

23rd Annual Report 2015 - 2016

Green Love

BULL

FANTASY
live your fantasy

Hi-LIFE

CUPID

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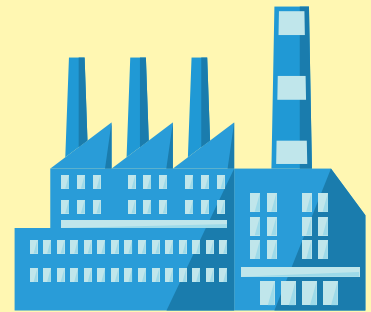
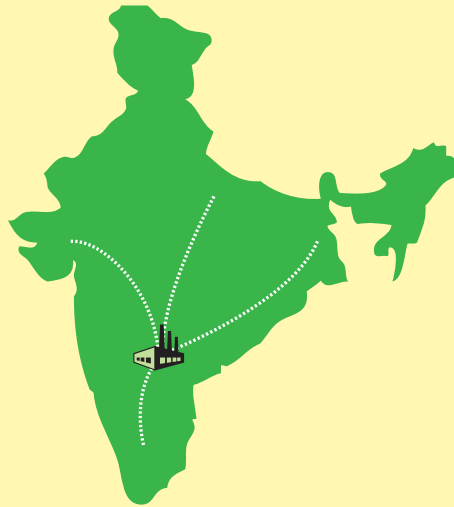
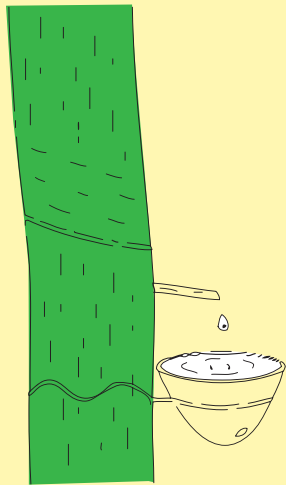
**BLACK
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CUPID LIMITED

SOURCING, MANUFACTURING & DISTRIBUTION



BOARD OF DIRECTORS



Omprakash Garg
Chairman and Managing Director



Jandhyala Sarma
Independent Director



Pradeep Kumar Jain
Independent Director



Veena Garg
Woman Director



CHAIRMAN STATEMENT

Dear Shareholders,

At the outset, let me thank you for your support and for being a valuable part of the Cupid family. Let me take you through the financial and operating highlights of the year gone past.

Fiscal 2015-16 has by far been the most eventful year for your Company. We registered one of the best financial performances for the company in its history as well as bolstered our readiness to exploit opportunities in the global condoms industry. The total revenues grew 39.1% to INR 628.05 million in FY 2015-16 from INR 451.42 million in FY 2014-15. This performance came on the back of increased shipments both for the female as well as male condoms. From a business standpoint, the revenues are equally distributed between female and male condoms. The female condom business has

seen a robust growth in this fiscal largely on account of new institutional orders and this impacted our EBITDA and PAT positively. While the EBITDA registered a 99.3% growth to move from INR 135.34 million in FY 2014-15 to INR 269.74 million in FY 2015-16, the Net Profits also showed a 106.7% increase to close at INR 159.33 million. This translates to an EBITDA Margin at 42.9% for FY 2015-16 as against 30.0% in FY 2014-15. We exported to about 26 countries and our exports contribution to overall sales was 77% at the end of year.

Operationally, the capacity utilization increased from 52.0% in the FY 2014-15 to 64.0% in FY 2015-16. This is expected to improve further in the coming year as the pipeline of orders gives us the required confidence. During the year, the Company also took the task of upgrading its facility as to improve overall levels of productivity. In addition, a new range of product called water based lubricant jelly was launched. Requisite approvals from the Indian authorities have been received and we expect this business to start generating revenue from FY 2016-17. We also continued our efforts in research and development activity as to develop new value added products for widening our offerings Both for institutional and direct consumer.

As you are aware, the Company also entered into an agreement with National Department of Health(NDOH), Government of South Africa through our agents for supply of female condoms worth USD 16.3 million (INR equivalent of approximately 1,032.2 million). The execution for this order is already underway and we expect to complete the same by fiscal 2018-19. Besides this order, the South Africa and other Sub Sahara African countries are of strategic importance for the business. This country has the biggest HIV epidemic in the world, with an estimated 6.8 million people living with HIV in 2013. It was also estimated according to a survey that HIV prevalence among women was nearly twice as high as men.

We also remain positive on our business in the entire Sub-Saharan region which accounts for close to 70% of the global HIV population, the HIV prevalence is still extremely high in some countries. With these factors, we see a good business opportunity for male as well as female condoms and this is one of the key reasons why the Company's strategy is centred around Sub-Saharan region for future growth. We are also looking at inclusive growth in the region. Fiscal 2015-16 was a stellar year with our share in ex-south Africa female condom business increasing from 8% in 2014-15 to over 25% in 2015-16.

The Company has signed a non-exclusive long term agreement with United Nations Population Fund (UNFPA) for period of 3 years on 10th March 2016 to supply female condoms and for period of 8th March 2016 to 31st July 2016 to supply male condoms, Company is expecting for renewal upon its expiry. UNFPA is a front running organization addressing HIV, adolescent and unintended pregnancies program. This partnership is a step in the right direction to increase access to HIV-related services for young people, women and girls, including those living with HIV. We hope to cement this relationship further and ensure that social interests get married with business commitments. Overall, FY16 was a progressive year for us, and we believe we are on the right trajectory to move towards the next orbit of growth.

The global contraceptives market size is poised to touch USD 33.6 billion in revenue by 2023. Despite the general increase in trends of condom use, there still exists a substantial gap in access to condoms for a large percentage of the population. This dichotomy highlights the important opportunities for strengthening demand and supply of condoms and the Company is well prepared to address it.

I also take the opportunity to acknowledge your feedback regarding the need for a formal investor relations setup. Based on your feedback, we have initiated a formal investor relations program for the company effective first quarter of fiscal 2017. The objective of this program is to enhance our communication efforts and disclosures that are important for investors taking an informed decision on the Company.

The building blocks for the next level of growth has been laid. Events to watch as we moved ahead include approval from UNFPA for CUPID 2 Female condoms which could be a key trigger for the new markets. The other trigger would be the response to water based lubricant jellies that are poised for a mass-market debut.

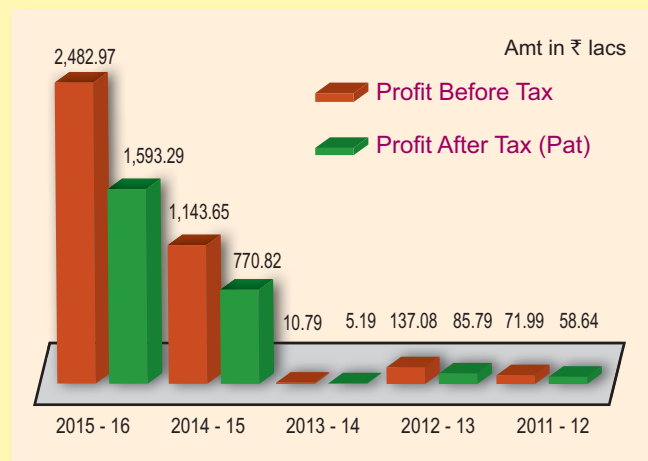
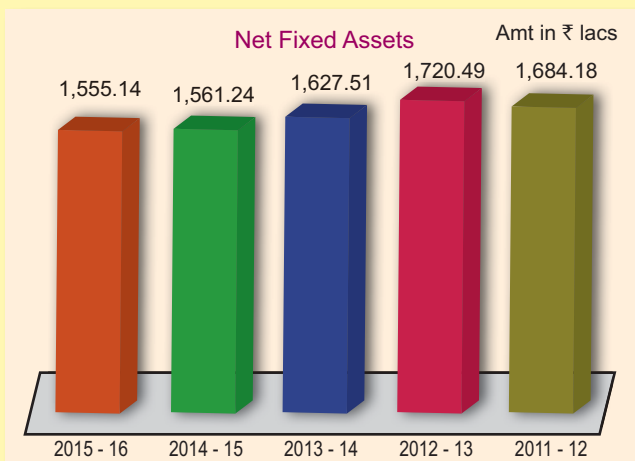
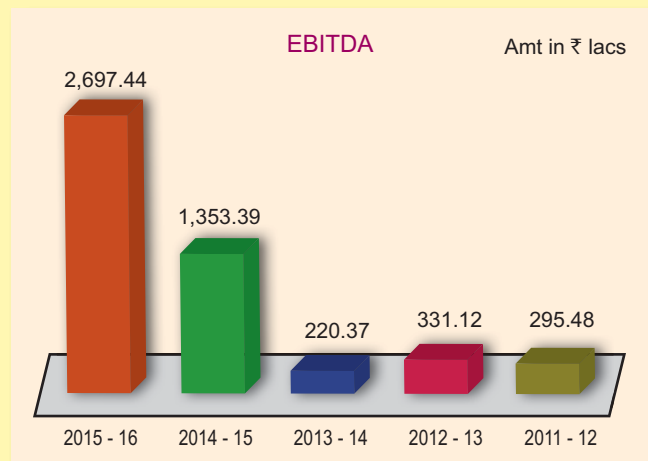
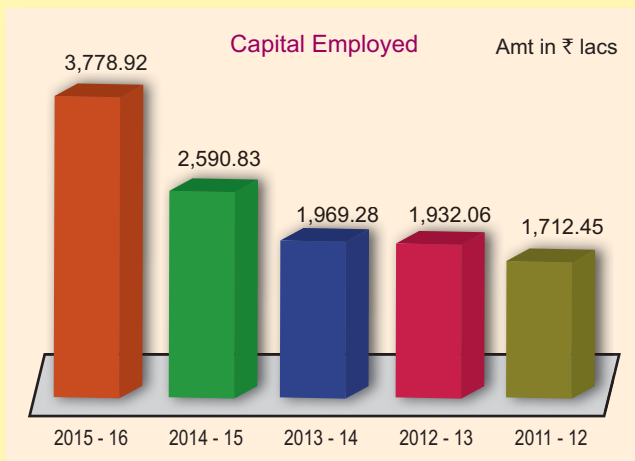
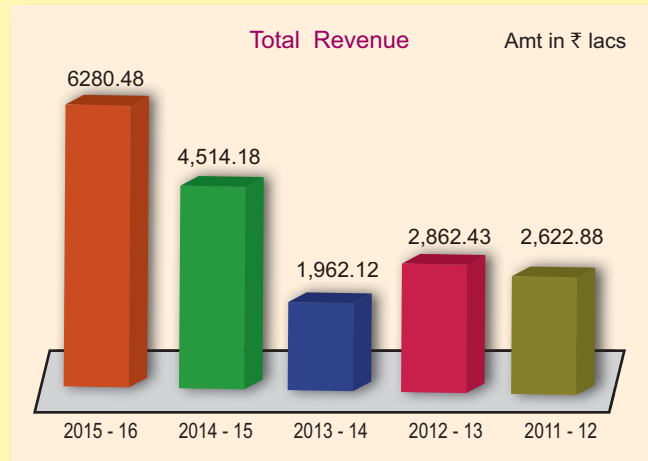
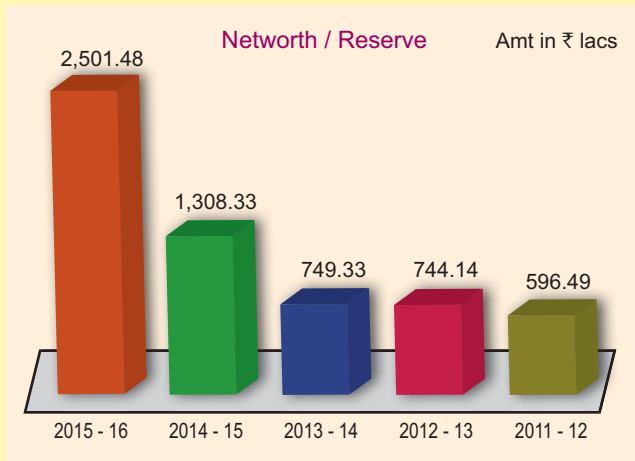
I would like to thank you once again for reposing your faith and trust in us. I also take the opportunity to thank all the employees of company for their dedicated service towards Company's growth.

BEST REGARDS,

OMPRAKASH GARG
Chairman and Managing Director

CUPID LIMITED

FINANCIAL GROWTH PATH



FINANCIAL OF 5 YEAR - HIGHLIGHTS

FINANCIAL GROWTH PATH

Amt in ₹ lacs

<i>Particulars</i>	2015 - 16	2014 - 15	2013 - 14	2012 - 13	2011 - 12
Equity Capital	1,111.50	1,111.50	1,111.50	1,111.50	971.00
Networth / Reserve	2,501.48	1,308.33	749.33	744.14	658.34
Capital Employed	3,778.92	2,590.83	1,969.28	1,932.06	1,712.45
Net Fixed Assets	1,555.14	1,561.24	1,627.51	1,720.49	1,684.18
Cash and Cash Equivalents	919.13	319.82	24.77	38.70	23.76
Trade Receivables	1,327.39	817.55	317.47	127.70	269.83
Trade Payables	152.54	186.59	229.98	153.43	241.09

OPERATING RESULTS

Amt in ₹ lacs

<i>Particulars</i>	2015 - 16	2014 - 15	2013 - 14	2012 - 13	2011 - 12
Revenue from Operation	6114.56	4,444.05	1,953.39	2,839.89	2,597.76
Other than Operation	165.92	70.13	8.73	22.54	25.12
Total Revenue	6280.48	4,514.18	1,962.12	2,862.43	2,622.88
Expenditure	3,583.04	3,160.79	1,741.75	2,531.31	2,327.40
EBITDA	2,697.44	1,353.39	220.37	331.12	295.48
EBITDA (%)	42.95	29.98	11.23	11.57	11.27
Depreciation	193.00	183.21	150.63	141.90	137.27
Finance Cost	21.47	26.05	47.12	48.53	86.22
Exceptional items	-	0.48	11.83	3.61	-
PROFIT BEFORE TAX	2,482.97	1,143.65	10.79	137.08	71.99
Income Tax and Deferred Taxes	889.68	372.83	5.60	51.29	13.35
PROFIT AFTER TAX (PAT)	1,593.29	770.82	5.19	85.79	58.64
PAT (%)	25.37	17.08	0.26	3.00	2.24
Basic EPS (Amt in ₹)	14.33	6.93	0.05	0.77	0.60
Diluted EPS (Amt in ₹)	14.33	6.93	0.05	0.77	0.53
Cash EPS (Amt in ₹)	16.07	8.58	1.40	2.05	2.02
Dividend (Amt in ₹)	3.00	1.50	-	-	-

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COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR

Mr. Omprakash Chhangamal Garg

WOMAN DIRECTOR

Mrs. Veena Omprakash Garg

INDEPENDENT & NON EXECUTIVE DIRECTORS

Mr. Pradeep Kumar Jain

Mr. Jandhyala L. Sarma

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Saurabh V. Karmase

CHIEF FINANCIAL OFFICER

Mr. Narendra M. Joshi

REGISTERED OFFICE & FACTORY ADDRESS

A – 68, M.I.D.C., Sinnar, Malegaon,
Nasik District, Maharashtra, India, Pin code – 422113.

CIN No. : L25193MH1993PLC070846

Tel : - 02551 – 230 280 / 230 772

Email :- corporateaccounts@cupidlimited.com

Website:- www.cupidltd.in

AUDITORS

Bhatter & Co.

Chartered Accountants
Mumbai

SECRETARIAL AUDITORS

CS Shailesh Kachalia

Practicing Company Secretary
Mumbai

REGISTRARS & SHARE TRANSFER AGENTS

Bigshare Services Private Limited

CIN No: U99999MH1994PTC076534

E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka,
Andheri (East), Mumbai – 400 072

Tel: - 022 – 40430200

Email: - investor@bigshareonline.com

Website: - www.bigshareonline.com

BANKERS

Kotak Mahindra Bank Limited

HDFC Bank Limited

State Bank of India





NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Shareholders of CUPID LIMITED will be held on Saturday 17th September, 2016, at A – 68, M. I. D. C., (Malegaon), Sinnar, Nashik, Maharashtra - 422113 at 12.00 noon to transact the following business : -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2016 together with the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Omprakash Garg (DIN: 00140756), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Veena Garg (DIN: 03456648), who retires by rotation and being eligible, offers herself for re-appointment.

4. Appointment of auditors and fixing their remuneration

To pass the following resolution as an Ordinary Resolution

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s Bhatler and Company, Chartered Accountants, (Firm Registration No. 131092W), be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors, in addition to the reimbursement of service tax and actual out-of-pocket expenses incurred in connection with the audit of accounts of the Company for the Financial Year ending 31st March, 2017.

RESOLVED FURTHER THAT Mr. Omprakash Garg, Managing Director of the Company be and is hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”.

SPECIAL BUSINESS

5. Appointment of Mr. Omprakash Garg, as Chairman and Managing Director of the Company

To pass the following resolution as an Special Resolution

RESOLVED THAT pursuant to provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and such other consents and permission as may be necessary, and subject to such modifications, variations as may be approved and acceptable to the appointee, the consent of the shareholders of the Company be and is hereby accorded for the appointment of Mr. Omprakash Garg (DIN No – 00140756) as Chairman and Managing Director of the Company for a period of 5 years from 20th July, 2016 to 19th July, 2021 and payment of remuneration for the aforesaid period on the terms and conditions as approved by the Nomination and Remuneration Committee in its meeting.

I. REMUNERATION

(a) SALARY

Salary payable of Rs. 5,00,000 (Rupees Five lakhs only) per month

(b) COMMISSION

Commission payable shall be Equivalent to 1% of the net profits of the Company.

II. PERQUISITES

(a) HOUSING

The Company shall provide free un-furnished accommodation. The value of benefit will be determined as per the Income Tax Rules.

(b) REIMBURSEMENT OF MEDICAL EXPENSES

Reimbursement of medical expenses (including insurance premium for medical and hospitalisation policy, if any) incurred for self and family, subject to a ceiling of one month's salary or three months' salary over a period of 5 years, as per Rules of the Company. For the above purpose, “Family” includes spouse, dependent children and parents.

(c) LEAVE TRAVEL CONCESSION

Leave Travel Concession for self and family, once a year, incurred in accordance with the Rules of the Company. For the above purpose, “Family” includes spouse, dependent children and parents.

