



CUPID LIMITED

Manufacturers and Suppliers of Male & Female Condoms

Date: - 3rd June, 2022

To,

Department of Corporate Services,
BSE LIMITED,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
SCRIP CODE: 530843

The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, Bandra-Kurla
Complex, Bandra (East),
Mumbai - 400051
Fax No. – 6641 8125 / 26
SCRIP CODE: CUPID

Subject: - Conference call Transcript

Dear Sir / Madam,

With reference to captioned subject, we hereby enclose the transcript of Q4 & FY 2022 conference call which was hosted by the company on 31st May, 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 Q4 FY22 Earnings Conference Call”

May 31, 2022



**MANAGEMENT: MR. OM PRAKASH GARG – CHAIRMAN & MANAGING
DIRECTOR, CUPID LIMITED
MR. SAURABH KARMASE – COMPANY SECRETARY &
COMPLIANCE OFFICER, CUPID LIMITED**



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Moderator: Ladies and gentlemen, good day and welcome to the Cupid Limited Q4 FY22 earnings conference call. As a reminder, all participants' 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 Ernst & Young. Thank you and over to you, Sir.

Binay Sarda: Thanks, Rutuja. Good evening to all of you and thanks for joining this Q4 and full-year FY22 earnings call for Cupid Limited. We have mailed the results and Presley's to you. I hope you have received the same. We have also uploaded this on our site and the stock exchanges to discuss the results and address the equities of the investors we have with us, Mr. Om Garg – Chairman and Managing Director of the company. Along with him we have Mr. Saurabh Karmase – Company Secretary and Compliance Officer.

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 hand over the call over to Mr. Garg. Over to you, sir.

Om Prakash Garg: Thank you Binay. Ladies and gentlemen on behalf of Cupid Limited, I would like to thank you for joining the Quarter 4 FY22 and the full year FY22 results for Cupid Limited earnings conference call today. I hope by now you have seen the results we had circulated last night. Without going into details, I will just mention a couple of salient points about the results. First of all, we managed to deliver a healthy performance in spite of some external factors. Further the top and bottom line of the company results were impacted by higher input costs and also the lower percentage of high margin female condoms during the quarter and the year. Furthermore, the results were also impacted by a long delay in the publication of three year South African tender results from October 2021 until February 2022 that five months delay in the publication of results and the awards for this year contracts influence our lower performance in terms of female condom sales during the year 2022.

Going forward, we expect company to do quite well on the back of our strong order book, which stands at Rs.209 crores as of April 2022 and these orders are coming from many countries and several of them have been confirming repeat orders.

There are two other salient features from this last year's performance. Number 1, we achieved a record of Rs.50 crores sales from UNFPA during the year. This is the highest ever sales we have received by supplying to 38 countries throughout the year. We have now become one of the largest suppliers to UNFPA and we remain confident that more orders would be coming in during the current year as well. For the first time UNFPA has become the top customer of Cupid Limited, last year and year before it was number 2. The second point I would like to mention is that this year FY22, we were able to achieve a sale of Rs.25 crores worth of water-based lubricant jelly sales as compared to only Rs.2.25 crores in the FY21, a year ago. This is a significant improvement on lubricant jelly sale, which is a high margin product for us, 40 to 45% EBITDA margin. One other factor related to jelly sales is that for the first time Cupid has received the FDA permission to market our lubricant jelly within India. It makes us only second or third company in the entire country to market this lubricant sale which are growing in demand rapidly, not only in India, but also worldwide. Now I would like to open the session for question and answer period.

Moderator: Thank you very much. We'll now begin the question-and-answer session. The first question is from the line of Onkar Ghugardare from ShreeConsultancy. Please go ahead.

Onkar Ghugardare: My question was regarding the Rs.209 crores worth of orders, which you are having. So, can you just bifurcate forget that?

Om Prakash Garg: Yes. Out of that we have Rs.122 crores of order from various customers confirmed with purchase orders, including UNFPA and the balance of the order we have received confirmed information from the treasury of South African Government for which the purchase orders will come through each quarter. We have a very healthy order book and Rs.71 crores order 71% of which is for female condoms and 24% of the orders are for female condoms and the balance is for lubricants.

Onkar Ghugardare: So, this 71,24, you're talking about for the entire Rs.209 crores.

Om Prakash Garg: Yes, exactly.

Onkar Ghugardare: Okay. The second question is on the Vitro division, which you set up recently and which will be commencing in the current financial year. Can you talk a bit more about that and what would be the revenue and EBITDA contribution you would be expecting in that?

Om Prakash Garg: Okay. For the IVD new project, I had mentioned in the last con call that we are going through the regulatory approval process, and we are through with about 12 products with the Drug Controller General of India. We plan to start our commercial operation in the second half of this current fiscal. It has taken us longer than we had anticipated. However, there are quite strict requirements from both ICMR as well as the Drug Controller of India. In addition, we are

proceeding quite well for ISO 13485 license, which is required not only to fulfill the export requirements, but also to make sure that our product quality and our regulatory requirements are fully met. We are moving rapidly to achieve this ISO certification as well. Following that we will be moving to apply for the CE license, which is required for sales in the European market and ultimately for WHO GMP, which we are expecting to apply in the next financial year.

Onkar Ghugardare: Okay. What about the contribution of CAPEX in that? What would it be the revenue potential? What kind of EBITDA margins you are looking at? Can you talk to me more about that?

Om Prakash Garg: Yes. The capital expenditure we have made in this project including the construction is about Rs. 8 crores and because of the delay in the regulatory approval, we are forecasting a very nominal Rs. 5 crores sales revenue during this current financial year with EBITDA margin of about 20%. However, starting from FY24, we are shooting for approximately Rs. 20-30 crores sales revenue from IVD products. We have some good indications, from a Singapore pharmaceutical company to manufacture five of their patented products in our facility at Cupid. Assuming we are successful in concluding our negotiation that could take at least a 50% of our installed capacity. So, we are anxiously looking for that plus some other export orders we are expecting based on our preliminary marketing efforts.

Onkar Ghugardare: Okay. The next question is on the revenue potential for the current financial year, you have around Rs.132 crores so what kind of targets you are looking at and out of Rs.209 crores how much you will be targeting to complete?

Om Prakash Garg: Out of the Rs. 209 crores we are projecting a sale of about Rs. 160 crores in the current financial year FY 23 and the balance of the order about Rs. 40 some crores will be carried over into the next financial year.

Onkar Ghugardare: Most of these orders are like 70% of these are from female condoms, out of this Rs. 160 crores which you will be targeting?

Om Prakash Garg: Yes. We are expecting at least Rs. 30 crores worth of FC orders during this current financial year.

Onkar Ghugardare: You're talking about repeat orders?

Om Prakash Garg: Sorry?

Onkar Ghugardare: The last part of the sentence I just missed that.



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- Om Prakash Garg:** No, we are expecting approximately Rs. 30 crores worth of sales for female condoms during the current financial year, 2023.
- Onkar Ghugardare:** Out of Rs. 160 crores?
- Om Prakash Garg:** Yes. Minimum.
- Onkar Ghugardare:** But that is not translating to around 70% of the overall business from female condoms.
- Om Prakash Garg:** Yes. Last year 21-22 we had only 14% of our FC sales. We would be almost doubling that quantity in the FY23.
- Onkar Ghugardare:** So, what you are saying is that out of Rs.160 crores of total revenue which you are targeting only Rs.30 crores will be from female condoms?
- Om Prakash Garg:** Right now, that is what it looks like. Of course, we have been contacting other potential customers mainly, a tender is expected from Brazil during the month of June. If that is worth another Rs. 25-30 crores, if we're successful, then our total FC sales would be as higher as Rs.60 crores out of Rs.150 or Rs. 160 crores top line.
- Onkar Ghugardare:** Okay. But earlier you mentioned, sir, out of Rs.209 crores 71% is female condom. It does not add to everything.
- Om Prakash Garg:** No, out of 209, 71% orders are for male condoms.
- Onkar Ghugardare:** Okay. Got it. 71 is for male and the rest is female.
- Om Prakash Garg:** Right correct.
- Onkar Ghugardare:** Just the last question on USFDA front what's the latest on that?
- Om Prakash Garg:** Sorry. Which one?
- Onkar Ghugardare:** The United States USFDA your entry into US markets.
- Om Prakash Garg:** Okay. Finally, we have managed to finish the South African pregnancy study and now we are expecting to submit our 510K application to USFDA in the early part of June. We are expecting, and they may take from six to nine months to comment on our application, assuming that we are successful, then we could start our commercial activities in US in April 23 onwards.

- Moderator:** The next question is from the line of Prashant Kale an individual investor. Please go ahead.
- Prashant Kale:** Yes. This is Prashant Kale an individual investor. My question is regarding IVD. IVD sales during this year is zero, not zero 3 crore 72 lakhs, but during this quarter and last quarter, it was zero. The question is, management projected that IVD business will be commercialized in June 2021 because of the COVID disruption, commercial construction activities took longer time. but then how would management miss out the approval part, which is more complicated than putting bricks and mortar together? The approval part in India, which takes sometimes six months to eight months, but management I think did not consider that one and that gave us a false indication about starting up of this IVD business. Now these IVD business is late by one and a half year almost. This is not very ideal situation. The delay of three months, six months can be acceptable. This is too much misguidance. That's what I feel.
- Om Prakash Garg:** No, you are correct in the sense that construction was delayed by over 15 months due to Corona, there was no activity, no workers available. The entire project was stalled. After that, our initial timeline or the regulatory process was six months, which is doubling more than back that to about 12 months. The requirement of the different departments for each of the products are quite extensive and both the Drug Controller office and the local FDA offices, they have informed with additional work resulting in much slower processing for our applications. These were some of the reasons which were beyond our control, and we could not have forecasted neither the Corona '19 consequences, nor the procedural delay and the regulatory requirements of the Drug Controller of India.
- Prashant Kale:** Okay. We understand it, sir, because we live in a red tape country, it takes like, for these regulatory things, it's very difficult and complicated. As a businessman you understand it and we also understand it, but now are we confident that we will get the approvals in next three, four months and we will start the commercial activity and sales of the IVD products by let's say November, December or something like that.
- Om Prakash Garg:** Yes, yes, we are. We already have received the manufacturing license for five products and the next products are also in the process we expect to achieve that by August. Yes, we are hoping to start the commercial activities from September onwards in the second half of this financial year.
- Prashant Kale:** Shouldn't we, try to get some orders and outsource it initially and then bring it in-house once our capacity comes in, that route should have been tried so that we are already in market and people know that we are in this business, was it possible to do that?
- Om Prakash Garg:** Well, we are looking at all possible channels for marketing, including the main one is to participate in the export tenders. There are several products like malaria, dengue, syphilis,

HIV, which are very much in demand from Sub-Saharan African countries. So, we are looking at that. Also, we are looking at tenders from the Indian government and some of the state governments as well, including local distribution and further we are looking at a contract manufacturing facility and as I mentioned earlier, we are in touch with at least one big pharma company from Singapore. We would be contacting a few other Indian big pharma manufacturers as well to do contract manufacturing. At this point we don't know exactly what direction our marketing will take. We expect that it will take about next 12 months to see a clear picture in terms of the revenues and the profits we could achieve.

Prashant Kale:

Is it a big, good idea to contact pharma companies or distributors in a loosely regulated countries like in South America and Africa? In those markets, the regulatory approvals are faster and then probably we can get licenses for distributing these products or supplying these products in those partially regulated markets. Could you please look into that and try to establish some distribution network in those countries? Because that will be very fast.

Om Prakash Garg:

Yes, you are absolutely correct. We are targeting into export markets from some of these countries where we already have established commercial relationships through their Ministry of Health through the sale of our contraceptives and lubricants. So, we are reasonably familiar with their process, how to compete in some of their tenders. So, you are right. The best prospects for Cupid would be to prioritize those orders, export orders from the different countries. As I mentioned, the big requirements for these export tenders is to be qualified by ISO 13485, which we are at an advanced stage, and we should achieve that certification in next couple of months.

Moderator:

Thank you. The next question is from the line of Onkar Ghugardare from Shree Consultancy, please go ahead.

Onkar Ghugardare:

I guess you have around Rs. 54 crores of cash in your balance sheet, how do you plan to utilize that?

Om Prakash Garg:

Well, we are looking at couple of possibilities. Number one, our working capital requirements are going to be increased from about Rs. 30 crores to as high as Rs. 45-50 crores because of the larger volume of orders. Second category for the requirements would be the working capital funding for IVD business, for which we don't have a precise estimate, but we expect that could take another Rs. 15-20 crores in working capital. Of course, the third category is we always planned to maintain our dividends, at least Rs.4.50 per share. As we mentioned, we have very little expenditure planned for capital works in the next financial year. That's our precise plan, how we see utilization of the surplus funds we have right now. By the way also we are considering a buyback program of shares, some of you had expressed interest and had

suggested, an expert committee is looking into it to see how we could achieve that program as well. Hopefully, we would report that at the next meeting.

Onkar Ghugardare: Management is in favor of doing that buyback shares, are you actively looking at it?

Om Prakash Garg: Well, because of the extra capital requirements we see to run the operations that would be one of the factors in considering the size of the buyback. That is why we are looking for some expert advice on this and the final results hopefully will be discussed and presented to the shareholders hopefully at the next meeting.

Onkar Ghugardare: My question was regarding the hunt for this CEO which has been going on for last two years, more than two years I guess, any progress on that? And what would it be Mr. Saurabh's role in the organization, and can he please talk about this?

Saurabh Karmase: Basically, I look in to company's corporate governance and various filings with different authorities such as stock exchanges and all. So basically, I am looking after all the secretarial role of the company.

Onkar Ghugardare: Okay. What about the CEO post which was supposed to be there? I was asking the CEO post which was going on, hunting for the CEO post.

Om Prakash Garg: About the CEO job, as I had mentioned in the last meeting, now we are looking for someone who has quite an extensive background in the IVD business as well along with the export marketing for female condoms, male condoms, and lubricants. So, hopefully we would find someone during this financially year.

Onkar Ghugardare: You haven't been successful in doing that for the last two years, more than two years. So, what makes you confident that you will be able to do now?

Om Prakash Garg: Before last year we are looking for one individual who had expertise in the contraceptive markets who also had some international marketing and also some financial background as CEO. But now with the decision to add another vertical to our business line in terms of IVD, our focus has changed now in terms of the requirements for CEO which has delayed this process somewhat.

Onkar Ghugardare: Next question was regarding, sir I wish a good health for you, but in case in your absence who will run this organization and who runs this organization? What is on the forefront for this to take care of everything?

Om Prakash Garg: I am sorry, could you please repeat your first question?



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Onkar Ghugardare: I was asking, sir I wish a good health for you, but in your absence, what is the succession planning for this Cupid Limited and who will run this, who will succeed you as your successor?

Om Prakash Garg: Okay. First of all, thank you for your good wishes. With God's grace, I am in excellent physical shape at 78. I am still able to work at least 10 to 12 hours every day, almost seven days a week. Now, in addition to that we have a very strong team running Cupid in all the eight departments. These people have been some of them in the job for over 15 years and we have even the third level of management is coming along very well with their additional experience every day. I am personally still enjoying the business and we have been looking to strengthen Cupid. And you may recall that we have grown Cupid from a very small company in 2002 with only two lines of production and only male condoms. And then next five years we had expanded to four more lines and starting from 2007 to 2012, we did a five-year research program to develop a female condom which resulted in Cupid as the first UNFPA qualified company in India and only second one in the world. And then, we started research on water based lubricant jelly for which I reported earlier that we achieved a record sale of Rs. 25 crores with 40% to 45% margins. And now we have added this IVD additional vertical line of business which hope our sales will go over Rs. 200 crores two years from now. So, we have constantly improved the performance of Cupid. We have paid Rs. 4.50 dividend for the last three years at least. And we are looking at further opportunities for diversification of business within Cupid. One of the next lines of business, we are looking at women sexual health related products for which there seems to be a very attractive market both in India, as well as overseas. So, I am confident that Cupid will continue to show good performance. It has been a profitable company, a strong cash flow and zero debt. And our worldwide reputation is improving almost every year. We have sold our products so far into 95 countries. So, the prospects of expanding further our top and bottom line are reasonably good.

Onkar Ghugardare: Thanks for the answer, sir. Another question is that what keeps you going at the age of 78? And another thing is that has anyone approached you for the sale of the business or have you approached someone for this? And what's your thinking about this, sir?

Om Prakash Garg: I may be 78, but I feel like I am only 68, first of all. So, I am very enthusiastic, and I am very much interested in the business of Cupid. Now to answer your second question, yes, we have been approached about our potential sale of our stake in Cupid and our response is that we are open to any reasonable suggestions. So, we will continue on that track. As long as I am running Cupid, we would continue to improve its performance for all of the shareholders.

Onkar Ghugardare: But as you have said, sir, you have been approached for sale of this business so then what's the further update about that?

- Om Prakash Garg:** Well, the different potential customers have a different vision, and they are looking at future possibilities of what can be done with the Cupid business going forward. They have to make their own evaluations in terms of what additional capital expenditure they are willing to put forward and what they can expect in terms of top line as well as bottom line. With our last expansion two years ago, you may recall we had increased our installed capacity from 400 million pieces per year to 560 million pieces per year. And we are not looking at further expansion in the immediate future because we are not certain if the market would still be there for a much higher production. Recently a big Malaysian manufacturer, they increased their capacity to over 3 billion pieces and they could sell only 60% of their capacity. And they resulted in reporting a loss situation being such a huge company. So, on one hand, we are careful about expanding too fast without realizing and without consolidating our marketing situation for the new production, but at the same time, we are looking at new business verticals to grow Cupid.
- Onkar Ghugardare:** My question was regarding, this is all good, sir, which you have said, but then what's stopping you or the buyer from buying Cupid or you selling Cupid.
- Om Prakash Garg:** It depends on what is the offer against what is our expectation? So, it is a straight business negotiation.
- Onkar Ghugardare:** Yes, correct. But so how far we are from that, sir? I mean, what's the status on that? I just wanted to hear that.
- Om Prakash Garg:** I would say we are within 15% to 20% of the numbers.
- Onkar Ghugardare:** Sorry. I could not get you, sir.
- Moderator:** Sorry to interrupt you Mr. Onkar. May I request you to please rejoin the queue.
- Onkar Ghugardare:** Yes, sure.
- Moderator:** Thank you.
- Om Prakash Garg:** You are asking me how close we are in the negotiations. I say we are about 15% to 20% far apart between the expectation and the offer.
- Moderator:** Thank you. The next question is from the line of Prashantkumar Hazariwala, an individual investor. Please go ahead.
- Prashantkumar H:** My first question is we have done exceptionally good on lubricants jelly this year, right? So, how sustainable is that going forward?



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- Om Prakash Garg:** Which one?
- Prashantkumar H:** Lubricant jelly. We have done Rs. 35 crores of business this year. So, how sustainable this business and the turnover going forward?
- Om Prakash Garg:** We have actually done between Rs. 25 crores and Rs. 26 crores worth of business of lubricants this year which I mentioned is the highest ever. Now the indications are that we would continue to achieve this level of sales going forward. This is based on our discussion from the procurement agencies and agents at UNFPA. The main reason is that the use of personal lubricants along with the condoms has been found to be very-very useful and favorable with the users of condoms. And almost in the last three years it came from a very small quantity to large volumes of business. So, I would expect we would continue to do as well as this year at least into the next two years. Of course, we have yet to achieve that.
- Prashantkumar H:** So, at what capacity is this facility working?
- Om Prakash Garg:** We have about 210 million pieces capacity. So, we have lots of capacity and we were running the plant at 95% capacity utilization, and we were doing only two shifts out of three for about 8 months. So, we do have additional capacity. And recently we have added a microbiology lab to maintain the quality of our lubricants. By the way, there are very strict stringent quality requirements by WHO and Cupid is only one of the four or five approved pre-qualified suppliers throughout the world.
- Prashantkumar H:** That's good, sir. A major customer of this lubricant jelly is WHO, right?
- Om Prakash Garg:** Yes, WHO UNFPA with 38 countries. Many of them who buy male condoms, they are also buying lubricants. We have added several countries outside the African continent, and I think I mentioned earlier, remote countries like Mongolia, Ukraine, Romania, Georgia, in the central Middle East and in the Caribbean Nicaragua, Cuba and several of the islands, Haiti, on the East side, Philippines, Papua New Guinea. So, the extent, the market seems to be expanding in terms of demand for lubricant.
- Prashantkumar H:** Okay sir, that's good. So, we can even expect a growth of Rs. 25-30 crores kind of thing? So, is it possible?
- Om Prakash Garg:** Our target is about Rs. 25 crores at least as much as we have done in the FY22.
- Prashantkumar H:** That's great. Sir, my next question is with 30% kind of the female condom and with lubricant jelly, like so lubricant, how much operating margin we can expect going forward in the next year? Because in FY21 we did 25% of operating margin. That came down to 17% but in FY21 lubricant share was very less, right? So, in coming year it's like lubricant share is increasing

and our FC share is coming back to the FY21 levels, right? So, what kind of operating margin we can expect for FY23?

Om Prakash Garg: For FY23 we are projecting an EBITDA margin of 45% to 50% in the jelly sales which as I mentioned earlier should be at least Rs. 25 crores. And similarly, we are projecting about, say 50% profit on the sale of FC on an at least Rs. 25 crores sales bare minimum. So, between the two, we can expect a total sale of Rs. 50 crores and about Rs. 20 crores EBITDA profit. And our total sale projection for next year is about Rs. 160 crores sales with a profit margin or net profit of say about Rs. 32-35 crores, out of which, as I mentioned, Rs. 20-25 crores would come from only two products, lubricants and female condoms.

Prashantkumar H: So, like for Rs. 160 crores we are expecting Rs. 32 crores of operating margin, that's what you said?

Om Prakash Garg: Net profit after tax of Rs. 32 crores.

Prashantkumar H: Net profit after tax. Okay. That's the PAT that will be Rs. 32 crores kind of thing, that is what you are expecting, right?

Om Prakash Garg: Yes. That is called PAT, profit after tax.

Prashantkumar H: Okay. All right. And by this yearend what kind of contracts we are expecting? What is in the pipeline?

Om Prakash Garg: In terms of?

Prashantkumar H: In this year what kind of tender we are expecting, like how much in the pipeline for this year?

Om Prakash Garg: For this current year, I mentioned that we have confirmed order of female condoms already and in addition we are expecting a new order from a female condom tender to be published in June from Brazil. So, we have not yet accounted for that in this year's projection, this Rs. 160 crores sales and Rs. 32 crores profit, I have mentioned. Now, in terms of lubricants, we are expecting the sales to reach at the same level as last year, say about Rs. 25 crores, but we have confirmed the order during May only of Rs. 5 crores. But we are hoping that lubricant orders would be coming through as we move ahead in the calendar year.

Prashantkumar H: Okay. So, what kind of new order pipeline we have? These Rs. 209 crores of orders that we have received last year, right? So, what kind of new order pipeline in this year currently? Have we participated in any tendering process or that is underprocess kind of thing, like any pipeline, how many tenders we have participated so far for this year?

Om Prakash Garg: We have already received the order from Tanzania worth about Rs. 65 crores already which is included in the 209 order book. Only new order we are expecting from Brazil, anywhere from Rs. 25-30 crores. And government of India is also floating a tender which maybe Rs. 15-20 crores. And in addition, the demand for lubricants we cannot yet quantify it, but we are expecting about Rs. 15-20 crores order throughout the remaining financial year until March 2023.

Moderator: The next question is from the line of Yogansh Jeswani from Mittal Analytics. Please go ahead.

Yogansh Jeswani: My question is regarding your order book. You have mentioned your order book is of Rs. 209 crores but I think in the last quarter press release the order book was Rs. 141 crores and between quarter four and quarter one we have announced an order win of more than Rs. 170 odd crores. So, if I do the calculation, the Rs. 209 crores order book looks less. So, is there any cancellation of order or am I missing something in this?

Om Prakash Garg: No, not really. We had Rs. 140 crores worth of orders at the last meeting time and we have dispatched about 30 million out of that in the January to March quarter. So, that left us with a balance of Rs. 110 crores. And we had received a smaller quantity of orders from UNFPA, so that 110 increased to about 120. And then we have received the order of over Rs. 100 crores from the South African tender which we had announced in February. With that addition, we have come to 209.

Yogansh Jeswani: What about the Tanzania order that we have received for Rs. 65 odd crores? That is not included in this?

Om Prakash Garg: The Tanzania order which came at the end of March, we have included it in the our book and it would be delivered in the next six to seven months.

Yogansh Jeswani: Sorry. There was a disturbance in your line. So, this Rs. 65 crores you are saying is part of this Rs. 209 crores order book.

Om Prakash Garg: Exactly. Rs. 65 crores order is part of Rs. 209 crores which would be dispatched in next six to seven months.

Yogansh Jeswani: But sir, like you said last press release we have Rs. 141 crores order book, subtracting Rs. 31 crores order which we delivered in Q4, so that leaves us with Rs. 110 crores, right? Then, between then and now we have announced four order wins, two of UNFPS ofroughly around Rs. 12 crores. So, this 110 plus 12, will come to 122. And then Rs. 100 crores South Africa order, Rs. 65 crores Tanzania order. So, that adds 165, so it should be around Rs. 280-290 crores.

Om Prakash Garg: The 65 was I think included in that order. It came in February-March. So, that was included in this.

Yogansh Jeswani: Tanzania order was announced by you on exchange on 15th April. And the press release was in January, the Rs. 141 crores press release was in January. So, again how was it included there?

Om Prakash Garg: I think we have to subtract the dispatches we also made in April and May.

Yogansh Jeswani: But this Rs. 209 crores orders which you have mentioned, this is as of today, as of 31st May or is this as of 31st March?

Om Prakash Garg: This is as of today, current.

Yogansh Jeswani: Okay. So, you are saying this Rs. 209 crores is as of today and April and May sales is also deducted from this?

Om Prakash Garg: Yes.

Yogansh Jeswani: But isn't that number would be very-very high. If we to go by that calculation probably our Q1 would be highest ever quarter then, and by a huge-huge margin.

Om Prakash Garg: Which quarter you are talking?

Yogansh Jeswani: I think this coming quarter, April-May-June Q1 FY23, if I go by that calculation then I think this would be one of our highest ever quarters and by a huge margin, is that right?

Om Prakash Garg: I think we are expecting Rs. 30-40 crores sales during this April to June quarter. But again, mostly these orders are for male condoms, female condom sales will only start from June. You know the tender results which came out in February and then the purchase order came in March and April, production is going on in May so dispatch will be only in June. So, top line maybe reasonably well, but the profitability would be not in proportion.

Yogansh Jeswani: Understood, sir. And so, the supply of FC will kick in from which quarter, the bigger contract that we have won? This will start coming into our topline from which quarter, sir?

Om Prakash Garg: I am sorry, can you say it again?

Yogansh Jeswani: I think the South African order that we have received of FC for Rs. 68 crores, the supply of this will start from which quarter in this year?

Om Prakash Garg: The Rs. 65 crores order you mean from Tanzania?



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- Yogansh Jeswani:** No, South Africa order, sir. The South Africa order of Rs. 68 crores female condoms will start from which quarter?
- Om Prakash Garg:** That would start from end of June.
- Yogansh Jeswani:** Okay, so Q2 onwards.
- Om Prakash Garg:** Yes.
- Yogansh Jeswani:** Okay. And sir, you mentioned about a consideration that you have taken up for the buybacks. Can you share some more light, what kind of numbers you are looking for in terms of buybacks, or is this a very initial level of consideration that we have just started? Any more color or insight that you could share on buyback, sir?
- Om Prakash Garg:** I think we are at the very initial stage of discussions on the buyback amount. We have almost like Rs. 80 crores but then the opinions differ as low as Rs. 20 crores, upwards of Rs. 40 crores. So, that is where we are engaging some experienced people in this line to guide us. And we don't know yet what the final outcome will be because we have to consider a larger amount of working capital requirements, both for condoms as well as for IVD. Really to answer your question, we are at the very preliminary stage of discussion.
- Saurabh Karmase:** And further to this discussion, I just want to correct the order book situation. As mentioned in the press release, this Rs. 209 crores order book is as on April 2022.
- Yogansh Jeswani:** Okay.
- Om Prakash Garg:** Yes.
- Moderator:** Thank you. Ladies and gentlemen, this was the last question. I would now like to hand the conference over to the management for closing comments.
- Om Prakash Garg:** Thank you all for attending this fourth quarter and full year earnings conference call. And I would like to thank all our shareholders for supporting Cupid and through both thick and thin years during our operations. And we would like also to thank our customers who have shown confidence in the quality of Cupid products through their repeat orders. Many of them have been our customers for over 10 years. And also, I would like to thank all Cupid employees for working diligently throughout the year for the improvements of Cupid. In the end, I would like to assure all of you as our shareholder that we are working with the best of our capacity and capability to deliver better results going forward. Thank you again for attending the earnings conference call. Thank you.



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