



CUPID LIMITED

Manufacturers and Suppliers of Male & Female Condoms

Date: - 18th February, 2022

To,

Department of Corporate Services,
BSE LIMITED,

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The National Stock Exchange of India Ltd.

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SCRIP CODE: CUPID

Subject: - Q3FY22 Conference Call Transcript

Dear Sir / Madam,

With reference to captioned subject, we hereby enclose the transcript of Q3FY2022 conference call which was hosted by the company on 15th February, 2022 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 Q3 FY-22 Earnings Conference Call”

February 15, 2022



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



Cupid Limited
February 15, 2022

Moderator: Ladies and gentlemen, good day and welcome to the Q3 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 Christenson Advisory. Thank you and over to you sir.

Binay Sarda: Thanks, Margreth. Good evening to all of you. And thanks for joining this Q3 FY 22 Earnings Call 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 the website and the stock exchange. 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 the subsequent annual report, which you can find on the website. With that said, let me hand over the call over to Mr. Garg. Over to you sir.

Om Garg: Thank you Binay. Good evening ladies and gentlemen. On behalf of Cupid Limited, I would like to welcome you all for attending the earnings conference call for the third quarter FY22 today. I hope by now, you have seen the press release we had issued last night. I will just go over a couple of salient points. First of all the top and bottom line performance during the quarter were severely impacted by almost the negligible quantity of female condom orders during the quarter from both South Africa and Brazil. And as we have mentioned earlier, this female condom is a high margin item. Also impacting the results were high input costs including transportation costs and the increase in the sea freight costs due to shortages of containers.

Now, I will go to a bit of good news. Earlier this month, Cupid has received an order worth about 100 crore per year for three years extending up to January 2025 to supply male and female condoms from the Government of South Africa. Out of this 100 crores worth of order per year for three years 70 crore worth of orders are for female condoms, which is again a high

margin item. So we are very much looking forward to the next three years with much improved performance. Also, during the quarter, we have recorded much higher sale of lubricant jelly and we hope to achieve Rs. 27 Cr sale from Jelly this year. Our current order



Cupid Limited
February 15, 2022

book standards at 141 crore, most of which we plan to dispatch during FY22 and 23. With these initial remarks, I would like to open the conference for question-and-answer session. Thank you Binay.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Vaibhav Badjatya from HNI Investments. Please go ahead.

Vaibhav Badjatya: So, I had a couple of questions. So, first on the IVD business, so, IVD business in earlier concalls. You have indicated that we expect 50 crore sales in the first year of operation with 30% net margin. So, out of this total 50 crore, what is the proportion of COVID test kit that you have and the margin between COVID and other test kit are different as per your assumptions?

Om Garg: In general, the IVD project has been delayed due to a shortage of manpower and construction material during 2021. Now, having completed the construction, we have installed the equipment and we have done the validation of the equipment and also the facilities have been audited. Now, we are going through the regulatory processes to obtain the manufacturing licenses for the different products. So, the commercial operation actually been delayed till April 2022 and it is difficult at this point to make a new forecast for the first year of the operation.

Vaibhav Badjatya: Got it. And sir again for the IVD business itself. So we have this partnership with Invex Health. So, just some clarity, I wanted that. So the whole of manufacturing infrastructure is what we are creating working capital investment will also be ours. And what Invex will do is to add value in marketing and distribution front. That's what, is my understanding correct?

Om Garg:: Yes, the original understanding was exactly what you had described. However, based on our experience, so far, Cupid has decided to terminate this agreement as we believe that we can obtain the marketing services from other means, instead of sharing the 50% profit from the IVD project. So essentially, we have decided to terminate this agreement.

Vaibhav Badjatya: Okay, got it sir. And coming on to the US FDA approval for female condom in US. So, is the trial results out or they are not yet out, and if it is not, then why the results are getting delayed can you throw some light on that?

Om Garg: Yes, definitely the results have been delayed by at least three months due to the COVID situation. The infection in South Africa were quite severe and lot of the participants could not continue their participation in this survey. So now we are expecting the results from the clinical study by end of March. And after that we plan to submit our application for marketing of our products to the USFDA. Usually USFDA takes about a year but due to the COVID-19 pandemic and extra load of work, the USFDA results may be delayed.



Cupid Limited
February 15, 2022

- Vaibhav Badjatya:** Okay. And sir last question on this front, so if the clinical trial study results are positive. So, after positive results, if it comes, do you think that there is any case where USFDA can still reject our application or do you think that pretty much it is certain that if the results are positive, we'll get the approval and we will get the USFDA approval?
- Om Garg:** Well, they have several other requirements. But of course, the main one is this clinical trial study. So, we have started to collect all the information that would go with the USFDA application. We are hoping that the application filing will go smoothly and we should have no serious problem in getting the permission. However, we cannot be sure of that, unless we get the comment from USFDA on our application.
- Moderator:** Thank you. The next question is from the line of Keshav Garg from CCIPL. Please go ahead.
- Keshav Garg:** Sir wanted to understand that in our order book of 141 crore that you mentioned, this 100 crore South African order per annum, is it included or excluded?
- Om Garg:** This 100 crore is included in 141.
- Keshav Garg:** Okay, sir. So, basically out of 141 crore you mentioned 70, out of 100 crore order 70 crore is female condom, and out of the rest of the 41 crore order book which excludes this South African order how much is female out of that 41?
- Om Garg:** Out of 41 crore, only 5 crore order is for female condom.
- Keshav Garg:** Okay sir. So, basically even though we might again touch our sales of FY20, FY21 next year, but it seems that the product mix will be inferior to those years and our margins will also be lower. And also shareholders should expect some loss at least from the IVD division in the first year of operation?
- Om Garg:** I don't expect any significant losses from the IVD operation. Because besides the capital expenditure, the operating cost is minimal. And when we start the commercial production in April, we hope to at least break even in the operations. But, once we start to dispatch female condoms, which are high margin items as compared to male condoms, the bottom line should actually improve going forward. I personally think that we have seen the worst bottom line in the third quarter.
- Keshav Garg:** Sir, that may be true, but what I'm trying to say that in FY20, like we did 52 crore of operating profit at that time if I am not wrong female condoms contributed around over 70% of the revenue. And now with approximately 50% of the revenue next year from female condom, even with the same top line, the operating profit will definitely be lower than what it was in FY20?



Cupid Limited
February 15, 2022

- Om Garg:** Yes, maybe as compared to FY20 because the input cost have increased and margin will be down. It will be much improved in FY23.
- Keshav Garg:** Sure sir. And sir what kind of net cash do we have on our balance sheet?
- Om Garg:** We have about 72 crores including mutual funds FDs and bank balance.
- Keshav Garg:** Sure. And sir what will be the CAPEX in this IVD division?
- Om Garg:** We have spent already about 8 crore, and maximum would be another 2 crore, we are mostly done with the capital expenditure already.
- Keshav Garg:** Sir, so in that case, since we don't have any major CAPEX, and our share price is quite cheap. So, if you could do a share buyback, so it will permanently extinguish some number of shares and our EPS will increase. So, maybe even though operating profit next year might be lower than FY20 and absolute levels, maybe post buyback our EPS might still be the same. So kindly consider this as buyback is also far more tax efficient than dividend. So kindly consider this proposal of share buyback.
- Om Garg:** Thank you for your suggestion, we are considering the option of buyback and in fact, we discussed it in our board meeting also yesterday. One other consideration we have is the requirement for working capital for the IVD projects. So we would like to get a better estimate before taking a final call on the buyback option.
- Moderator:** Thank you. The next question is from the line of Samrat Barie an Individual Investor. Please go ahead.
- Samrat Barie:** So, in the last concall you said that we are looking for a revenue in FY23 for about 170, 180 crores with a profit after tax of minimum 20%. So are we on track?
- Om Garg:** No, now our projection for FY23 is the top line of about 170 crore and a bottom line margin of at least 20 crore, so that is our new projection for FY23.
- Moderator:** Thank you. The next question is from the line of Avi Jain an Individual Investor. Please go ahead.
- Avi Jain:** Sir my question is that, in the last two to three years, the projections and the forecast that the management has provided the management have not been able to live up to those forecasts. The last year the projections, or the forecast for FY22 was 170 crores of top line and bottom-line margins of about 20%. It was also forecasted that 50 crore revenue will come from IVD division on which about 8 crores of CAPEX and some other amount of money would have



Cupid Limited
February 15, 2022

gone into operational expenses and working capital that is not justified. Thirdly, there was a strong emphasis on US FDA approval, which now has been delayed by two years. And as per the latest estimate that you provided, it doesn't seem like that will add to our top line, at least before FY24. Given that, the forecast and the guidance management has not been able to live up to in the last two to three years and you're sitting on 72 crores of cash. Why isn't the management aggressively pursuing share buybacks, which was earlier suggested also to help the shareholder realize some return. Why is there still a consideration like, some amount of money will be required for working capital IVD division, I'm sure that out of the 70 crore even if you keep a buffer.

Moderator: We lost his line so we will move to the next question till he comes back. The next question is from the line of Ugaesh Dinakaran an Individual Investor. Please go ahead.

Ugaesh Dinakaran: Thanks for the opportunity. My question is, you have given that 40 to 50 crores projection for IVD sales but due to the delay in completion of project in Nasik, what will be the projection for this quarter in a diagnostic segment?

Om Garg: We would start the commercial production in April 2022 and we don't have a precise estimate about the volume of business we would be doing. So we are constantly reviewing the business prospects and once we have some practical experience in first or second quarter, then only we would be able to make a more realistic forecast for FY 23 from the IVD business.

Moderator: Thank you. The next question is from the line of Jayesh Kulkarni, an Individual Investor. Please go ahead.

Jayesh Kulkarni: This is Jayesh here. I wanted to just know what capacities are we working on presently and with the 100 crores what will be the capacity utilization.

Om Garg: Okay now, because of the increase orders for male condoms, we are working at 98% capacity utilization during this October to December quarter and we expect to run almost at the same rate 98% to 100% capacity throughout next year.

Moderator: Thank you. The next question is from the line of Yogesh Goswami from Mittal Investments. Please go ahead.

Yogesh Goswami: Several of my questions have been answered, but few follow ups on the IVD business, in the beginning of the call you mentioned that you have called off your deal with your IVD partner. So is there any write out that you'll have to take as part of this calling of the deal, was there any loss on the back of the say?



Cupid Limited
February 15, 2022

- Om Garg:** No, there is no write off , because besides the capital expenditure there is no expenses that we have incurred during construction and through the regulatory process. So no write off.
- Yogesh Goswami:** Okay. Good to hear that sir. Secondly, you mentioned 8 crore is the CAPEX that we have done so far. And 2 more crore is what we expect is the remaining CAPEX so total 10 crore on the IVD business right?
- Om Garg:** Yes.
- Yogesh Goswami:** So, going forward what kind of order pipeline do you expect and what kind of working capital do you think will be needed for this business?
- Om Garg:** Okay, so we don't have a precise estimate for the kind of and amount of orders we could expect in the coming year. It's a learning process for us basically, in this new business. And we will be coming out with about eight or nine products during the entire next year. And depending on the world market, especially the export markets, we are expecting a gradually improving top line in the second, third and fourth quarters, but we really don't have any precise estimate as of yet.
- Yogesh Goswami:** Okay. Sir, if I have to think about it this way than in IVD, currently this 141 crore of order book, there is zero order for the IVD business?
- Om Garg:** Yes, correct. We have not included any order as we don't have any confirmed orders, as our manufacturing licenses have not yet been approved by the drug controller of India.
- Yogesh Goswami:** And we don't want to continue with the previous arrangement that we had, when we were getting orders, we had got one order from UP government for some 7, 8 odd crores and we had supplies by outsourcing that production. So, are we planning to continue that till the time our own capacity comes up and then once we have the orders, we can shift it to there or that cannot happen any thoughts around that?
- Om Garg:** No, as soon as our products are approved by the drug controller, we would start active marketing not only for the domestic distributors, but also for the state and central government tenders, in addition to the export tenders. So we plan to start our marketing program aggressively once our products have been approved by ICMR and also by the drug controller.
- Yogesh Goswami:** Okay. Sir another concern that I have is that if we look at the kind of the impact that post COVID companies of –24:51 medical devices have faced is that, suddenly the demand has fallen off the cliff or even the prices have gone for a toss so, what are your thoughts around this. Aren't you concerned that this earlier was rather interesting area, but now it has lost interest?



Cupid Limited
February 15, 2022

- Om Garg:** Yes, as the second wave has disappeared, and also the third wave is going down rapidly, you are right, the business volumes on this line due to COVID-19 doesn't seem to be growing faster. Instead, we have other nine products like Dengue, Malaria, HIV, pregnancy kits, and other products. Once we start to get approval from the drug controller on those products, we would be concentrating our marketing efforts on those and less emphasis on the antigen testing, the COVID related test kits.
- Yogesh Goswami:** But, sir isn't this a very competitive area with very low margins, the tendon business. So how do you think about that?
- Om Garg:** Well, yes it is competitive business and when the demand was very high, we did the sales at a good margin. And since then, like you rightly pointed out the margins have come down. And specifically in this COVID related test kits, we don't expect much improved indications in the near future.
- Yogesh Goswami:** So, sir for the remaining products that you are proposing what is the kind of margin that you expect in this business, do you see that you can make 20%, 25% operating margins in this business, lower, higher, what are your expectations from this business?
- Om Garg:** No, we are expecting a minimum margin of 15% and hopefully 20% from a mix of all the products. COVID test kits is only one of the 9 products we are planning to manufacture in the factory. It will take us some time. But we would have a diversified portfolio. And we will try to of course concentrate on the high profit margin items and hopefully, more from exports.
- Yogesh Goswami:** Okay. And sir lastly in one of your previous calls, you had come to know that your US competitor was trying to sell their business and even Cupid was actively looking at acquiring that business. But somehow that thing wasn't working out. So any update on that business competitor still out there selling their business. Is there any acquisition that has already been done, any update on that sir?
- Om Garg:** No, as far as we know, the competitor is still trying to sell their stake and like I had mentioned in the last call, they have shown no interest to discuss a possible merger with Cupid. So we have had no updated communication with the competitor.
- Moderator:** Thank you. The next question is from the line of Naveen Jain, an Individual Investor. Please go ahead.
- Naveen Jain:** Sir, my first question is from raw material price and the margin that we were having for the past few quarters. So, this quarter is almost halfway through, what are the raw material price and the margin looking like as per this quarter, for the supplies that you are doing in this quarter?



Cupid Limited
February 15, 2022

- Om Garg:** Okay. Bulk of the 40 crore sale we are expecting in the fourth quarter will be mostly from male condoms, where the margins are 10% to 15% due to the impact of high input costs. The sale in the lubricant, which will be about 12 crore worth. So overall, Since there is no female condom, hardly any female condom dispatches during the quarter, the overall performance in the fourth quarter will be limited as I indicated earlier.
- Naveen Jain:** Okay, make sense. Sir, what about the raw material price, like what I've been looking like for future are we going back on track or it has stabilized or what is the projection looking like somewhere?
- Om Garg:** Okay, the main raw material for us is the price of latex rubber. And during the last quarter, it seems to have stabilized at Rs.149 per kilo landed cost in Nasik. And the other input cost was the price of silicone oil, which had increased up to three times six months ago, that is also now coming down. So, we are hoping that during the fourth quarter and beyond the production cost will be much improved as compared to the second and third quarter.
- Naveen Jain:** Okay, sir. And a follow up question on the South African orders activities. So, we have received almost 100 crore yearly orders from the tender but, what was the overall size of tender that the South African government issued?
- Om Garg:** It's approximately 800 crore. We are not sure as the government has not released any number. Just looking at their announcement, we expect that it's about 100 crores approximately.
- Naveen Jain:** Okay. So, 800 crore overall and out of which what would be the split?
- Om Garg:** We have received 100 crores order.
- Naveen Jain:** No, sir from overall if have any idea about what was the split of male condoms and female condoms in the South African set out tenders that they have given from their end?
- Om Garg:** There procurement plan is to purchase 1 billion male condoms and 60 million female condoms each year that was their plan according to the tender.
- Naveen Jain:** And we would be supplying them like what quantity?
- Om Garg:** We would be supplying about 30 million FC and about 150 million male condoms assuming that the availability of the funds are there. By that I mean, that sometimes the payments from the Treasury are delayed resulting in delayed supply. But, this is the best order which we have received in almost nine years. We have participated in South African tender since 2012. So we seem to be steadily improving in the quantity of orders.



Cupid Limited
February 15, 2022

- Naveen Jain:** Okay, sir and just last question on Brazil side. So, now that the COVID situation is stabilizing period and I assume it would be in other countries as well. Are there any fresh tender being issued by Brazil and other countries that we were targeting, is there any suggestion that they want to do?
- Om Garg:** Yes, tender from Tanzania is expected to be awarded in March and the Brazil tender is expected in April 2022.
- Moderator:** Thank you. The next question is from the line of George John from Equity Intelligence. Please go ahead.
- George John:** My question is regarding the sale of Selo Healthcare. So what was the original strategy with this acquisition, because I believe this company has certain essential licenses related to be IVD business and what has changed now that you've sold it off within a year or so?
- Om Garg:** Yes, the original strategy was based on a very high demand for COVID related test kits. And we did some good business initially, but in last three or four months, like the earlier caller had mentioned, the business has been slowing down significantly and we did not see any bright spots going farther and instead, we decided to concentrate on our new production facilities in Nasik and get out of this Selo partnership.
- George John:** So did we have to book any losses to this investment sir?
- Om Garg:** Yes, in this quarter, we have booked about 13 L.
- Moderator:** Thank you. The next question is from the line of Vaibhav Badjatya from HNI Investments. Please go ahead.
- Vaibhav Badjatya:** Sir, so next year you said that you are expecting 20 crore profit. And if I see current year also, it will be close to that and as compared to current year. Definitely female condom sales will be higher next year. So, it means that there will be a significant contraction in the gross margin due to higher input cost is it the case?
- Om Garg:** No, the projected profit for FY22 would be more like 16 crore. As of December 31st our net profit is 13 crore. And we are expecting it to increase it to 16 or 17 crore. In the following year, we have increased the projection to a minimum of 20 crore based on more shipments for female condoms.
- Vaibhav Badjatya:** Yes, but given the sharp increment in the female condom sales next year, shouldn't it be more than 20 crore?



*Cupid Limited
February 15, 2022*

- Om Garg:** It is quite possible, we will try to maximize it and we will try to dispatch maximum female condom orders. Yes, it could be much improved than even 20 crore, but this is a conservative estimate based on the available data we have today.
- Vaibhav Badjatya:** Yes, but what I was trying to understand is that at the time when we put in a bid for the South African tender, the raw material prices were very different. And now they are very different. So, with the margin that we were initially expecting, would those margins have significantly reduced because of this change that has happened in the raw material cost, because I'm sure there will not be any pass through of raw material cost escalation in our tender bid?
- Om Garg:** Yes, we are hoping that the input cost would not be as severe as we had faced in last nine months. So that should result in overall increase in margin. That is what our expectation is going into next year. But really, we don't know how the inflation would impact on all other costs including manpower cost.
- Vaibhav Badjatya:** Right. And so most of his tender must be denominated in US dollar is it correct sir?
- Om Garg:** Yes, 100% in US dollars only.
- Vaibhav Badjatya:** And all the fluctuation that happen in currency all the risk and benefit is with us. So there is some pass through mechanism that is there in the tender?
- Om Garg:** No, our contract with our local partners in South Africa and Brazil is in US dollars only. So, any impact of local currency fluctuations are the responsibility of the local partners.
- Vaibhav Badjatya:** Yes, but if we are realizing dollars and if the rupee appreciates then there will be lower rupee realization for us, that's what I meant to say.
- Om Garg:** Yes, but it also applies in reverse. If the rupee depreciates like it has been doing in last three, four weeks, then we would gain. We estimate our projection based on the current dollar exchange rupee rate.
- Vaibhav Badjatya:** Correct, understand. And lastly in earlier con-calls you have said that while said that, while UNFPA order is directly to us while in Brazil and South Africa, we work with some of our local partners and agents. So, can you help us understand or give few names of these local partners or agents from which we get orders.
- Om Garg:** No, when we participate in the tender business, the government requires that we go through a local partner. So, based on our bids, and our quotations, the local partners would add their cost and profit and then make a final quotation in the tender to the government. So that is the extra



Cupid Limited
February 15, 2022

cost. We don't have to consider this cost with UNFPA business. In other words, there is no middle man. We are directly dealing with the United Nations Population Fund.

Vaibhav Badjatya: Yes, what I wanted to know who are these local agents, I want to know the name of this local partners with whom we are working for South African and Brazil?

Om Garg: We have four partners. If you write to us, we can send you a list.

Moderator: Thank you. The next question is from the line of Keshav Garg from CCIPL. Please go ahead.

Keshav Garg: Sir, I just wanted to gauge that you mentioned that next year we are targeting a profit after tax of 20 crore versus a profit after tax of 40 crore in 2020. And sir, considering the inflation for three years, it is basically in real terms less than half of what we did in FY20, which we will do next year. So, things look really gloomy for the shareholder and also sir, this is not even considering the losses from IVD division, which you have no visibility of orders, not even approval, but still you are hoping that the division should break even which looks slightly optimistic to us. So, overall and due to this IVD you can't do a share buyback also I don't understand that 10 crore is the CAPEX that you did, 50 crore was the top line that you were expecting and 72 crore cash you have, which you want to keep it aside for working capital. So I don't know what kind of business that will guzzles so much of working capital. So, if you could just tell us that what should shareholders expect going forward?

Om Garg: No, like I mentioned in my earlier reply, the board is considering a buyback program. In fact, we want to engage an expert in this business to make us a recommendation. The other consideration I mentioned is the potential requirement of the working capital for the IVD business going forward. We don't have any estimate right now. What the requirements may be, as we progress with marketing of different products and the inventory cost and the marketing costs, that is one other consideration we have to take into account with the utilization of our cash. But in general, you are right that in IVD business we don't expect any losses. But we have to work with the minimum working capital requirements.

Keshav Garg: Sure. And sir also like now COVID is receding, so all that capacity globally that came up to manufacture COVID kits, that has to go somewhere. So even all that global capacity will also Chase non-COVID like Malaria, Dengue, et cetera. Which you also are planning to do, so considering that there will be a huge oversupply. And so, we must think about cutting our losses basically in IVD.

Om Garg: I am sorry, could you please repeat the last part?

Keshav Garg: Sir, what I'm trying to say, that there is no point throwing good money after bad. So, since all the global capacity that came up to cater to COVID kit, now that capacity will be change. So



Cupid Limited
February 15, 2022

basically then what is the outlook for this division and how much bandwidth we should put in our established business or female condom instead on this, IVD?

Om Garg: No, we are putting the highest priority to our high margin female condoms. Of course, that will depend on the government budgets for the procurement of female condoms, over which unfortunately we don't have any control. Now, in terms of the IVD, these test kits, antigen test kits, that is only one of the products out of the 9 we have applied to the drug controller of India. Of course, we will not spend any funds if there is no business in any of these products, including the COVID test kits. So, we are very conscious of the fact which products we should be bringing out in the market on a proactive basis, and of course, the percentage margin would dictate that decision.

Moderator: Thank you. The next question is from the line of Samrat Dheri an Individual Investor. Please go ahead.

Samrat Dheri: I just wanted to know that in the last two, three years, the projections of the management have not touched the expectations like in the last two years, the projections that were given by you, even in the next year, the projections seem to be down from the last concall. So, what are your thoughts on that sir?

Om Garg: No, like I mentioned earlier, the main reason the performance specially during this current year FY22 is the lack of order for female condoms, for which we had no idea that the budget will be cut by the national governments due to their other COVID related priorities. So this is completely unexpected. Nobody could have forecast it this year and a half ago. So that is where we did not meet especially the bottom line projections.

Samrat Dheri: Okay. Sir so do I get this correctly, now that the COVID if the situation is improving so the other governments will they budget for other health companies such as yours will get back to the normal like you expect?

Om Garg: Yes, this is what we are expecting very much.

Moderator: Thank you. The next question is from the line of Naveen Jain an Individual Investor. Please go ahead.

Naveen Jain: Sir thank you for taking my follow up question. Just wanted to understand, sir you mentioned that you would be getting Tanzania order in March, they would be announcing the tender results in April, what is the approximate size of those two tenders?

Om Garg: Okay, Tanzania order is about 75 crore and we have been shortlisted already and the final decision is expected early next month in March. We don't know the total requirements for the



Cupid Limited
February 15, 2022

budget for the Brazil next tender. There are national elections there in March, April. So, I don't think the budget has been fixed yet. But we are hoping for a good quantity of order through the next tender.

Naveen Jain: And sir what would be the split for Tanzania order if you can guide us?

Om Garg: I'm sorry?

Naveen Jain: What would be the split across male condoms and female condoms for Tanzania order?

Om Garg: Tanzania is mostly male condoms only. The third source of orders, the big source is the UNFPA and we are expecting 30 to 40 crore of orders from UNFPA which will be about 60% male condom and 30% to 40% female condoms.

Naveen Jain: And when are we expecting them sir UNFPA order?

Om Garg: No, these come in bits and pieces, as the different countries request UNFPA and then they place the orders to different manufacturers like Cupid. So there is no fixed schedule and no fixed quantities. It also depends on the country's budget for the procurement of contraceptives.

Naveen Jain: Okay, sir and the last question on management side. Are there any updates on CEO front, are there any candidates we are looking for, we have interviewed or something?

Om Garg: No, the only update is that now, we are adding IVD experience as one of the main requirements for the CEO candidates besides the international marketing experience in contraceptives. We are looking at someone with marketing experience in the diagnostics business as well.

Naveen Jain: Sir, wouldn't it make the requirements a bit rigid considering we have not been able to get candidate even for the previous requirement?

Om Garg: We are continuing to try, to find a candidate. In the meantime, we would continue to perform with our existing staff.

Naveen Jain: And for the existing staff you mentioned you would be bringing some of them on board them for that concall so that shareholders can interact with them. So we have a clear transparency and then we can get familiar with them as well. What are the updates on that?

Om Garg: The process is on and they are kind of under training, the regulatory guy and the finance guy. So as soon as they are ready, we will bring them on board.



Cupid Limited
February 15, 2022

Naveen Jain: Any guidance or because this has been, we have been listening, that they have been on training for like past two quarters any guidance or when can we expect other management members on the call as well?

Om Garg: I would say within next two quarters hopefully.

Moderator: Thank you. The next question is from the line of Aditya Choudhary from Landmark. Please go ahead.

Aditya Choudhary: I wanted to just understand, actually most of the questions have been answered. But simply just wanted to understand about your new facility at Nasik, what is the stage that we are at currently and could you just guide us about at an annual total valuation of the number of units that you will have the total capacity for?

Om Garg: Okay, first of all the new facility have been completed. And now we are going through the regulatory processes with ICMR and with the drug controller of India, and we are expecting the manufacturing licenses by end of March, and we would have about 9 products we are planning to manufacture and the capacity for each of those items will depend on the demand for each individual product. So, it's difficult to estimate the quantities right now. But we would definitely prioritize the items with high margin and in bigger quantities.

Aditya Choudhary: So, the new facility will have just the condoms or it will have the sanitizer, other raw materials?

Om Garg: Yes, our three most important products going forward will be, number one male condoms, female condoms, lubricant jelly whose demand is increasing, and then the IVD products. These are the four general categories we would be concentrating going forward in FY23.

Moderator: Thank you. As there are no further questions from the participants. I now hand the conference over to the management for closing comments.

Om Garg: Thank you. On behalf of Cupid Limited, I would like to thank you all for attending this third quarter FY22 conference call today. Also, I would like to thank all our shareholders who have stood with the management of the company through thick and thin years. Further, I would like to thank all our customers who have shown confidence in Cupids product qualities through their repeat orders over the years. Some of these customers have been with us for more than 10 years. And last but not least, I would like to thank all the employees of Cupid Limited for their dedicated work throughout the year to improve the workings of the company. Thank you.

Moderator: Thank you. On behalf of Cupid Limited that concludes this conference. Thank you for joining us. And you may now disconnect your lines.