



CUPID LIMITED

Manufacturers and Suppliers of Male & Female Condoms

Date: - 17th August, 2021

To,

Department of Corporate Services,
BSE LIMITED,
Phiroze Jeejeebhoy Towers,
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The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, Bandra-Kurla
Complex, Bandra (East),
Mumbai - 400051
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Subject: - Q1FY22 Conference Call Transcript

Dear Sir / Madam,

With reference to captioned subject, we hereby enclose the transcript of Q1FY2022 conference call which was hosted by the company on 13th August, 2021 at 5.00 P.M.

This is for your records.

Kindly acknowledge the receipt.

Thanking You.

For CUPID LIMITED



Saurabh V. Karmase

Company Secretary and Compliance Officer

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“Cupid Limited Q1 FY-22 Earnings Conference Call”

August 13, 2021



**MANAGEMENT: MR. OMPRAKASH GARG – CHAIRMAN & MANAGING
DIRECTOR, CUPID LIMITED**



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Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY22 Earnings Conference Call of Cupid Limited. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Binay Sarda from Christensen Advisory. Thank you and over to you sir.

Binay Sarda: Thanks Steven. Good evening to all of you and thanks for joining the Q1 FY22 earnings for Cupid Limited. We have mailed the results press release to you. I hope you have received the same and we have also uploaded this on our website and the stock exchanges. To discuss the results and address the queries of the investors, we have with us Mr. Om Garg – Chairman and Managing Director of the company. Mr. Garg will give a brief overview of the quarter gone past and then we'll open the floor over to Q&A session.

I would like to remind you that everything said on this call that reflects any outlook for the future or which can be construed as a forward-looking statement must be viewed in conjunction with the uncertainties and the risks that we face. These uncertainties and risks are included but not limited to what we have mentioned in the prospectus filed with Sebi and subsequent annual report which you can find on the website. With that said let me handover the call over to Mr. Garg. Over to you sir.

Omprakash Garg: Thank you Binay. Good afternoon, ladies and gentleman. On behalf of Cupid Limited, I would like to welcome you all for attending the Q1 FY22 earnings conference call today. I hope by now you had a chance to review the financial results we had published last night after the board meeting. I will not be repeating those numbers again. Instead, we will be going directly to the question-and-answer session.

Moderator: Thank you very much. We will begin the question-and-answer session. The first question is from the line of Subbo Murug, an Individual Investor.

Subbo Murug: My first question is on the South African order. If you can give us an update on what is the status and how much are we expecting, when we are expecting the results that would be very helpful?

Omprakash Garg: We had the discuss this matter with the government on yesterday and they have indicated that most likely by the end of August, they should be declaring the results from the last tender. And we are expecting an order between 60 to 80 Cr each year for the next 3 years.

Subbo Murug: How much of this would be Male Condoms and how much of it would be Females?

- Omprakash Garg:** It will be two-third Female and one-third Male.
- Subbo Murug:** We will get this for the next 3 years, so like this tender is not for this year but it also covers the next 3 years or will we again have a tender for next year again?
- Omprakash Garg:** Yes, it's a 3-year tender, correct.
- Subbo Murug:** And any news on the Brazilian tender, do we have any updates from Brazil?
- Omprakash Garg:** Brazilian tender has been postponed to early next year. They had to review their funding for the procurement of Female Condoms. It has been delayed a few months.
- Subbo Murug:** And how much is the overall tender size from Brazil, the overall size and how much do we expect to get?
- Omprakash Garg:** They have not indicated yet what would be the volume of business they will be tendering for. We are assuming that it would be about same as we had last year.
- Subbo Murug:** And lastly any updates from the IVD devices front, if you can give us an update on what has happened and what is your expectations for the future?
- Omprakash Garg:** Yes. All the construction works for IVD project at Nashik has been completed. Now we are in the process of installing the equipment there. Also, we are in the process of applying for the licenses with the drug controller of India. We expect all these formalities to be over by September end and hopefully the commercial business would start from October onwards.
- Subbo Murug:** How much are we expecting to do this from October to March, how much do we expect from like a revenue and profit perspective?
- Omprakash Garg:** Based on some of the enquiries we have had and the market report, we are expecting about 30 Cr business between October and March, depending on the situation with the third wave of COVID-19. Lately the demand has picked up. So, we really don't know the more precise number but tentatively we can say at least 30 Cr.
- Subbo Murug:** And what margins are we expecting on this?
- Omprakash Garg:** About 25%, 20 to 25% margin.
- Subbo Murug:** Like last question is on the USFDA front, do we have any update on maybe Female Condom entering to the US.

- Omprakash Garg:** We should be submitting our formal application in January-February after the clinical trial study is completed by the end of this year. And we are hoping that towards the end of '22, we should hear from USFDA about approving the Cupid Female Condoms for marketing.
- Moderator:** The next question is from the line of Rohin Joshi from Raj Enterprises.
- Rohin Joshi:** I had a question pertaining to IVD front, so in the current product mix we see a contribution of 12% from IVD sale. Now given our revenue that could be around between 4 to 5 crores. Have we managed to break even on that front, if so, what are the margins? That is the first question, followed by what is our utilization is looking like and are you considering a buyback option?
- Omprakash Garg:** The margins on IVD is between 20% to 25% is what we are expecting.
- Rohin Joshi:** As I see in the current revenue there is IVD sale of 12%, so for this particular result I'm assuming that it's 4 to 5. The sale revenue for this quarter is 4 to 5 crores. It would be 20% to 25% of that amount, is that correct?
- Omprakash Garg:** Yes. Commercial production we will start from October onwards at the IVD plant. The business we did in the last quarter was done through outsourcing.
- Rohin Joshi:** I just wanted to have an understanding of margins for the outsourced one.
- Omprakash Garg:** Outsourced one was about 15.
- Rohin Joshi:** What are the current capacity utilization percentage?
- Omprakash Garg:** Capacity utilization for Male Condom during this quarter was 73% and for Female Condoms it was 92%. The plant was down due to lockdown during May and June.
- Rohin Joshi:** With the rubber prices in the short-term fall because we have witnessed that rubber prices have softened a bit, did you see margins improving in next couple of quarters or do we have already had enough inventory that is going to be carried on to the next few quarters?
- Omprakash Garg:** Yes, we expect to continue this at least at the level we did it during the last quarter.
- Rohin Joshi:** I didn't actually get a response or maybe I missed it. I was not able to hear. So, my question was regarding the rubber prices that have been softened, so the question itself was that do we see that margin improving in next two or three quarters or do we already have inventories from the previous producers? So, I wanted to have an understanding that the prices that have been lower.

- Omprakash Garg:** In terms of the latex price, there has been an increase of between 20% to 30% from the previous quarter to this quarter. We do have some inventory but now that the monsoon is almost over, down in Kerala, we are expecting it to come down to the Pre Monsoon level.
- Moderator:** The next question is from the line of Naveen Kumar, an Individual Investor.
- Naveen Kumar:** So, my question is primarily a suggestion as well. So, 2 years back you mentioned that you tried to promote aggregators to participate in the con-call. But we have not seen participation from the executive lines since then. Can we expect executives to be more active in the con-call going further?
- Omprakash Garg:** Yes, we have been working on this and hopefully we would have another couple of people trained to handle these calls.
- Moderator:** The next question is from the line of Onkar Ghugardare from Sheree consultancy.
- Onkar Ghugardare:** Have we found any CEO for the post?
- Omprakash Garg:** Well, there has been no update since the last meeting. However now we are concentrating on the IVD project for a more rapid growth of profitability at Cupid.
- Onkar Ghugardare:** So, is it the fact that the company is very small that's why people are not interested in joining this or what is happening because we have been doing this work from last—I guess, if I remember correctly from more than—2 years now. What is the real reason behind it?
- Omprakash Garg:** One could be the availability of the candidates, the experience we are looking for should have not only international marketing level but also the financial background as well as the operating experience preferable in the Condom line, contraceptive line. Well, seems like there are not many people available in the country.
- Onkar Ghugardare:** Is it out of 135 crores, if you don't find a single person then it is difficult, right?
- Omprakash Garg:** We are always looking for it. We have talked to few people but they were not found to be satisfactory.
- Onkar Ghugardare:** No, I mean your company is situated in Nashik, is that the reason people are not interested in coming there or working there or what is the reason?
- Omprakash Garg:** Yes, you are right. A couple of people have indicated that they would have preferred to be located in Bombay instead of Nashik.

- Onkar Ghugardare:** Now what is the plan on that front or that is completely out of the woods now or out of the question now?
- Omprakash Garg:** No, like we say we will continue to look for a suitable candidate but, in the meantime, we have fully experienced team. They are working on the project and in addition to the contraceptive business we are expanding our IVD program. So, I expect the business to be making steady progress during rest of this year and in the coming few years.
- Onkar Ghugardare:** The next question is on the succession planning; it is related to this but what's your vision 2-3 years down the line for Cupid? Do you plan to exit this company or sell this company to anyone or you plan to keep this company running like the way it has been running, so what's the vision for this company?
- Omprakash Garg:** We are always looking for better opportunities. We have a plan to run it for the next 2-3 years at least but then as the situation arises, we will take appropriate action.
- Onkar Ghugardare:** There must be some visions from you, so how you plan to go about this? If you get a good deal then would you be selling it or have people approaching you or you are approaching people, what's the thinking behind this?
- Omprakash Garg:** No, our objective is to achieve the top line of 200 crores in next 3 years. We have a very clear objective of expanding the operations of this company. We already have the Condom business and the second vertical is IVD. We are investigating the possibility of adding a third vertical hopefully starting next year. The company's business will be growing as we move forward and our target as I mentioned is to achieve close to Rs. 200 crores within next 3 years.
- Onkar Ghugardare:** The next vertical you were talking about which would be that?
- Omprakash Garg:** We are still investigating. One area we are looking at is sexual wellness related area but we are still investigating the best possible vertical to select.
- Moderator:** The next question is from the line of Mohak, an Individual Investor.
- Mohak:** Most of my questions have been answered, mainly was the CEO succession. Second thing was about the promise that you said you will be bringing on more management persons in the conference calls. It will be helpful because as investors we will also be able to know that there are a proper people with the adequate know-how of the business, who will be handling in the future. And about the CEO position, do you have any timeline in your mind like by when you would be able to CEO for your company?
- Omprakash Garg:** Well as soon as possible, we are always looking for the suitable candidate.



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- Mohak:** Yes, but still it's been 2-3 years, so within the next 2-3 years can we expect a CEO for the company?
- Omprakash Garg:** Yes. Definitely we can expect one.
- Moderator:** The next question is from the line Mukesh Rai, an Individual Investor.
- Mukesh Rai:** I have two questions; one on this IVD devices, so we did somewhere 3.36 Cr in last quarter. Do we have some breakup of that, on what part of that is related to, COVID and what is other than COVID, RT-PCR kits or other kits?
- Omprakash Garg:** No all the business was done through the sale of antigen rapid test kits, RT-PCR. We have not added any new products during the quarter. However, we plan to starting from October test kits for malaria, dengue and pregnancy test kit and HIV test kit in addition to the antigen rapid test for COVID.
- Mukesh Rai:** And second was on the overall world scenario where we have another competitor that was company that was Veru, in Female Condoms and there have been news running around like they are willing to sell that business. Are we interested or are we exploring that, any acquisition because we have cash on books? So, either to go ahead with some buyback or something or we expand the business acquiring other similar business, do we have any plans or any internal discussions going on within the management or somewhere?
- Omprakash Garg:** I'm not sure which company is on sale, which one you are referring to.
- Mukesh Rai:** Its Veru which has Female Condom business and that is the only one competitor for us across world, VERU.
- Omprakash Garg:** We have contacted Veru and the response was that they are not ready to talk to Cupid at this point. So, we assume that they are negotiating some kind of deal with another buyer.
- Mukesh Rai:** Do we have any idea who can be other because we know only two organizations across the world for this Female Condom business, one was Cupid, another was Veru. So if they are negotiating the third one that could be our prospective competitor in near future. Do we have any idea on that?
- Omprakash Garg:** No, we don't have any idea now who could be that interested party. It could be one of the major Male Condom manufacturers, maybe Like Durex. But we really don't know who they are talking with currently.

- Mukesh Rai:** And coming back to the order book, first time in last 3-4 years roughly I can say, our order book has gone in two digits. As of now it stands at 85 Cr, are we expecting any increase in that in maybe Q2 itself or somewhere or this 85 is going to be till our current FY?
- Omprakash Garg:** Yes, currently our order book is 85 Cr and we are expecting a major order from South African Government which has been delayed. We are expecting that to be at the end of August or latest by mid-September. As I mentioned earlier, we are expecting approximately 60 to 80 Cr of orders each year for the next 3 years.
- Mukesh Rai:** If we get this end of August or September somewhere, will it be for current FY? Are you going to deliver that in current FY or it will be for next 12 months kind of?
- Omprakash Garg:** No, the dispatches under the new tender would start from January 1, 2022 and it would go up to December '24.
- Mukesh Rai:** So, in Q2 and Q3 that's not going to impact us?
- Omprakash Garg:** No for Q2 and Q3 we already have 85 Cr orders to process and small quantity of orders are coming in between as well. We have enough orders to do Q2 and Q3, very easily, even Q4 orders we would have by that time. UNFPA orders have been trickling in all the time.
- Mukesh Rai:** And break up of that expected South African order in Male and Female Condoms.
- Omprakash Garg:** We are expecting about two-thirds of Female order and one-third of Male Condom out of the total tender volume.
- Mukesh Rai:** So, this two-third based on quantity or based on order value, order value of...?
- Omprakash Garg:** Order value, two-third Female, one-third Male, total value of the allocation.
- Moderator:** The next question is from the line of Montosh Kumar, an Individual Investor.
- Mantosh Kumar:** This is regarding IVD segment, as of now if I go to the Cupid website and try to find the information regarding this, there is no information whatsoever. I was just curious that like it would be good that you can plan to update our website with this segment and what all things we are planned to offer and like other products we are offering in future.
- Omprakash Garg:** Thank you for the good suggestion. We are planning to add a section on IVD project in next couple of months to our website.
- Moderator:** The next question is from the line of Krishna Singh from Aarambh Services.



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- Krishna Singh:** The first question is what is the expected customer acquisition rate for Female and Male contraceptive in LATAM and North American market?
- Omprakash Garg:** I'm sorry, could you please repeat your question?
- Krishna Singh:** What is the expected CAGR and customer acquisition rate in Latin America market for this company?
- Omprakash Garg:** In the Latin America?
- Krishna Singh:** Yes, like Brazil and the markets which you are working on?
- Omprakash Garg:** Brazil, we are expecting a repeat tender to be floated early next year. We are expecting business from that related to Female Condoms like we have been supplying Female Condom in Brazil for the last 2 years. In addition, we have registered our Male Condom in the Brazilian market. Further we are in the process of discussing some new orders to sell Male Condoms in Peru and we have registered our Cupid brand in Argentina. We see some good opportunities in Latin American countries going forward.
- Krishna Singh:** Do you mean there is an untapped potential in the Latin America and African market, right?
- Omprakash Garg:** Yes, we do.
- Krishna Singh:** My next question is what are your plans to compete with the brands like Mankind, Manforce or any global competitor?
- Omprakash Garg:** I am sorry?
- Krishna Singh:** What are your plans to compete with the Mankind or Manforce or any global competitor in this market of contraceptives?
- Omprakash Garg:** We are already competing for the last so many years. Our profitability is one of the best amongst all the other manufacturers and they are only in the business of Male Condom while Cupid is producing not only Male Condoms but Female Condoms as well as lubricants which have been on increased demand lately. So, we are very well equipped to compete with any of the other Male Condom manufacturers.
- Krishna Singh:** Are we looking to penetrate in the retail business in India or expand digitally or pick any store kind of business?

- Omprakash Garg:** No, the reason we are not aggressively pursuing the Male Condom sales in India is because the margins are lower in India due to competition as compared to the margins we get in the export sale.
- Moderator:** The next question is from the line of Dipesh Sancheti from Manya Finance.
- Dipesh Sancheti:** One is a question which previous participant had asked about the company which is on the block. Did we give any valuation to it? And on what basis, how much value did we give the company for the purchase of that company?
- Omprakash Garg:** I assume you are talking about Veru and Veru Pharma. We had indicated our interest in exploring the possibility of purchasing that company and in their response, they have indicated they are not in a position to discuss this issue with us at this point. Based on that we are assuming that they are already negotiating with another party for the sale of their business.
- Dipesh Sancheti:** But did we do any back of the envelop calculations that how much would we be ready to pay for that kind of, for the company?
- Omprakash Garg:** No, they haven't indicated what is their asking price, what are the assets they are planning to sell. They have not explained or clarified their conditions.
- Dipesh Sancheti:** Second two question was regarding the UP order which we could not complete due to the COVID situation. Is there any repeat order from the UP government or any state government for the RTPCR test?
- Omprakash Garg:** Yes. There have been several requests from not only UP but three other states. We are expecting many more orders during rest of August and September especially in view of the possibility of the third wave coming up due to delta variant.
- Dipesh Sancheti:** What is the average realization are we getting for these test kits?
- Omprakash Garg:** It depends, it varies all over the place. It was as low as Rs. 25 and as high as Rs. 50 per piece.
- Dipesh Sancheti:** And are we even planning to get into the pregnancy test kits?
- Omprakash Garg:** Yes, we are fully equipped. And in fact, we have a small order to supply 100-1000 pieces already.
- Dipesh Sancheti:** That is already included in the order book of about 85 crores which you have mentioned?
- Omprakash Garg:** It hasn't been included yet because formal contract has not been finalized.
- Moderator:** The next question is from the line of Subbo Murug, an Individual Investor.

- Subbo Murug:** My question is on the order book. Can you give me the split of how much we expect to complete in each of the quarters? Like is it split equally or where will we be doing more in the recent quarter and less. Could you just give me the like the quarter-by-quarter breakup?
- Omprakash Garg:** To be approximately 30 to 35 Cr in each of the next three quarters at a minimum. If we get the order from South Africa then the volumes and quantities will improve specially in the fourth quarter.
- Subbo Murug:** You are basically saying that in the fourth quarter we will see a significant increase because we would have also, we will also be getting this additional revenue from the IVD business as well. And on top of this we could also get the South Africa order. So, I guess the fourth quarter of this year should be quite good from a revenue perspective. Is my understanding correct?
- Omprakash Garg:** Yes, correct. As you see it now fourth quarter should be our best quarter during this FY22.
- Subbo Murug:** For the South African orders you said we are expecting 60 to 80 Cr. So how much is the total order size, can I ask?
- Omprakash Garg:** No, the quantities they are asking are 1 billion pieces of Male Condom and 40 million pieces of Female Condoms each year for next 3 years.
- Subbo Murug:** What value does this come up to?
- Omprakash Garg:** We don't know what is their total budget. We have all put in our bids and depending on the final selection we can work out the total volume of business from this tender.
- Subbo Murug:** So then when you say 60 to 80 Cr is your expectation. I just want to understand what percentage of the total is it? So, is it like half of the total that we are expecting or maybe 80% of the total or may be 20% of the total? If you could just give a sense of like what percentage of the total tender does the 60 to 80 Cr represent? Would you know?
- Omprakash Garg:** Like I said we can only make a kind of crude estimate depending on the price for 1 billion Male Condoms and 40 million Female Condoms. I would say the volume we are expecting are at least 60% of the Female Condom business and maybe about 20% of the total Male Condom business, in terms of quantities.
- Subbo Murug:** Because Veru is probably putting their company on sale. But would that help us in the South African tender at all because if like one of our major competitors is basically going through like an acquisition process; would that help us from the South African tender perspective do you think?

Omprakash Garg: We really don't know what would be the impact. As of now Veru has actively participated in the tender and the results are expected by mid-September. Depending on their negotiation with the potential buyer of their business how they will handle that South African order. But I don't expect a much help to Cupid as Cupid would get its own independent quantity allocation from the tender.

Subbo Murug: My last question is on this IVD devices. The last time we spoke you said that we are also looking at some tie up with some international companies. Apart from the domestic front are we planning to sell this IVD in the international markets? And if you can give us an update on how promising that looks, that would help?

Omprakash Garg: You may have contacted many potential buyers from a countries like South Africa and Brazil and most of the countries specially in Africa, they are looking for a test kit not only for COVID but also for malaria, dengue, HIV and even pregnancy test kits. So, I think the demand would be quite high. And of course, more companies in India are planning to start IVD business. In fact, you must have seen the report that three or four companies are planning to bring the IPO. It all indicates to us that the demand is growing and we expect good business going forward.

Moderator: The next question is from the line of Anandbir Singh, an Individual Investor.

Anandbir Singh: My question was you have the vision of hitting 200 crores revenue in the next 2 or 3 years and you also mentioned three sources of revenue. One was the Condoms both Male and Female, the other the medical devices and the third you are exploring. I just wanted to know what the breakup would look like when we hit that 200 crores revenue and what would the margins be? Because we pretty much know the margins in the Condom business ranges between 20% and 30%. What would be the contribution of the Condom business be to the 200 crores revenue and the other two streams and what kind of margins can we expect?

Omprakash Garg: Currently it seems like out of 200 Cr Condom business would generate at least 130 to 140 Cr and the balance 60 to 70 Cr would come from the IVD business where the margins are between 20% to 25% as I have indicated earlier.

Anandbir Singh: The Condom business will actually de-grow because we have been doing about 150 crores for the last 3 years and you expect that to come down to about 130?

Omprakash Garg: 130 Cr is a minimum business we are expecting and the reason for that is that we don't know the nature and the size of the big tenders which may come up. The government budgets have not been finalized. So, 130 is minimum, we could very well achieve between 160 to 170 Cr only from Condom business depending on some of the new tender orders.

Anandbir Singh: What about the third line which you are exploring yet?

- Omprakash Garg:** In general, we want to expand the company's operation. And we see that ultimately the profitability in the Condom business has some limits. If we want to grow to a company to a higher level, we have added this IVD project which depending on the market demand, could very well contribute in a big chunk to the top line but we are still not satisfied with our expansion plans. We want to grow this company very rapidly in many areas, multi-disciplinary and towards that effort we are looking to add a third line of business another vertical and we are still exploring what kind of business we should get into.
- Anandbir Singh:** That can be done from Nashik or is there plans to expand out of Nashik then?
- Omprakash Garg:** Depending on the business, we will need additional space.
- Moderator:** The next question is from the line of Onkar Ghugardare from Shree Consultancy.
- Onkar Ghugardare:** I wanted to know your thoughts on how you plan to utilize the cash and there have been several occasions where you have said that would be considering a buyback? So, what's the status on that?
- Omprakash Garg:** Our current priorities for cash are, number one, we have this 10 Cr capital expenditure for IVD project. In addition, we need additional 10 to 15 Cr for increased working capital. Therefore, we have not yet decided on the buyback. Depending on our cash flow for next year, we would take a decision on that. Plus of course we are planning to continue paying the dividend to all the shareholders.
- Onkar Ghugardare:** Recently there have been acquisition by this Equity Intelligence in their fund. So, did the management had a meeting with the fund and what would be the vision you would have shared with the fund?
- Omprakash Garg:** Which fund you are referring to?
- Onkar Ghugardare:** The Equity Intelligence fund. It's owned by Porinju Veliyath. Did you have any conversation with the fund regarding the vision of the company?
- Omprakash Garg:** No discussion yet.
- Onkar Ghugardare:** Because it's there in the BSE data that the fund has acquired stake in the company.
- Omprakash Garg:** Could you please clarify that a bit more?
- Onkar Ghugardare:** There have been a bulk deal reported by BSE that this fund, Equity Intelligence fund has acquired a small stake in Cupid Limited. So just wanted to know about this?

- Omprakash Garg:** We welcome their investment. It indicates their confidence in the management of Cupid Limited. We are always willing to discuss it with them further. However, at this point we have had no discussion in this regard.
- Onkar Ghugardare:** You haven't had any discussion with the fund?
- Omprakash Garg:** I am sorry?
- Onkar Ghugardare:** So, you haven't had any discussion with the fund you are saying?
- Omprakash Garg:** Not directly. We read the information what you have indicated in the publications.
- Onkar Ghugardare:** In terms of the promoter stake, what would you like to do with the stake of this company? Would you like to increase sale or keep at this rate only?
- Omprakash Garg:** We are open for discussion as far as the promoter stake is concerned.
- Onkar Ghugardare:** Personally, I am talking about you? Do you plan to add any kind of shares from the open market or you plan to sell them in order to reduce your stake in the company? So, what's your thought process behind this?
- Omprakash Garg:** Well, currently we have no major plan in this regard. Depending on the situation we would take an appropriate decision. Our mind is open on this but currently we are not thinking about either selling our shares or adding more share at the current time.
- Onkar Ghugardare:** If you are not planning to add any shares then how come you are thinking about the buyback? If you are thinking about it as you have already indicated this?
- Omprakash Garg:** The buyback will be a general offer which could include us as well. So, there is no commitment there. It would be a general buy-back offer to all the shareholders.
- Onkar Ghugardare:** No but buyback generally comes when the promoter sees value in the company, right? You sees growth in the company?
- Omprakash Garg:** Yes.
- Onkar Ghugardare:** So that's what you are saying, right?
- Omprakash Garg:** Like I made it clear, we have not taken any definite decision in this regard?
- Onkar Ghugardare:** This Brazil order you are saying, when could we expect this and how sizable it would be?
- Omprakash Garg:** By early next year and the size of the tender is not known.

- Onkar Ghugardare:** No but there would be some expectations from your side, right? How much it would be the order from the Brazil front?
- Omprakash Garg:** No, Brazil tender as we have mentioned would be similar to the last, we had about 25 to 30 Cr business from Brazil Female Condom tender. I already mentioned about the South African tender expectation, 60 to 80 crores per year for 3 years. In addition, there are several other tenders are expected to be published from other countries including Tanzania, India, Kenya and also from United Nations Population Fund. Depending on their budget allocation for this year and next year, they would be announcing their requirements.
- Onkar Ghugardare:** Just the way these two countries have sizable order in our order book. Is there any other country which generally gives this kind of huge order?
- Omprakash Garg:** Yes, the largest buyer of Condoms is South Africa and probably the second largest is Brazil and then third largest would be through UNFPA. They buy Condoms on behalf of several countries worldwide and India of course is also a major buyer of Male Condom but for last full year they have slowed down for some reason but we understand that now there is again push for the population control in India and India is also expected to come out with a major tender to procure Male Condom later this year.
- Onkar Ghugardare:** Out of this 200 Cr order I mean the revenue projection you talked about. How much would be the contribution from Female and Male?
- Omprakash Garg:** Contribution from?
- Onkar Ghugardare:** Female and Male? In terms of the total revenue, you talked about 200 Cr?
- Omprakash Garg:** Assuming the total Condom sales is about 150 Cr out the total 200 Cr top line we would expect at least 50 Cr worth of Female Condoms sales. It could be higher depending on the size of the order and balance will be Male Condom.
- Onkar Ghugardare:** Out of 150 crores order you are expecting 50 Cr from Female and 100 Cr from Male?
- Omprakash Garg:** Yes, let's say 50 to 70 Cr from Female and 80 to 100 from Male.
- Moderator:** The next question is from the line of Mohak, an Individual Investor.
- Mohak:** I wanted to ask this year's projection from the management, for the top line and the bottom line of the company FY22?
- Omprakash Garg:** FY22 we are expecting to end up approximately 170 Cr with the top line and with a 25% gross margin.

Mohak: But this year we are expecting 170 but after 3 years also we are expecting 200 only. Is it like slow growth you can say?

Omprakash Garg: No, the reason I am saying a minimum of 200 in 3 years. Our efforts will be to achieve 170 in FY22 and exceed 200 in FY23 itself or in other words in next 2 years. But to be conservative I am quoting a number for 200 Cr top line in next 3 years. In actual practice it could be more in FY24.

Mohak: You have been running the company very well and we wish you the best of health and the best of the future for the company as well.

Omprakash Garg: Thank you for your compliments.

Moderator: As there are no further questions, I now hand the conference over to the management for their closing comments. Over to you sir.

Omprakash Garg: We would like to thank all the participants at this earnings conference call and on behalf of Cupid Limited, I would like to thank all the shareholders who have supported the management during good and bad times throughout our 27-year history. In addition, also we would like to thank all our customers who have shown confidence in our product quality through their repeat orders for many years. Some of the customers have been with us for over 10 years. We would like to sincerely thank all of our customers. And finally, I would like to thank all the employees of Cupid Limited who have worked diligently and sincerely throughout the year to improve the performance of Cupid Limited. Thank you.

Moderator: Thank you. Ladies and gentlemen on behalf of Cupid Limited that concludes this conference. Thank you all for joining us and you may now disconnect your lines.