



# CUPID LIMITED

Manufacturers and Suppliers of Male & Female Condoms

Date: - 17<sup>th</sup> November, 2018

To,

Department of Corporate Services,

BSE LIMITED,

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The National Stock Exchange of India Ltd.

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**Subject: - Conference call Transcript**

Dear Sir / Madam,

With reference to captioned subject, we hereby enclose the transcript of Q2 FY 2019 conference call which was hosted by the company on 13<sup>th</sup> November, 2018 at 4.00 p.m.

This is for your records.

Kindly acknowledge the receipt.

Thanking You.

For CUPID LIMITED

**Saurabh V. Karmase**



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## “Cupid Limited Q2 FY-19 Earnings Conference Call”

**November 13, 2018**



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



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**Moderator:** Ladies and gentlemen, Good Day and Welcome to Cupid Limited Q2 FY19 Earnings Conference Call. As a reminder all participant lines will be in the listen-only mode. 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 IR. Thank you and over to you sir.

**Binay Sarda:** Thanks Tanvi. Good Evening to all of you and thanks for joining this Q2 FY19 Earnings Call for Cupid Limited.

We have mailed the 'Press Release' and the 'Results' 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 & Managing Director of the company. Mr. Garg will give a brief overview of the quarter gone past and then we will open the floor to Q&A Session.

I would like to remind you that everything is 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 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 our web site.

With that said, let me hand over the call to Mr. Garg. Over to you sir.

**Omprakash Garg:** Thank you, Binay. Good Afternoon, Ladies and Gentlemen. Welcome to the Q2 FY19 Earnings Conference Call for Cupid Limited.

As you may have seen from the press release, the numbers on Top line, EBITDA and the Bottom line, so I will not go into the details except to say that the main reason for the numbers is that the mix of male and female Condoms was not as well this year as we had in the past. By that I mean that the sale of high margin female Condoms were lower this quarter and the sale of lower margin male Condoms was higher with the result that the EBITDA was reduced to 32% from 44% for the period a year ago. In spite of these numbers we have noticed that the demand for both male Condoms and female Condoms from domestic as well as export markets is very strong. In fact there are several large volume tenders mainly from South Africa, Brazil, India, Zambia and Tanzania which Cupid intends to participate actively.

I will not go into the details of the numbers which we would cover it in the Q&A session. Right now I would like to go over some of the highlights during the quarter.



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- First of all, we completed Rs. 104 crores, 3 year female condom supply contract with the government of South Africa on September 30<sup>th</sup> 2018.
- We continue to work on the expansion of our production capacity from 400 million pieces per year to 560 million pieces per year. The first of the two new lines should be operational by December and the second line before March 31<sup>st</sup> 2019. With these increased capacities we expect to increase both our top lines and margin also our production cost is expected to reduce because of larger volumes spreading the overheads of the operations.
- Number 3 highlight was Cupid's decision on the joint-venture project in South Africa to start a local manufacturing unit. After several deliberations with our JV partner, Cupid decided not to be an equity partner in the project. Instead, we are now negotiating an arrangement whereby Cupid would supply the semi-finished goods to the South African plant on an exclusive basis and also provide all the technical assistance both in setting up as well as in the running the plant. In addition, we are negotiating a 5% royalty payment on all the products which are sold to the government of South Africa. So we believe this is a much better alternate and less riskier for Cupid Limited. Otherwise we would have been a minority partner and the uncertainties in terms of the labor situation there and the productivity factor there.
- Number 4, during the quarter we got Cupid Female condom registered in Brazil and also for the first time we have participated in a 30 million Female condom supply tender from government of Brazil. The results are expected by December 2018. Also for the first time we participated in Male condom tender to supply about 70 million pieces to the government of Tanzania and for which we are expecting the results in next few days.
- Fifth highlight for the quarter was that as you all are aware Cupid celebrated its silver jubilee—25 years of existence since 1993—on September 28<sup>th</sup>, 2018 and Cupid issued a one bonus share for every five shares held by each of the shareholders. So we are pretty pleased about this anniversary celebration.

Now coming back to the order book:

It's very healthy. We currently have confirmed order worth 51 crores which we expect to dispatch by March 31<sup>st</sup> 2019. In addition we also expect to receive few more additional orders in next six months which would boost our order book even further. And just to put it in perspective our capacity utilization during the quarter was over 90%, both for Male and Female Condoms. Further, we look forward to expand our order book for the first half of FY20.

We have noticed that this year because of improved donor funding, more and more large scale tenders have been floated by different organizations and because of our expanded capacity we plan to actively participate in all these tenders. With higher volume of production and lower



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overheads we hope to improve our margin going forward. Based on some of these factors mentioned above, we remain positive for the growth of Cupid over the next 3 to 5 years.

Now I would like to turn over the discussion to Q&A session.

**Moderator:** Thank you. We will now begin the question and answer session. The first question is from the line of Subbu Murugesan, individual investor. Please go ahead.

**Subbu Murugesan:** My first question is about this South African project. So now that the joint-venture is not going to be set up what sort of revenue are you expecting from this alternative arrangement for the next 2 to 3 years?

**Omprakash Garg:** We are still going into the joint-venture but not as equity partner but as technical partner and we expect 4 to 5 Cr per year minimum as revenue from the project over the next 4 years which is the life of the project.

**Subbu Murugesan:** Could you repeat how many Cr, is it 25 you said.

**Omprakash Garg:** No, 4 to 5 Cr per year minimum from the operation without any investment.

**Subbu Murugesan:** And basically after that they would have the expertise to manufacture the products themselves so we will not be expecting any further revenue from South Africa, right? Because that's the whole point for them to get the technical expertise and start doing it in-house, right?

**Omprakash Garg:** Basically yes that is the intention. But because of the technical nature of the business and very limited expertise available all over the world in this field of manufacturing of Female Condoms to meet all the WHO and UN FPA quality requirements we expect that Cupid would continue to be involved over an extended period, maybe at much reduced commitment level.

**Subbu Murugesan:** So the South African government will not be floating anymore tenders for the next year and the year after or would they be still floating tenders?

**Omprakash Garg:** Yes they would be. The last tender which was a 3-year tender, starting from October '18 going up to September '21, they had indicated that they would extend the tenders by 2 more years. So at least we expect there will be one more tender. But assuming the South African facilities moves quite satisfactorily, then I think their plans are to slow down and eventually stopped the worldwide import tenders. And just to give you some insight into the thinking of the Ministry of health and Department of treasury there; from the joint-venture they expect to purchase about 16 million Female Condoms in the first year which would start from October '19 and the following year it will be increased to 24 million pieces and in the third year they would be doing 32 million and the fourth year they are planning to take the 40 million of FC, their entire projected requirement.



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- Subbu Murugesan:** And would the allocation change from next year because for this year in the tender that Cupid got a very low allocation but for the next year's tender do you think Cupid will get more or would it be the same allocation as last year or we have a possibility to get more than this year?
- Omprakash Garg:** First of all they have announced the allocation only for the first year of this new 3 year tender. So the government has not announced any allocation to any of the manufacture about Year 2 and Year 3. We expect more allocation in Year 2 as well as in Year 3. One of the reasons we believe we got less quantity in the first year is because Cupid would be supplying to the local manufacturing unit, so probably they considered that as well.
- Subbu Murugesan:** And one last question about the rights issue, so basically I want to point out that bonus share issue although this looks good where people get more shares. But the overall equity value of the company remains the same; it's just divided into more shares now. So if you can see Cupid's share price it will sort of go down because of this bonus. So basically people will own more shares but each share would be of a lower price but than what it causes, it has an increased tax burden because of the new capital gains tax all bonus shares are assumed to have zero cost value, so it would be as if we purchased it at a zero price and then when we sell it they will have to pay 10% capital gains. So effectively it sort of causes for tax burden on investors rather than being like a positive thing, now if you were to sell the shares we would have to pay 10% on 160 which is Cupid's share price so about Rs. 16 per share as tax. So I think going forward you should also sort of consider like a tax efficient way to do things.
- Omprakash Garg:** Thank you very much. That is a very useful and practical suggestion. One reason what we did is that for the last 20 years of operations since '98 we had not issued any bonus shares. Although we have been paying dividends including this 10% dividend last week based on the Q2 performance as you are aware.
- Subbu Murugesan:** And my final question is about the Brazilian tender, so you said 30 million pieces so basically in dollar terms how much is it and for how many years is the tender?
- Omprakash Garg:** Which one?
- Subbu Murugesan:** The Brazilian tender, you said it's for 30 million, right?
- Omprakash Garg:** Yes, it's about 30 million. So it would be at least as \$0.30 a piece, so it would be worth USD 9 million.
- Subbu Murugesan:** And is it over 1 year or 2 years?
- Omprakash Garg:** No this is for 1 year and they are already talking about the larger quantity for the next year. As you know Brazil has a huge demand for Female Condoms and they were not able to do much



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procurement because of their poor economy in last couple of years. Now it seems like things are improving there.

**Subbu Murugesan:** And we will know the outcome by—in the next 3 weeks by—December?

**Omprakash Garg:** That's what the indication is based on our discussions with them. But of course we have to see what is their budgeting allocation and overall economic and political situation there.

**Moderator:** The next question is from the line of Jayant Raghavan, individual investor. Please go ahead.

**Jayant Raghavan:** I would like to know about the appointment of the CEO and the CBDO for the organization because I feel that we are trying our best but if we have to scale up and make the best use of the addressable opportunity I feel that we need to appoint a CEO and a CBDO and possibly someone in the board who is well-connected to get us more quarters and more business.

**Omprakash Garg:** I agree with your suggestion. We have been trying to get someone who could fulfill both the functions, i.e. CEO as well as who could strengthen our board. Unfortunately we have not been able to find a suitable candidate. We had two prospects at the last earnings call, one, we could not negotiate the package and in the meantime it looks like he got a better offer. The second candidate - he is overseas and he is trying to see when he could move back to India. So we are in discussion with him. There is an issue of his children's education. So that is the only active prospect we have right now. But of course we would continue the search and like you indicated with the expanded manufacturing operations we do need a qualified person.

**Jayant Raghavan:** And I also feel that in order for us to scale up we need to tap more of the FIIs and the mutual funds and if possible risk capital, acquire somebody and then grow more aggressively to be able to capture this opportunity because the good part of our organization is that we are earning consistently 20% net profit margin which means we have the pricing power in the market. But it's just that given the way things are going we are not seeing a linear growth in revenue. It is more of lumpy and it's not giving a clear upward trajectory just as we expect in the case of a consumer company and FMCG or something like that. So I feel that if we scale up using these ways or even try to become an acquisition target for someone it will largely enhance the market value of our company.

**Omprakash Garg:** Thank you.

**Moderator:** We have a follow up question from the line of Subbu Murugesan, individual investor. Please go ahead.

**Subbu Murugesan:** For the Tanzania order, you said its 70 million pieces so basically that order is like how much in the value term and for how long is this order, that's also one year?



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- Omprakash Garg:** No, the quantity is actually 70 million pieces of Male Condoms and the value is about 16 crores and it has to be delivered over the next 4 months.
- Subbu Murugesan:** When will we know the result of this?
- Omprakash Garg:** We expect it in next 3 or 4 weeks.
- Subbu Murugesan:** And what's happening in the domestic business? Last time you mentioned that you have been selling in India through your sales agents and distributors, so could you give an update on how the domestic market is looking and also the B2C segment that you are targeting?
- Omprakash Garg:** In our initial approach of going pan India supported by TV and newspaper ads, we found it to be very expensive and talking to some other brand promoters including our competition, the margins are not there to justify big expenses. So what we are doing is now we are promoting our Cupid brand through wholesale dealers of Condoms. There are major wholesalers in major cities who are moving lot of Male Condoms. The second channel which we are trying to use is through a distributor. And third one is through digital marketing. We had made some progress, mostly in terms of Female Condoms but it is to spread the awareness. Lot of people including women in India are not aware that Female Condoms exists and what are the advantages. So we are promoting that. The sale in first 6 months is little less than 2 Cr. So we expect by March 19 we could achieve a target of 4 Cr with limited expenditure on promotion.
- Subbu Murugesan:** What's the EBITDA margin which you did on this 4 Cr?
- Omprakash Garg:** EBITDA margin on this one is about 25% on the B2C sales because of market competition and also the price ceiling by the pharmaceutical commissioner, MRP of Rs. 25 for 3 pieces of Male Condom.
- Subbu Murugesan:** Do you have any update on the US business where the FDA were planning to move this product to a lower category and that would be positive, could you give us some more background?
- Omprakash Garg:** We were expecting the final order from USFDA by end of October. By that I mean they had reissued their initial circular that they do intend to go ahead and down classify the Female Condoms to Class 2 from Class 3 which would be just like a Male Condom. However for some reason their final notification has not yet been published and we expected by year end. In the meantime, we are going ahead preparing our folder to be submitted for 510 K for Female Condoms to USFDA. Also we have initiated a contact with a marketing company in California who are interested to market Cupid Female Condoms in retail throughout the US.
- Subbu Murugesan:** If that all goes to plan, you are expecting to get some revenues in probably Q1 of the next financial year—April to June 2019—from US market, is it your expectation?





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- Omprakash Garg:** Yes, we are hoping that we would start to receive some revenues from first quarter of FY20.
- Subbu Murugesan:** You basically made a comment that there are more donors in a market worth supporting like population fund and all these other funds and that is expect more demand for the Female Condoms. But could you give more detail on when you expect these additional demands to translate into concrete orders so would it be this year or maybe next year?
- Omprakash Garg:** The donor funding mostly from global fund, World Bank and WHO. They have been increasing their allocation this year, but mostly for Male Condoms. For example they are planning to increase the procurement in Africa from 13 billion Male Condoms currently up to 20 billion over the next 5 years. The allocation and budget for Female Condoms are not being increased in the same proportion. It's rather slow from our point of view. However there have been more and more cases of STIs in 2018 all over the world including US. Also the HIV is spreading very fast amongst younger people specially women, age 14 to 19. So based on the discussions in the technical conferences we believe that next year budget for Female Condoms should be much better than this year.
- Subbu Murugesan:** How much did we get this year for the first 6 months from this segment in terms of revenue?
- Omprakash Garg:** For the first 6 months so far we have received only about 30 Cr orders in total.
- Subbu Murugesan:** From donor funding, right?
- Omprakash Garg:** Yes. A lot will depend on this result of the Brazil tender of course.
- Moderator:** The next question is from the line of Ashwin S from A&S Investment. Please go ahead.
- Ashwin S:** For the Brazil tender will it be awarded to one bidder or will it be split across multiple bidders?
- Omprakash Garg:** We have been told that it would be allocated to a single party unless and until that L1 party is not able to handle the entire quantity within the stipulated 4 months delivery period. So we expect it would be allocated to one party.
- Ashwin S:** The US Female Condom opportunity which we just talked about with the previous caller, it doesn't really figure in your press release as one of the items which is going to be a growth driver. So in that context just wanted to know where it stands from a priority and from a potential perspective.
- Omprakash Garg:** I'm still not clear on the last part of your question.



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**Ashwin S:** The last part of the question was in your press release you talk about future businesses or future growth drivers. In that US Female Condom potential is not talked about. Does that mean it is not a priority area or does it not have strong enough revenue or margin potential?

**Omprakash Garg:** It does have very strong potential however unfortunately for this year the donor funding was very limited, from UNFPA, Gates Foundation and WHO. But going forward we are quite optimistic that demand for Female Condoms would increase and it would contribute significantly to Cupid's revenue. In the meantime our margins and volumes are increasing from the sale of Male Condoms. We are coming out with some value added Male Condoms which would give us a better margin.

**Ashwin S:** I was referring specifically to the US Female Condom where you said you would tie up with a person who would take it retail directly. I was talking about that specific opportunity and my question was around that. How attractive is it and what kind of revenue potential could it have for Cupid?

**Omprakash Garg:** If it works out, the retail price of a Female Condom in US is around \$1.50 to \$2 a piece. And as you know here it's going at less than \$0.50. Now we just started the contact with one marketing company and they seem to have a lot of experience. Earlier they were marketing the product of our competitor in US. So they feel pretty confident that they would be able to promote Cupid Female Condoms. However it is too early to say how successful we would be and how much revenue could be generated in year one.

**Ashwin S:** Basically you had new business ideas like certain Gels and Sanitizers etc. I wanted to know where that stands from a current update perspective.

**Omprakash Garg:** We are launching next month in December, our four products online as a first step towards commercialization. One we have already launched is water-based lubricant jelly, second one is the hand Sanitizer, third one is a Wipe, which we have developed here and we are going to test it online first. Then we also have a specialized Male Condom and a Female Condom. So these are the products we are going to launch online, test the market, see how it goes before bringing it to the retail channel.

**Ashwin S:** Just from your own business planning perspective, 1 or 2 or 3 years down the line, how much do you think these products can contribute from a revenue either as a share or in terms of rupees crore?

**Omprakash Garg:** I expect 20% to 30% contribution over the next 3 years from these new launches.

**Ashwin S:** Then my final question is slightly long term as we have seen I think you had a great run in the last 5-10 years. But the last 2-3 years have been kind of stagnant from a revenue and from a margin perspective, stagnant or slightly downwards sloping. So where do you see yourself,



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what you envision Cupid to be 3 or 4 years down the line in light of your current capacity expansion plans, new products? There seems to be quite a few things which have been in the pipeline for almost 3-4 quarters now waiting to take off so how do you envision Cupid in 3 or 5 years down the line?

**Omprakash Garg:** We are projecting 10% to 15% increase in top-line year on year. For example a Wipe to slowdown the premature ejaculation is one we are working on that seems to be quite a big market, both for export and in India. So it's difficult to estimate a projected sales number but over the next 3 years we are targeting about 200 Cr top-line.

**Moderator:** The next question is from the line of Ajay Sharma from Cycas Investment Advisors. Please go ahead.

**Ajay Sharma:** I just had a few more questions here about a B2C business. Could you tell us how it's growing and what exactly are the sales right now?

**Omprakash Garg:** Like I mentioned the sales from B2C is rather limited. We are projecting approximately 4 Cr for this entire year from B2C.

**Ajay Sharma:** And how has the growth been on quarterly basis?

**Omprakash Garg:** Last year for the total year we were just over 1 Cr and now we are growing almost 1 Cr every quarter.

**Ajay Sharma:** In your opening statement you spoke about your optimism for the next 4-5 years, can you just help us understand where this growth will come from and why you say that your top line would grow at 10% to 15% year-over-year?

**Omprakash Garg:** Couple of factors; first of all the total production capacity has increased. Number 2, we are coming out with some value added products. Number 3, our cost of production should be one of the lowest and number 4, the margins are improving based on our new pricing agreements. So the growth will come from the existing business as well as from some of the new items we are developing. One product we are looking at is what we call a second generation Female Condom whereby we would have some attachments to the Female Condoms for better sexual pleasure. There are some regulatory issues but if we can come up with the product successfully, there is a huge demand and a reasonable margin not only in India but also in exports.

**Ajay Sharma:** What about the industry, how is the industry growing for Female Condoms? If I recall correctly the acceptance of Female Condoms amongst the end-users wasn't very high over these last few years maybe two decades?



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- Omprakash Garg:** It is still not very high. The acceptance is very-very slow and the main reason is the lack of awareness. However based on our last 2 years of efforts we have covered over 2,000 postal codes all over India and the sales have gone up from 300 pieces per month to over 2000 pieces per month and we are doing the promotion online and starting next month our products would be marketed not only in India through e-Bay, Flipkart and Amazon but also we are going through their UK and European sites as well. So to answer your question, the acceptance and sales of Female Condom has been slow. One of the main reason is the lack of donor funding this year. But I believe that it would improve after next financial year.
- Ajay Sharma:** Do you have any specific growth targets? I know you gave a 10% to 15% revenue guidance growth but do you have anything more specific with respect to your turnover in 3 years or a turnover from a product in 3 years or something like that?
- Omprakash Garg:** The general guideline is about 10% to 15% increase year-over-year. The specific projection would depend on many factors including the funding available on a worldwide basis plus also what percentage of orders Cupid would get from these national and international tenders. So right now we are able to give only a general guideline, not any specific numbers beyond 2 years.
- Moderator:** The next question is from the line of Jayant Raghavan, individual investor. Please go ahead.
- Jayant Raghavan:** With regard to the pending order book that is the available order book you mentioned that it was about 51 crores. So does this include even the 40 crores that runs from October 2018 up to September 2019. If yes then if I just on simple math assume 50% each year then for this year the executable order book comes to around 31 crores for the next 6 months. Is this math correct?
- Omprakash Garg:** No, the order book for next 6 months from October 1 to March 31<sup>st</sup> is 51 Cr.
- Jayant Raghavan:** Do we foresee any benefits from the depreciating rupee on the top line?
- Omprakash Garg:** Yes we have benefited, in fact if you look at our financial statement the other income portion has increased which is primarily due to devaluation of rupee plus some of the other export incentives government is providing including duty drawback—on export sales.
- Jayant Raghavan:** My last question is on the raw material cost. Are we still seeing the raw material prices increasing or is it now stable?
- Omprakash Garg:** It's quite stable. It's within a range of (+/-10%). This year due to heavy rain falls in Kerala it has gone up for about 6 weeks and due to flooding also there was disturbance in the transportation but now it's coming down. Currently we are enjoying one of the lowest price of per kilo of latex rubber.



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- Moderator:** The next question is from the line of Shruti Patel, individual investor. Please go ahead.
- Shruti Patel:** I have a question on the order book. One of the investor also asked you that does it include the 40 crores that we got from the SA government, the order book of 51 crores?
- Omprakash Garg:** Which 40 crores?
- Shruti Patel:** We got the order in August of 40 crores from SA government.
- Omprakash Garg:** Did you say NDA? India government.
- Shruti Patel:** No, not the South African government.
- Omprakash Garg:** South African government we got 40 crores order what we have included in this 51 Cr is only the portion which would be serviced or dispatched by March which would be approximately 15 Cr.
- Shruti Patel:** So the total breakup of 51 between FC and MC would be?
- Omprakash Garg:** It's about 2/3<sup>rd</sup> Male Condoms and 1/3<sup>rd</sup> Female Condoms.
- Shruti Patel:** And one question as a follow up on US FDA, you mentioned that the final notification should arrive by the end of this year and you expect to get book revenue within the first quarter of next financial year. So is it okay for us to say that it will take about 3 to 4 months for you to get all the clearances from the FDA, once the final notification is out?
- Omprakash Garg:** Once the final notification is out the first step would be for Cupid to submit its technical dossier to USFDA which would take about 2 months and after that depending on what they would require in terms of clinical trials that could take another 2 months, although there is a possibility that no clinical trials would be required. So we are hoping that by January-February next year we could get the registration and permission to start marketing our product in US. This is our estimate. You never know how the plans and projects are implemented. So based on all that we are projecting some revenues should start from April 2019.
- Shruti Patel:** On the raw material prices you mentioned that we are enjoying one of the lowest prices for latex. What about the silicon pricing because there was some issues for last 2 quarters where factories were being shot in China and US, so how is that doing in terms of growth?
- Omprakash Garg:** I'm glad you asked. We were really suffering in terms of higher input cost due to silicon oil. But luckily starting last month the prices have started their downward spiral and it has come down by about 25% even in last 3 weeks. So it is looking more and more favorable.
- Moderator:** The next question is from the line of Ashwin S from A&S Investment. Please go ahead.



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**Ashwin S:** Two questions regarding the 51 crores order book; one how confident are you that you will be able to completely execute it within the next 6 months? And second if there are new orders which come in the next 6 months will you have the capacity to execute beyond 51 crores?

**Omprakash Garg:** The answer to the first question is that our dispatch schedule has been worked out that we could dispatch most of these 51 Cr orders. However there could be some glitches for example during the December Christmas vacation in South Africa they may slow down their dispatch dates. But we expect more or less to maintain the dispatches of these 51 Cr. Now to answer the second part of your question we have some flexibility to accommodate a some additional order. Usually we get 3 months time from the tendering authorities, but we could negotiate the delivery dates to some extent.

**Ashwin S:** What would be your latest guidance on revenues and margins for the full-year?

**Omprakash Garg:** For the full-year we are looking at about 90 to 95 Cr top-line and approximately 20 Cr PAT. So far in first 6 months we have done as you see it from the press release 8.8 Cr. So if we project it to full-year, it comes to about 17.6 Cr the total profit for the year which is slightly higher than last year 17 Cr. So our objective is to improve the PAT closer to 20 Cr.

**Moderator:** Thank you. That was the last question of the conference. I now hand the conference over to the management for closing comments.

**Omprakash Garg:** We are very pleased with some of the questions raised and the discussions which always help us to plan our future business direction. So we would like to thank all our shareholders who have supported Cupid overall these years. Without their help we could not have progressed to the current level. As you are aware we are a debt-free Company. We have a reasonable amount of cash reserves. Order book is strong and workforce is very stable. So with your continuing help & guidance, we are projecting even a brighter future. Thank you very much.

**Moderator:** Thank you sir. On behalf of Cupid Limited we conclude this conference. Thank you for joining us and you may now disconnect your lines.