



# CUPID LIMITED



We help the world play safe....



Regd. Office :

## **CUPID LIMITED**

A-68, M.I.D.C., Sinnar, Malegaon, Nashik District,  
Maharashtra (India). Pin Code - 422113.

E-mail : cupid\_bom@yahoo.co.in • Website : [www.cupidltd.com](http://www.cupidltd.com)



## 21st ANNUAL REPORT 2013 - 2014

<b>BOARD OF DIRECTORS</b>	<b>:</b> <b>Mr. Omprakash Chhangamal Garg</b> Chairman & Managing Director Appointment on: 16 <sup>th</sup> August, 1994 DIN : 00140756  <b>Mr. Pradeep Kumar Jain</b> Independent & Non Executive Director Appointment on: 28 <sup>th</sup> February, 2009 DIN : 01852819  <b>Mr. Raju Subba Sagi</b> Independent & Non Executive Director Appointment on : 28 <sup>th</sup> February, 2009 DIN : 00649330
<b>COMPLIANCE OFFICER</b>	<b>:</b> Mr. Omprakash Chhangamal Garg
<b>AUDITORS</b>	<b>:</b> <b>M/s. Bhatte &amp; Company</b> Membership No. 16937 Firm Reg. No : 1310902W Chartered Accountants Mumbai.
<b>SECRETARIAL AUDITORS</b>	<b>:</b> <b>Amruta Kothari</b> Membership No : 26359 COP No : 9499 Practicing Company Secretary Mumbai
<b>BANKERS</b>	<b>:</b> ING Vysya Bank Limited HDFC Bank Limited State Bank of India
<b>REGISTERED OFFICE &amp; FACTORY ADDRESS</b>	<b>:</b> A-68, M.I.D.C., Sinnar Village, Malegaon, Dist. Nashik- 422 113, Maharashtra (India).
<b>REGISTRARS &amp; SHARE TRANSFER AGENTS</b>	<b>:</b> <b>Bigshare Services (P) Ltd.,</b> CIN No : U99999MH1994PTC076534 E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai – 400 072.
<b>CIN NO.</b>	<b>:</b> L25193MH1993PLC070846



## Cupid Limited (2013 - 2014)

### REPORT OF BOARD OF DIRECTORS

Your Directors herewith present the **Twentieth first Annual Report** on the business and operations of the Company for the year ended 31<sup>st</sup> March, 2014.

### Financial Results

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

PARTICULARS	(Rs in Lacs)	
	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Turnover and Other Income	1962.12	2862.43
<b>(Loss) / Profit before depreciation, finance charges and tax</b>	<b>208.55</b>	<b>327.50</b>
Less: - Depreciation and finance charges	197.76	190.43
<b>(Loss) / Profit before tax and exceptional items</b>	<b>10.79</b>	<b>137.07</b>
Provision for Deferred tax	5.60	51.28
<b>Net (Loss) / Profit after Tax</b>	<b>5.19</b>	<b>85.79</b>

### Operations

The year under report ended with profit of Rs. 5.19 Lacs as against previous year's profit of Rs.85.79 Lacs. In terms of turnover, your company achieved a turnover of Rs. 1,962.12 Lacs as against Rs. 2,862.43 Lacs in the previous year.

### 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 July, 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 2014-2015.

### Future Prospects

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

The performance during financial year 2013-2014 was not in expected line due to non receipt of order from Government of India, Ministry of Health and slow down in global economy.

However during the later part of previous year, Company was able to secure order of female condoms from International market. The impact of said order is partially reflected in last quarter of previous year. Balance quantity of order will be executed upto October, 2014. Management of your Company is making continuous efforts to secure more business for improvement of performance of the Company.

### 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 0407 approvals. Certification leads to a prospective growth in Quality & Quantity of Company products and services.



## **Cupid Limited (2013 - 2014)**

### **Dividend**

In view to conserve resources, the Board do not recommend payment of any dividend for the year 2013 - 2014.

### **Directors**

Shri. Omprakash Garg will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Shri. Pradeep Kumar Jain and Shri. Raju Subba Sagi to be considered for appointment as Independent Director (s) of Company as prescribed by both under sub-section (6) of section 149 of the Companies Act, 2013 and under clause 49 of the listing agreement with the BSE Limited.

### **Employees**

The Company has not employed any employees drawing the salary in excess of the limits prescribed under section 217 (2A) 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. 931.72 Lacs (Previous year Rs. 533.68 Lacs) through exports, whereas the Company spent foreign exchange of Rs. 21.62 Lacs (Previous Year Rs. 1.41 Lacs).

### **Fixed Deposit**

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

### **Auditors**

M/s Bhatner & Co., Chartered Accountants, Mumbai, who are the statutory auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

### **Cost Auditors:**

The Company has appointed ' Gadre Raghunath Vijay ', as Cost Accountant of the Company to conduct the Audit of Cost records of the Company.

### **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.



## **Cupid Limited (2013 - 2014)**

### **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 2013 - 2014, 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 self-explanatory.

### **Forward Looking Statement**

Statements in this report describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements considering the applicable laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand supply conditions. Finished goods prices, raw materials cost and availability fluctuations in exchange rates, change in Government regulations and tax structure within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations. Investors will bear the above in mind.

### **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 all others associated to Cupid Limited 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 : Mumbai  
Date : 19th August, 2014



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This discussion contains forward-looking statements, the performance of the Company for the year 2013-2014 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 results of the company are as follows:

PARTICULARS	(Rs in Lacs)	
	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Turnover and Other Income	1962.12	2862.43
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<b>Net (Loss) / Profit after Tax</b>	<b>5.19</b>	<b>85.79</b>

### 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, 2014 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 2013-14		Directorships in other public Companies		Committee Position held in other public Companies		Attendance at Last AGM & EGM#
		Held	Attended	Chairman	Member	Chairman	Member	
Omprakash Garg	Chairman & Managing Director	8	8	NIL	NIL	NIL	NIL	PRESENT
Raju Subba Sagi	Independent Director & Non-Executive	8	6	NIL	NIL	NIL	NIL	ABSENT
Pradeep Kumar Jain	Independent Director & Non-Executive	8	8	NIL	NIL	NIL	NIL	PRESENT

# Date of EGM : 18<sup>th</sup> June 2013

# Date of AGM : 30<sup>th</sup> September 2013

### b) Board Procedures

Eight Board meetings were held during the year on the following dates : 3<sup>rd</sup> April 2013; 10<sup>th</sup> April 2013; 5<sup>th</sup> May 2013; 18<sup>th</sup> May 2013; 31<sup>st</sup> May 2013; 08<sup>th</sup> August 2013; 14<sup>th</sup> November 2013 and 01<sup>st</sup> February 2014.

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.





## Cupid Limited (2013 - 2014)

### 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

Five meetings were held during the year on the following dates: 10<sup>th</sup> April 2013; 31<sup>st</sup> May 2013; 08<sup>th</sup> August 2013; 14<sup>th</sup> November 2013 and 01<sup>st</sup> February 2014.

Name	Category	No of Meeting for year 2013-14	
		Held	Attended
Mr. Pradeep Kumar Jain	Chairman Independent & Non-Executive Director	5	5
Mr. Raju Subba Sagi	Independent & Non-Executive Director	5	5
Mr. Omprakash Garg	Chairman & Managing Director	5	5

Mr. Pradeep Kumar Jain Chairman of the Audit Committee was present at the 20<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2013 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 2013 - 2014.

One Meeting of the Remuneration Committee was held on 10<sup>th</sup> April 2013 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 of pocket expenses incurred by all Directors of the Company under review of same by remuneration committee members.



## Cupid Limited (2013 - 2014)

### E. Shareholders / Investors Grievance Committee

Shareholders / Investors Grievance 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

Five board meetings were held during the year on the following dates: 10<sup>th</sup> April 2013; 31<sup>st</sup> May 2013; 08<sup>th</sup> August 2013; 14<sup>th</sup> November 2013 and 01<sup>st</sup> February 2014.

Name	Category	No of Meeting for year 2013-14	
		Held	Attended
Mr. Pradeep Kumar Jain	Chairman Independent & Non-Executive Director	5	5
Mr. Raju Subba Sagi	Independent & Non-Executive Director	5	5
Mr. Omprakash Garg	Chairman & Managing Director	5	5

#### a) Procedure of the committee

The Board of Directors had delegated the power of share transfer to Mr. Omprakash Garg Chairman & Managing Director of the Company. However the Committee periodically reviews the share transferred and also looks into the redressal of shareholder complaints like non-transfer of shares, non-receipt of annual reports and other related matters.

#### b) Listing Fees

The Company has paid the annual listing fees for the year 2014-2015 to Bombay Stock Exchange Limited (BSE).

#### c) Shareholders Complaints for year 2013 - 2014

Sr.No.	Category	Received	Replied	Pending
1.	Transfer Related	-	-	-
2.	Change of Address	2	2	-
3.	Name Correction / Transmission	-	-	-
4.	Advice for Deletion of Name	-	-	-
5.	General Queries (Others)	3	3	-
	<b>Grand Total</b>	<b>5</b>	<b>5</b>	<b>-</b>