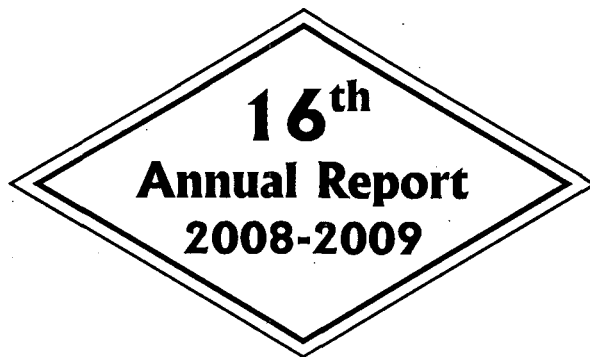




CE 0470



# CUPID LIMITED



*We help the world play safe....*



# Cupid Limited

## 16th ANNUAL REPORT 2008 - 2009

<b>BOARD OF DIRECTORS</b>	<b>Mr. Omprakash Chhangamal Garg</b> Non Executive Chairman
	<b>Mr. Suresh Chand Garg</b> Non Executive Director
	<b>Mr. Anup Prakash Garg</b> Independent & Non Executive Director
	<b>Mr. Raju Subba Sagi</b> Independent & Non Executive Director
	<b>Mr. Pradeep Jain</b> Non Executive Director
<b>AUDITORS</b>	<b>M/s. Bhatte &amp; Company</b> Chartered Accountants Mumbai.
<b>LEGAL ADVISOR</b>	<b>Singhania &amp; Co., LLP</b> Solicitors & Advocates Mumbai.
<b>SECRETARIAL AUDITORS</b>	<b>Mr. Shailesh Kachalia</b> Practicing Company Secretary Mumbai.
<b>BANKERS</b>	ING Vysya Bank Limited HDFC Bank Limited State Bank of India
<b>FACTORY ADDRESS</b>	A-68, M.I.D.C., Sinnar Village, Malegaon, Dist. Nashik- 422 113, Maharashtra (India).
<b>REGISTERED AND CORPORATE OFFICE</b>	103, Sona Chambers, 507/509, J. S. S. Road, Mumbai – 400 002, Maharashtra (India).
<b>REGISTRARS &amp; SHARE TRANSFER AGENTS</b>	<b>Bigshare Services (P) Ltd.,</b> E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri(East), Mumbai – 400 072.



## **NOTICE**

Notice is hereby given that the Sixteenth Annual General Meeting of the shareholders of Cupid Limited will be held on Wednesday, 30<sup>th</sup> September, 2009 at 103, Sona Chambers, 507/509, J.S.S. Road, Chira Bazar, Mumbai - 400 002 at 10.15 a.m. to transact the following business:

### **Ordinary Business**

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2009 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. Omprakash Garg who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Anup Garg 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 Ordinary resolution:

**"RESOLVED THAT** Mr. Raju Subbha Sagi who was appointed by the Board of Directors as Additional Directors of the Company with effect from 28<sup>th</sup> February, 2009 and who holds office upto the date of this Annual General Meeting in term of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from Shareholders under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation.

6. To consider and if thought fit to pass with or without any modifications the following resolution as Ordinary resolution:

**"RESOLVED THAT** Mr. Pradeep Jain who was appointed by the Board of Directors as Additional Director of the Company with effect from 28<sup>th</sup> February, 2009 and who holds office upto the date of this Annual General Meeting in term of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from Shareholders under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation.

**For and on behalf of the Board of the Directors**

**Omprakash Garg**  
Chairman

### **REGISTERED OFFICE**

103, Sona Chamber,  
507/509, J.S.S. Road,  
Mumbai - 400 002.

Place : Mumbai

Date : 17<sup>th</sup> August, 2009



# Cupid Limited

## 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 Wednesday 23<sup>rd</sup> September, 2009 to Wednesday 30<sup>th</sup> September, 2009, 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 dematerialized 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 Private Ltd)
6. In all correspondence with the Company, members are requested to quote their for physical share the 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 the provision of section 173 (2) of the Companies Act, 1956.

As required by Section 173(2) of the Companies Act, 1956, the following explanatory statements set out all material facts relating to the business mentioned under Item 5 to 6 of the in the Notice of the Annual General Meeting.

5. The Board of Directors appointed Mr. Raju Subba Sagi as Additional Director of the Company at their board meeting held on 28<sup>th</sup> February, 2009.

As per the provisions of Section 260 of the Companies Act 1956, Mr Raju Subbha Sagi holds office of the Director of the Company up to date of Annual General Meeting. The Company has received notices from the shareholders of the Company under the provisions of Section 257 of the Companies Act, 1956 proposing the appointment of Mr Raju Subba Sagi as Director of the Company liable to retire by rotation alongwith requisite deposit.

Details regarding the persons proposed to be appointed as Directors and their brief resume have been given in the Annexure attached to the Notice. Keeping in view the experience and expertise knowledge, Directors of the Company recommended to the Shareholders to accord their approval by way of passing ordinary Resolution.

Except proposed appointee, none of the Directors of the Company are interested in the resolution.

6. The Board of Directors appointed Mr Pradeep Jain as Additional Director of the Company at their board meeting held on 28<sup>th</sup> February, 2009.

As per the provisions of Section 260 of the Companies Act, 1956 Mr. Pradeep Jain holds office of the Director of the Company up to date of Annual General Meeting. The Company has received notices from the shareholders of the Company under the provisions of Section 257 of the Companies Act, 1956 proposing the appointment of Mr. Pradeep Jain as Director of the Company liable to retire by rotation alongwith requisite deposit.

Details regarding the persons proposed to be appointed as Directors and their brief resume have been given in the Annexure attached to the Notice. Keeping in view the experience and expertise knowledge, Directors of the Company recommended to the Shareholders to accord their approval by way of passing ordinary Resolution.

Except proposed appointee, none of the Directors of the Company are interested in the resolution.

**For and on behalf of the Board of the Directors**

**Omprakash Garg**  
Chairman

Place : Mumbai  
Date : 17<sup>th</sup> August, 2009

**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.

<b>Name of Director</b>	Mr. Omprakash Garg	Mr. Anup Prakash Garg	Mr. Raju Subba Sagi	Mr. Pradeep Jain
<b>Date of Birth</b>	25 <sup>th</sup> June, 1943	28 <sup>th</sup> February, 1958	10 <sup>th</sup> December, 1942	15 <sup>th</sup> September, 1974
<b>Qualification</b>	M. Sc.	Chartered Accountant	M. Sc.	M.Sc.FCS, LL.B (Hon's)
<b>Date of Appointment</b>	8 <sup>th</sup> August, 1994	14 <sup>th</sup> September, 2007	28 <sup>th</sup> February, 2009	28 <sup>th</sup> February, 2009
<b>Specific Experience</b>	Having experience in Business Environment. Industrialist with wide Business experience for more than 33 years.	Practicing Chartered Accountant,	Having experience in Business Environment. Industrialist with wide Business experience for nearly 30 years.	Having experience in Legal Consultancy and Professional Practicing Lawyer in well known International firm.
<b>Directorships held in other Public Companies</b>	Nil	1. Andhra Bank Limited	Nil	Nil
<b>Membership/ Chairman of Other Public Companies (Includes only Audit and Shareholders / Investors Grievance Committee)</b>	Nil	1. Andhra Bank Limited	Nil	Nil



# Cupid Limited

## REPORT OF BOARD OF DIRECTORS

Your Directors herewith present the **Sixteenth Annual Report** on the business and operations of the company for the year ended 31st March, 2009.

### Financial Results

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

PARTICULARS	(Amount in Lacs)	
	31st March, 2009	31st March, 2008
<b>Turnover and Other Income</b>	<b>1,246.57</b>	<b>2444.30</b>
(Loss) / Profit before depreciation, finance charges and tax	( 142.69 )	424.43
<b>Less: - Depreciation and finance charges</b>	<b>242.39</b>	<b>173.13</b>
(Loss) / Profit before tax	( 385.08 )	251.30
<b>Less: - Provision for Current year Income tax</b>	<b>NIL</b>	<b>60.00</b>
<b>Less: - Provision for Current year FBT</b>	<b>1.80</b>	<b>1.69</b>
<b>Add: - MAT tax Credit</b>	<b>NIL</b>	<b>21.65</b>
<b>Less: - Provision for Deferred tax</b>	<b>( 115.09 )</b>	<b>102.52</b>
Net (Loss) / Profit after Tax	( 271.78 )	108.74
<b>Balance brought forward from previous year</b>	<b>694.33</b>	<b>585.59</b>
Balance Carried forward to Balance sheet	422.55	694.33

### Operations

The year under report ended with a loss of Rs 271.78 Lacs against profit of Rs. 108.74 Lacs. In terms of turnover, your company achieved a turnover of Rs. 1246.57 Lacs as against to Rs. 2,444.30 Lacs in the previous year. The Loss of Rs. 271.78 Lacs is after absorbing interest cost of Rs. 102.55 Lacs (previous year at Rs. 63.90 Lacs) and depreciation of Rs. 137.82 Lacs (previous year at Rs. 108.27 Lacs). Both the interest and depreciation in the current year is higher due to increase in borrowings and fixed assets for expanding the production capacity.

Loss during the year is due to increased capacity could not be utilised in the absence of Government order, slow down in global economy and sharp volatility in commodity prices. Therefore performance during the year was not satisfactory.

### 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 imported plant taking the production capacity to 503.15 million pieces p.a. and meeting the increased requirements of the working capital.



# Cupid Limited

## Allotment of the Convertible Warrants

During the year, the Company has issued 5,92,600 warrants convertible into 5,92,600 equity shares of Rs. 10 each @ Rs.16.50 to be converted on or before 14th April, 2010. However the company has received amount equivalent to 10% of the warrant price that comes to Rs. 9,77,460 ( Nine Lacs Seventy-seven Thousand Four Hundred and Sixty only) at the time of the warrant allotment. The fund received was utilized for the working capital requirement of the Company.

## Research and Development Recognition for developing Female Condoms

The Company has set up state of art Research and Development facilities for developing the female condom. In this process your Company got registration certificate from Government of India, Ministry of Science & Technology, Department of Scientific & Industrial Research, New Delhi. Your Company is persuing with the concerned authority for availing financial grants for development of female condom.

## Expansion of the Company

During the year, production capacity of contraceptives (i.e. Male Condom) has increased to 503.51 million pieces p.a. The commercial production of the increased capacity commenced at the end of July 2008. Decision for increase in capacity was taken for further market share and with a emphasis of further growth. However due to lack of order from Government the capacity utilisation remained at very low during the year under review.

## 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 costs of productions are also kept under constant reviews and controls.

The performance of financial year 2008 -2009 was adversely affected due to non -receipt of Government order, slow down in global economy and sharp volatility in commodity prices. The world economy has started showing signs of improvement, stable Government placed in our country and Government's continuous efforts to control birth, prevention of HIV and other sexually transmitted diseases. Your Company also making all its efforts to secure the order from Domestic and International Market for capacity utilisation. This will help the Company to perform well in the current year.

## Quality and Systematic Organisation flow Initiatives

Company is regularly reinforcing commitments to High Standards of quality products and Systematic Organisation flow as recommended by programs of the ISO 9001:2008, ISO 13485 : 2003, WHO GMP Certification and CE 0407 Certification leading to a prospective growth in Quality & Quantity of Company products and services.

## Dividend

In view of Losses incurred by your Company, the Board do not recommend payment of any dividend for the year 2008 - 2009.

## Directors

Mr.Omprakash Garg and Mr.Anup Garg retire by rotation but being eligible offer themselves for re-appointment.





# Cupid Limited

The Board of Directors also appointed Mr. Raju Subbha Sagi and Mr. Pradeep Jain as Additional Directors of the Company. The shareholders are requested to re-appoint them as mentioned at item No. 5 and 6 of Notice of Annual General Meeting.

## 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.

## 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.96.40 Lacs through exports, whereas the Company spent foreign exchange of Rs.135.52 Lacs towards imports of plant & machinery, commission and professional fees for documents and other professional services fees.

## Fixed Deposit

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

## Auditors

M/s Bhattar & Company, Chartered Accountants, Mumbai, who are the statutory auditors of the Company, in accordance to the provision of Companies Act, 1956 hold 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

## Subsidiary

During the year Company had incorporated a subsidiary Company by the name 'Cupid Medical Research Centre Private Limited' and subscribed to the capital of the said company of Rs. 0.98 Lacs equivalent to 98% of share capital is held by the Cupid Limited.

## 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 2008 - 2009, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures.
- ii) We have 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



# Cupid Limited

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) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and control for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) We have prepared the annual accounts on a going concern basis.

## Auditors Report

The observations made by the Auditors are replied in notes forming part of accounts, which are self-explanatory.

## Report on Corporate Governance, Management Discussion and Analysis

A report on the Corporate Governance alongwith Management Discussion and Analysis Report and a certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance, in terms of Clause 49 of the Listing Agreement, are annexed herewith.

## Appreciation

The Board of Directors would like to place on records their gratitude for the co-operation and the unstinted support received from Vendors, Traders, Customers, Banks and Shareholders. The support of the Bankers, Auditors and Members of Cupid family cannot go unmentioned here.

Your Directors look forward to having a long and fruitful relationship with all of them.

**For and on behalf of the Board of the Directors**

**Omprakash Garg**  
Chairman

Place : Mumbai  
Date : 17th August, 2009