



20th ANNUAL REPORT 2012 - 2013

BOARD OF DIRECTORS	: Mr. Omprakash Garg Chairman & Managing Director Mr. Raju Subba Sagi Independent & Non Executive Director Mr. Pradeep Kumar Jain Independent & Non Executive Director
AUDITORS	: M/s. Bhatler & Company Chartered Accountants Mumbai.
BANKERS	: ING Vysya Bank Limited HDFC Bank Limited State Bank of India
SECRETARIAL AUDITORS	: Mr. Shailesh Kachalia Practicing Company Secretary Mumbai.
REGISTERED OFFICE AND WORKS	: A-68, M.I.D.C., Sinnar, Malegaon, Nashik District, Maharashtra (India). Pin Code - 422113.
REGISTRAR & SHARE TRANSFER AGENTS	: Bigshare Services (P) Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri(East), Mumbai – 400 072.
COMPLIANCE OFFICER	: Mr. Omprakash Garg



NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the shareholders of Cupid Limited will be held on Monday, 30th September, 2013 at A - 68, M. I. D. C. (Malegaon), Sinnar, Nasik, Maharashtra- 422113 at 9.00 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, 2013 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. Raju Subba Sagi who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

For and on behalf of the Board of the Directors

OMPRAKASH GARG

Chairman & Managing Director

REGISTERED OFFICE

A - 68, M. I. D. C. (Malegaon),
Sinnar, Nasik,
Maharashtra- 422113

Place : Nasik

Date : 8th August, 2013

Notes for Member 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.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday 23th September, 2013 to Monday 30th September, 2013.



Details of Directors Seeking Appointment at the Annual General Meeting

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

Name of Director	Mr. Omprakash Garg	Mr. Raju Subba Sagi
Date of Birth	25th June, 1943	10 th December, 1942
Qualification	M. Sc.	M. Sc.
Date of Appointment	8th August, 1994	28 th February, 2009
Specific Experience	Industrialist with wide Business environment experience for more than 30 years	Industrialist with wide Business environment experience for more than 30 years
Directorships held in other Public Companies	Nil	Nil
Membership/ Chairman of Other Public Companies (Includes only Audit and Shareholders / Investors Grievance Committee)	Nil	Nil



REPORT OF BOARD OF DIRECTORS

Your Directors herewith present the **Twentieth Annual Report** on the business and operations of the Company for the year ended 31st March, 2013.

Financial Results

The highlights of financial results of the company are as follows:

PARTICULARS	(Amount in Lacs)	
	31st March, 2013	31st March, 2012
Turnover and Other Income	2862.43	2622.88
(Loss) / Profit before depreciation, finance charges and tax	331.11	295.47
Less: - Depreciation and finance charges	190.43	223.48
(Loss) / Profit before tax and exceptional items	140.68	71.99
Exceptional Items & Prior period Income / Expenses (Net)	(3.61)	-
Earlier year taxes provision W/off	-	(8.14)
Provision for Deferred tax	51.28	21.48
Net (Loss) / Profit after Tax	85.79	58.64
Balance brought forward from previous year	325.59	266.94
Balance Carried forward to Balance sheet	411.38	325.59

Operations

The year under report ended with profit of Rs. 85.79 Lacs against previous year profit of Rs.58.64 Lacs. In terms of turnover, your company achieved a turnover of Rs. 2,862.43 Lacs as against Rs. 2,622.88 Lacs in the previous year.

Finance

During the year under review , major part of term loan has been completely paid by the company except term loan liability of Rs.41.67 lacs and continue to enjoy working capital finance.

The Company had also raised fund by issue of convertible securities proceeds of same has been used to meet the requirement of working capital. The Company was able to report improvement in bottom line inspite of global slow-down & up-trend in input cost due to higher inflation and high volatility in currency rates.

The Company has achieved total revenue of Rs. 2,862.43 Lacs, which is again highest ever in history of Company. The management's continuous efforts in keeping expenditure under-control have also contributed in improvement of bottom line.

**Shifting of Registered office**

As per the consent received through postal ballot from shareholders of Company, registered office of the company w. e. f. 30th March 2013 shifted to 'A-68, M. I. D. C., Sinnar, Malegaon, Nasik – 422113'.

Launch of Female Condoms commercially in Market

Cupid Female condoms have been approved by WHO-UNFPA in 2012 and by South African Bureau of standard (SABS) in August 2013. Currently we are selling this condom in Indonesia, Brazil, Mozambique, Ivory Coast, Netherland, South Africa and India. We are anticipating large volume orders from South Africa, Brazil and NACO (National Aids Control organization), Ministry of Health, New Delhi during financial year 2013-2014.

Future Prospects

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

The performances during financial year 2012 – 2013 was better than previous year and also are pleased to mention that in terms revenue company had reported a turnover of Rs 2862.43 lacs due to repeated order from Government of India has further added to improvement in Company's performances.

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, USFDA and CE 0434 approvals. Certification leads to a prospective growth in Quality & Quantity of Company products and services.

Dividend

In view to conserve resources, the Board do not recommend payment of any dividend for the year 2012-2013.

Directors

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

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 it 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.533.68 Lacs (Previous year Rs. 348.69 Lacs) through exports, whereas the Company spent foreign exchange of Rs.1.41 Lacs (Previous Year Rs. 2.93 Lacs).

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 upto the conclusion of forthcoming Annual General Meeting and are eligible for re-appointment. Their appointment if made will be in accordance with section 224 (1B) of the Companies Act, 1956.

Insurance

Adequate insurance cover has been taken for the major assets of the Company including buildings, plant & machinery and stocks

Subsidiary

The Company has incorporated a subsidiary Company by the name 'Cupid Medical Research Centre Private Limited' and subscribed to the equity share capital of said company of Rs. 0.98 Lacs equivalent to 98% of shares capital. The company has not started any business activities in the said company.

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 2012 - 2013, 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 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 selfexplanatory.



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 & Managing Director

Place : Nasik

Date : 31st May 2013



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This discussion contains forward-looking statements, the performance of the Company for the year 2012 – 2013 and an outlook for the future. The report conveys expectations of future performance based on an assessment of current business environment. This could vary based on future developments. The following discussion and analysis should be read in connection with our audited financial statements prepared in accordance with the generally accepted accounting principles.

Industry Structure and Developments

The Company's products are well accepted in the market. The Company is marketing its products through Local distribution network and has successfully executing tender awarded by Ministry of Health, Government of India.

Opportunities and Threats

There are Opportunities towards concentration in Rural Market and exploring the Export Market. Whereas there are threats of Competition from unorganized / small-scale sectors and new entrants in the open market.

Outlook

The Indian condom market is highly fragmented – there are over 200 condom brands, most of them are regional. Assuming an industrial growth of 4 to 8 % will absorb company's entire production capacity. The Company is also penetrating new market in the International and Domestic front.

Risks and Concerns

Competition from the unorganized small-scale sector via cut throat competition from the new entrants in the market, thereby squeezing the Company's profit margins.

Internal Control Systems

The Company has an adequate system of internal controls, which ensures that all assets are protected against loss from unauthorized use or disposition and all transactions are recorded and reported in conformity with generally accepted accounting principles.

Financial Results

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

Particulars	(Amount in Lacs)	
	31st March, 2013	31st March, 2012
Turnover and Other Income	2862.43	2622.88
(Loss) / Profit before depreciation, finance charges and tax	331.11	295.47
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Human Resources and Industrial Relations

The Industrial relations at the plant continue to be cordial. Training Programme for personnel in various areas of corporate interest were held at different levels in the organisation in order to build-up execution capability at regular intervals.



REPORT ON CORPORATE GOVERNANCE

The Company's policies on the Corporate Governance and due compliance report on specific areas wherever applicable for the year ended 31st March, 2013 are given hereunder divided into the following areas.

A. Company's Philosophy on Corporate Governance

Your Company is fully committed to good corporate governance practices as laid down by SEBI. It envisages attainment of a highest level of transparency, accountability and equity in all facts of the Company's operations and helps the management in the efficient conduct of the Company's affairs and in protecting the interest of various participants like shareholders, employees, lenders, clients and at the same time places due emphasis on compliance of various statutory laws.

B. Board of Directors

- a) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Other directorships do not include alternate directorships, directorships of private limited companies and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

Name	Category	Attendance at board Meeting in year 2012-13		Directorships in other public Companies		Committee Position held in other public Companies		Attendance at Last AGM
		Held	Attended	Chairman	Member	Chairman	Member	
Omprakash Garg	Chairman & Managing Director	12	12	NIL	NIL	NIL	NIL	Present
Raju Subba Sagi	Independent Director, Non-Executive	12	6	NIL	NIL	NIL	NIL	Present
Pradeep Kumar Jain	Independent Director, Non-Executive	12	12	NIL	NIL	NIL	NIL	Present

b) Board Procedures

Twelve board meetings were held during the year on the following dates: 21th April 2012, 12th May 2012, 17th July 2012, 6th August 2012, 17th August 2012, 3rd October 2012, 20th October 2012, 3rd November 2012, 10th January 2013, 12th January 2013, 2nd February 2013 and 12th February 2013.

The Company has a mandatory annual requirement for every director to inform the company about the Committees/Board member position he occupies in other Companies and notifies the change, if any.



c) Management

The matters that are required to be discussed under Management Discussion and Analysis report has been included in the Directors Report to the shareholders. Whenever commercial transaction and financial transactions have been entered with Company, where Directors are interested, the nature of interest is being disclosed to the Board of Directors.

During the year under review, there were no transactions of any material, financial and commercial transactions, which had personal interest of the management that had a potential conflict with the interest of the Company at large.

C. Audit Committee:

Audit Committee as required by Clause 49 of the Listing Agreement comprised the following Members:

Mr. Pradeep Kumar Jain	Chairman, Independent & Non-Executive Director
Mr. Raju Subba Sagi	Independent & Non-Executive Director
Mr. Omprakash Garg	Chairman & Managing Director of Company

Six meetings were held during the year on the following dates: 5th May 2012, 10th July 2012, 30th July 2012, 30th October 2012, 12th January 2013, and 5th February 2013.

Name	Category	No of Meeting for year 12 – 13	
		Held	Attended
Mr. Pradeep Jain	Chairman Independent & Non-Executive Director	6	6
Mr. Raju Subba Sagi	Independent & Non-Executive Director	6	4
Mr. Omprakash Garg	Chairman & Managing Director of Company	6	5

Mr. Pradeep Kumar Jain Chairman of the Audit Committee was present at the 19th Annual General Meeting of the Company held on 28th September, 2012 to answer the shareholders queries.

Some of the terms of references of audit committee are to review the financial reporting process and to examine accountancy, taxation and disclosure aspect of significant transactions.

D. Remuneration Committee.

Remuneration Committee as required by Clause 49 of the Listing Agreement comprised the following Members:

Mr. Pradeep Kumar Jain	Chairman, Independent & Non-Executive Director
Mr. Raju Subba Sagi	Independent & Non-Executive Director
Mr. Omprakash Garg	Chairman & Managing Director of Company

The Company paid Rs. NIL remuneration to Mr. Omprakash Garg Chairman, & Managing Director of the Company for the year 2012 - 2013.

One Meeting of the Remuneration Committee was held on 12th May 2012 during the financial year wherein the Committee Members took decision on remuneration and other such related matters of the Company. The Company as per approval pay nominal sitting fees and reimburses out pocket expenses incurred by Directors of the Company under review of same by remuneration committee members.