



# CUPID LIMITED

Manufacturers and Suppliers of Male & Female Condoms

Date: - 3<sup>rd</sup> February, 2023

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, 5<sup>th</sup> Floor, Bandra-Kurla

Complex, Bandra (East),

Mumbai - 400051

Fax No. – 6641 8125 / 26

SCRIP CODE: CUPID

**Subject: - Q3FY2023 Conference call Transcript**

Dear Sir / Madam,

With reference to captioned subject, we hereby enclose the transcript of Q3FY2023 conference call which was hosted by the company on 31<sup>st</sup> January, 2023 at 4.00 P.M.

This is for your records.

Kindly acknowledge the receipt.

Thanking You.

**For CUPID LIMITED**

**Saurabh V. Karmase**

**Company Secretary and Compliance Officer**

**ECSIN: EA041701A000083921**

CIN No.: L25193MH1993PLC070846

**Factory & Registered Office:**

**A-68, M.I.D.C. (Malegaon), Sinnar, Nashik - 422113, Maharashtra, India**

**Tel:+91 2551 230280 / 230772 / +91 7722009580 Email: info@cupidlimited.com, Website: www.cupidlimited.com**



“Cupid Limited  
Q3 FY'23 Earnings Conference Call.”  
January 31, 2023



**MANAGEMENT: MR. OM GARG – CHAIRMAN AND MANAGING  
DIRECTOR – CUPID LIMITED**

**MODERATOR: MR. BINAY SARDA – ERNST AND YOUNG**



*Cupid Limited*  
*January 31, 2023*

**Moderator:** Ladies and gentlemen, good day, and welcome to the Cupid Limited Q3 FY'23 Earnings Conference Call. 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 star then zero, on your touch-tone 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. Sorry to interrupt Mr. Sarda, your audience breaking up, we're unable to hear you.

**Binay Sarda:** Thank you, Lizann. Good evening to all of you, and thanks for joining this Q3 FY '23 earnings call for Cupid Limited. We have mailed the results and press release to you. I hope you have received the same, and we have also uploaded this on our website and the stock exchanges. To discuss the results and address the queries of the investors, we have with us Mr. Om Garg, Chairman and Managing Director of the company. Mr. Garg will give you a brief overview of the quarter past and then we will 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 reports, which you can find on the website. With that said, let me hand over the call over to Mr. Garg. Over to you, sir.

**Moderator:** Mr. Garg, sir, you may please proceed.

**Om Garg:** Thank you, Binay. Good afternoon, ladies and gentlemen. On behalf of Cupid Limited, I would like to welcome you all for attending the third quarter FY '23 earnings conference call today. By now, I hope that you have had a chance to review the third quarter financial results, we had published last night after the Board meeting. I would briefly comment on those.

The healthy performance was indicated by a 15% improvement in the top line and a whopping 302% improvement in the profit after tax numbers, as compared to the quarter a year ago. Further, if we look at the nine months comparison a year ago, it improved by 15% on the top line and 75% improvement in the net profit after tax. So both the last quarter performance and the nine months performance they are encouraging for us.

Now the main reasons for this healthy performance are: Number One, 96% sales in exports, where we have advantage of Government of India export incentives as well as we have the benefit of depreciating rupee against the US dollar when we submit our invoices to the customer. So that was a reason number one for the healthy performance.

And second, and equally important was the steady and declining input costs during the quarter. And number three, we had more sales of high-margin item, which is female condoms as

compared to the quarter before. So in addition to these three highlights, I would like to also mention that Cupid has applied for a WHO and CE mark for our IVD products during the quarter.

And finally, during this quarter, Cupid started an employee share plan ESOP for 27 employees. Cupid has done this ESOP plan for the first time in its 25-year history. And our order book is robust at INR 171 crores as of January 1, '23. Now at this point, I would like to open the discussion for a question-and-answer session, please.

**Moderator:** The first question is from the line of Zaki Nasser an individual investor.

**Zaki Nasser:** Sir, congratulations on a, I would say, a fantastic set of numbers with improved margins. And as you have indicated in your presentation, bright future for the company. Sir, I would like to ask two questions, sir. Number one is, as of now, our IVD devices is very small. Although of December last -- till nine months, December last year, they were larger, maybe because of the pandemic and stuff like that. So how do you propose to scale this up, sir? And I mean, could you just give a brief of this because this looks like a very interesting and very large area, sir? And number two is, I would also like to ask you about what is your plans on the cash, we have on books, sir?

**Om Garg:** So first question about the IVD. As you know, the entire project was delayed due to COVID-19. And finally we had applied for the manufacturing license from the drug controller of India, and we have received 12 out of 16 licenses already. And then we had prepared some samples to be sent to the potential customers for the quality verification and also for the packaging styles. So now we have started to get feedback from some of these distributors, hospitals and laboratories.

And the feedback we have had is that the quality is good, better than some of the products already in the market and our price is quite competitive. Now for the Indian market, we are eligible, and we have started to do the commercial operations to the various state governments through their tenders and also sales to the private sector.

However, for the central government tenders, we need a three-year manufacturing experience to qualify for the participation. Now in terms of the export orders, we need WHO and CE mark to be able to export the goods. This is the requirement of most of the countries and in some countries, there is a requirement for ISO 13485 Certification, which Cupid has already obtained.

The margins are quite a bit better in the export sales, 35% to 45% as compared to about 20% in the domestic sales. And the five countries we have identified, with the most potential are South Africa, Kenya, Tanzania Nigeria and Zimbabwe. And in terms of the products, the most in demand are HIV, Malaria, syphilis and hepatitis. So although we have been slow in starting the commercial operation, we expect a good business in the second year and certainly, starting from the third year. So that's the update on the IVD.

Now regarding the cash and cash equivalents we have with this third quarter results, we have over INR 100 crores available with Cupid, and we are in the process of discussing, what is the best use of these funds. Of course, we have the dividends is one outlet for the funds. And number two, if we look at any further expansion or adding for an another vertical like feminine health and wellness program, that could also require some funding and third and most important, we are also considering buying back of Cupid shares. So that is the update on the cash and the investments Cupid has accumulated so far.

**Zaki Nasser:** Sir, if I may extend on my first question a bit, sir. See because this IVD looks like the way the world, I would like your inputs on it, sir, the way the world has changed after the pandemic. I would feel that this IVD testing things for different maybe lifestyle diseases or viruses become more and more important in our lives. So in '25, that is the third year, what do you expect your top line to be from the IVD care segment, sir?

**Om Garg:** In the year '25, we expect INR 50 crores to INR 100 crores turnover in FY '25.

**Zaki Nasser:** In the IVD segment, sir.

**Om Garg:** From IVD alone.

**Zaki Nasser:** Sir, and last con call, you had mentioned case, there was some kind of a tie-up for some outside party was looking at Cupid and there were some four to six weeks they would take. I mean is that still on or -- I mean that will happen as and when it happens, if it happens kind of stuff, sir.

**Om Garg:** Yes, the discussions with the Singapore party are going on, and we are looking at the agreement whereby Cupid would do the manufacturing on their patented products. It's going slower than we thought, but it is very much in the process. Further last month, we also received another request from a company in the United States, who would like Cupid to manufacture their products in India for them. So they have visited the factory, and we have initiated the discussions with them as well. Both these possibilities are going a bit slower than what we thought, but they provide a good indication of the market demands for manufacturing going forward.

**Zaki Nasser:** So sir, can we reasonably assume that 2025 Cupid will have a top line of like around INR 325 crores to INR 350 crores, sir?

**Om Garg:** Yes. Like I mentioned, in IVD alone, it would be INR 50 crores to INR 100 crores and from the condom business, we could expect easily INR 180 crores plus.

**Moderator:** The next question is from the line of Somnath Paul from Archon Capital.

**Somnath Paul:** I just wanted to know, can you just throw some light on the raw material pricing versus the material costs? I understand that we have benefited out of raw material pricing. So can you just

share some light on how much as a cost percentage it is? And how can we see that going forward? That's the first question.

**Om Garg:** So in terms of the stable and declining input prices, we have in general, 7% to 8% decline in terms of the foil purchases and in terms of the packing material. And in case of silicone oil, it's upward of 20% decline in the price, during the quarter. The only exception is a 5% to 7% increase in the price of latex, during the quarter as compared to the previous nine months. So we are expecting the stable or downward trends to continue, and that should directly impact on the profitability of Cupid business.

**Somnath Paul:** Sir, if I may just add on, can you just throw some light on how much is the inventory or what is the lead time that you have basically? I need to say so that we can have some idea on how positively, this will affect with a lag or with the lead time because I think this is an important factor for the margins going forward as well?

**Om Garg:** So the current trends and the quotations we are getting, we are going as far out as six months. Now beyond that, the vendors are not taking any orders or accepting new quotes. So we have to follow these price trends. But looking at the worldwide commodity prices and slow business development, economic slowdown -- we expect these trends to continue for the entire financial year '23, '24.

**Somnath Paul:** So you mean to say the low packaging as well as latex and then silicone oil pricing or in favourable pricing will affect you positively for the next 12 months or so?

**Om Garg:** Yes, we expect the packaging prices all to continue this downward trend for the next 12 months.

**Somnath Paul:** No. But I'm sir, more focusing on the raw material, packaging goods still be a lesser percentage. I'm talking about the latex and probably the chunk of the raw material?

**Om Garg:** The most important is the latex. And I mentioned then this in the past quarter, there was a slight increase and beyond the rainy season in Kerala, starting from May, we expect the downward trend to resume in terms of latex prices. The second most important component is the silicone oil, which was getting imported from China. And suddenly, because of the economic slowdown there, the prices crashed. And actually, in the last quarter, we had a decline of as much as 27% in the silicone oil prices.

**Somnath Paul:** Yes, sir, the point was -- yes, the point was that as China opens up, probably you might see a lot of commodity pricing increase. So I was just trying to understand that how much of the pricing at the low-cost inventory are we secured then? And then how shall we see they are going forward?

**Om Garg:** We are -- as I mentioned, we have done the procurement for the next six months until June, and we are watching the trend. And depending on the worldwide demand and supply, as you had

mentioned, we would continue our efforts to get some of the lower prices locked in for all the raw materials.

**Somnath Paul:** Yes, because there's a lot of cash on books. So that might just be an option as well. And the second question, sir, how do you see the order book contribution going forward in the sense of higher margin products, which is basically the female condoms or otherwise. I mean, how do you see the margin-wise profile of the order book going forward?

**Om Garg:** The current order book, as I mentioned, is INR 171 crores as of January 1, we are expecting some big tenders coming out later in the year for male condoms from South Africa from Tanzania and from India. Also, in March or April, we are expecting a tender from Brazil for female condoms. And also, the South African requirements for the second year of the three-year contract is expected to be out in the first week of February.

So in our assessment, we see a continuous order process. And as we dispatch our goods, we should be getting the new orders almost continuously. So we believe that 95% of the capacity will be continue to be utilized in terms of the order book.

**Somnath Paul:** And sir, does the new Brazilian election or the new president and the economy doing good affect you or does it have a correlation or these are independent events?

**Om Garg:** Sorry. Please say it again.

**Somnath Paul:** I just wanted to say the good economic conditions in Brazil and probably the new presidential election, does that have a correlation with your orders? Or how do you see the order book from Brazil going forward or they are not related?

**Om Garg:** It does. The first of the latest presidential election is that their budget has been delayed from January until end of March. And also the overall size of the budget is still under discussion because of the leftist party winning the elections as compared to the rightist group earlier. So yes, the politics there does have a bearing, and we have yet to see the level of requirements they would announce in the tender. We just have to wait.

**Moderator:** The next question is from the line of Keshav Garg from Counter Cyclical PMS.

**Keshav Garg:** Sir, many congratulations for great results. Sir, but going forward, do you think sir, you can carry -- we can sustain this bottom line of INR 10 crores sir, because previously also on three occasions, we could do INR 10 crores quarterly profit, but then that was sustainable. So this time, you think that we can sustain this going ahead?

**Om Garg:** Yes. Our projections for the fourth quarter is for improving the top line at 20% and the bottom line by 20% also using the third quarter as a base. So we expect a minimum of INR 10 crores profit in the fourth quarter same as we had declared last night in the third quarter. So all the

indications are that with the lower input prices, our costs will be under control, and we should be able to maintain the profit. Of course, part of that, as I mentioned earlier, would depend on the quantity of female condom orders, we receive because of their high margin.

**Keshav Garg:** Sir, also, you mentioned in your opening remarks that by FY '25, we are expecting around INR 50 crores to INR 100 crores revenue from IVD division, sir. Is that understanding correct or is it FY '26?

**Om Garg:** No. The FY '23, the IVD sales would be minimal. We are pegging it at a maximum of INR 1 crore. And in FY '24, our target is INR 5 crores to INR 10 crores only because of the limitations I mentioned i.e. lack of the WHO prequalification and the CE mark. However, in the next year, financial year '25, we should be able to participate in the export orders for IVD.

**Keshav Garg:** Sir, and also, there is a loss for nine months of around INR 1.2 crores in IVD division. So when do you foresee this division breaking even at what level of revenue does this division breakeven?

**Om Garg:** I'm sorry, please say that again?

**Keshav Garg:** Sir, I'm trying to understand that at what level of revenue does this division breakeven?

**Om Garg:** It would be about INR 5 crores.

**Keshav Garg:** So that's heartening to know. Also, sir, we have not been able to find a CEO for the condom business since many, many years. Also, sir, then we have diversified into an unrelated field of IVD. Now we are planning to enter a third division. Sir, so it's not only a question of the funds availability, it's a question of management bandwidth also. So where do you think because otherwise, sir, your precious time and effort will get diverted into incubating these new businesses and whereas our cash for our condom business might languish?

**Om Garg:** So what's the question?

**Keshav Garg:** Sir, my question is regarding the management bandwidth that where is the management bandwidth to manage these three unrelated businesses, out of which two are totally new for us and which will require far more effort. Sir, so in that case what happened to our original cash cow business of condoms?

**Om Garg:** Well, our top most priority is the male condom business and the female condom business, which are our primary products and for which the maximum demand is coming from the world market. The third product, the water-based lubricant jelly is slowly gaining popularity. And this last and fourth vertical we have done is the IVD testing kit business. So still our primary products and revenue base and profits will come from condoms and lubricants only until the IVD business picks up in next two to three years.





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- Keshav Garg:** Sir, also you mentioned in the beginning that in FY '25, you are expecting INR 50 crores to INR 100 crores revenue from IVD division and around INR 180 crores revenue from your condom business. Sir, is that understanding correct?
- Om Garg:** Yes. That is our current estimate, INR 180 crores from the condom business and lubricants and projected revenue from IVD business is INR 50 crores to INR 100 crores.
- Keshav Garg:** Sir, but if you see that in the past 12 months, last four quarter, alone we have done INR 153 crores revenue. Sir, so that means in the next two years, sir, there is not much growth that is expected from condoms. And so that's what I was trying to stress on my -- in my earlier question that, I mean, if we are going to devote all our -- the time and effort of the management in these two new segments, one is IVD and one is the third diversification, which is yet to come, which you are planning of female wellness. Sir, so then no wonder that our original condom business is not much growth that is being expected over there?
- Om Garg:** No. Our top priorities, again, in terms of how our time management is over 60% devoted to male and female condoms, and lubricant business, another 15% and 25% balance is for IVD business. The reason we are expanding our business verticals is because there is a limitation in terms of how much we can do the expansion in the condom business. And number one, the space we are located in, is completely occupied. We have to buy new land or move the factory to completely a new location and with all the infrastructure there.
- And second of all, we have to look at a consistently high demand from the world market. If we build the new facilities and there are no orders, so we would not like to be in that situation. Right now, from all our intelligence, we are very much balanced in terms of the supply -- worldwide supply and demand from the existing manufacturing units. In other words, we are not neglecting by any means, the condom business, in our business strategy.
- Keshav Garg:** Right, sir. And sir, what is the progress in the penetration of female condoms in the United States, sir, have we got the approvals that we were looking for?
- Om Garg:** Well, in terms of male condom penetration, there was a question of product liability issue under discussion. And for the female condom, the US FDA is reviewing our application for approval of the female condom. So the feedback from US FDA is that they would like Cupid to do a clinical study in US using US participants as compared to the earlier study, which we did in South Africa.
- Keshav Garg:** Right, sir. Sir, that's all. Sir, lastly, I just wanted to know your capex plan. Do we have any major capex plan?
- Om Garg:** There is no capex plan at all scheduled for FY '24 and none in the remaining three months of this FY '23 either.



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- Keshav Garg:** So that's great to know. Sir, so basically, if you are operating at 95% in our condom or for condom capacity, and we are not expanding the capacity, and you mentioned that in existing plant, there's no space also. Sir, so that means not much growth can anyway come from condom business?
- Om Garg:** Yes. The improvement will come from better pricing, better revenues from the condom business, and we do have spare capacity for female condoms. We are trying to generate more demand for female condoms, mainly in South Africa and Brazil but their governments are taking their decisions at their own time scale. So we expect to increase some revenues there, in terms of female condoms.
- Keshav Garg:** Sir. And if we operate our female condom as well as male condom at full capacity throughout the year then, sir, what is the maximum revenue the condom side of the business can generate?
- Om Garg:** So if we work at full capacity, we can easily have at 480 million male condoms at INR 2.5 per piece. So it would be about INR 120 crores -or-so from male condom. And for female condom, we can produce 25 million pieces if we -- have the orders and which is at a minimum of INR 20 per piece. So that is again over INR 100 crores revenue from female condoms.
- Keshav Garg:** Sir, so that means around INR 220 crores total condom revenue, we can do in one year provided we have orders?
- Om Garg:** Yes, correct. Provided we have orders.
- Moderator:** The next question is from the line of Ranu Parwal from Upskill Tech Solutions.
- Ranu Parwal:** I just wanted to understand one piece. I hope, I am audible?
- Moderator:** Yes, Mr. Parwal.
- Ranu Parwal:** I just wanted to understand the ESOP policy that has been brought, it has been brought after a while up to what level has it been brought? And how many beneficiaries are we expecting from it?
- Om Garg:** No, again, I'm sorry, your voice was not clear. Could you please repeat the question again?
- Ranu Parwal:** Yes, I will I just wanted to understand the ESOP policy that has been brought has been brought up to what level? And how many beneficiaries will you expect within the companies at up to what level are we expecting it to go up to in terms of your hierarchy?
- Om Garg:** ESOP, yes. So we have offered this option to 27 employees at a price of INR 140 per share. And it's a one-year lock-in period and could be cashed out in the next two years or a total of three years.

- Moderator:** The next question is from the line of Pranjal Agarwal from Green Portfolio.
- Pranjal Agarwal:** I just wanted to know like what is the amount of investments we've already made in the IVD business?
- Om Garg:** About INR 8 crores.
- Pranjal Agarwal:** About INR 8 crores. And our facility is ready, we're just waiting for orders, right?
- Om Garg:** Yes,. We are ready to get the orders. However, as I mentioned earlier, we have to wait for the WHO pre-qualification and CE Certificates in order to participate in bigger tenders.
- Pranjal Agarwal:** And sir, I think the deal with the Singapore-based pharma company was about to take off. So like are we still in that process? Or have you left that? I mean it didn't work out.
- Om Garg:** No. Like I mentioned earlier, we are in discussion with the Singapore party, and we are exchanging all the technical notes, and we are going through the agreements, in terms of pricing and our responsibilities towards manufacturing. So the discussions are going a bit slow, but they are still interested, they have visited our plant, and they would like very much to get all their manufacturing done in India, as compared to anywhere else.
- Moderator:** The next question is from the line of Keshav Garg from Counter Cyclical PMS.
- Keshav Garg:** Sir, I wanted to understand about the ESOP, sir, why don't we open a ESOP trust, the company can give a loan to that trust and that trust can purchase shares from the open market which can then be allotted to the shareholders. This will avoid equity dilution of the existing shareholders. Sir, what are your thoughts on the same?
- Om Garg:** No, since it was our first effort, we had contacted an expert, on the ESOP plan. And as an introduction, this is the scheme he had mentioned. And maybe in the second step, we would consider the trust -- going through the trust.
- Moderator:** The next question is from the line of Anshuman Sharma, an individual investor.
- Anshuman Sharma:** Sir. First of all, congratulations for the fabulous results. And my question is, sir, in the order book of INR 171 crores, how much part is of male condom, female condom and lubricant?
- Om Garg:** 60% of the orders are for male condoms, 31% orders are for female condoms and the balance 9% is for lubricants.
- Anshuman Sharma:** Sir, one more question. In last con call, you have said that we are on -- we are getting female condom, big female condom orders from Brazil of 50 million pieces. So that the condition in Brazil is not so good. Can we expect the order will be cut short or will be the same of 50 million pieces?



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- Om Garg:** No. Like I mentioned to the previous caller, the situation in Brazil has changed significantly since their last presidential elections. And the government requirement is not at all clear in terms of the quantity and volume of their female condom requirements, we are expecting some announcements, in the month of April and then only we would know what would be the size of their tender.
- Anshuman Sharma:** Sir, one more thing that -- you have mentioned in earlier con call that there is a news in the market that acquisition of Cupid Limited. There is any update on that acquisition of Cupid?
- Om Garg:** Well, a few people have expressed their interest, and we are talking to them. But as of now, there is no significant development.
- Moderator:** The next question is from the line of Vivek Chaturvedi, an individual investor.
- Vivek Chaturvedi:** Sir, just wanted to understand regarding our potential deal with the Singapore entity, what business are we looking to do for them? Are we looking to manufacture male condoms, female condoms?
- Om Garg:** No. They are looking to manufacture their two patented products related to the detection of diabetes. It has nothing to do with the condom business.
- Vivek Chaturvedi:** So sir, I mean, do we have the expertise for this business? Is this part of the IVD vertical? Or how are we going to be able to do this?
- Om Garg:** Yes. This will be part of our IVD project.
- Vivek Chaturvedi:** And sir, any indication on if the deal does go through, what would be the minimum size per annum?
- Om Garg:** We don't know that yet. The Singapore party is continuing to look at the marketing possibilities not only in Singapore, but in India itself also. So they have not disclosed yet the quantities they would like Cupid to manufacture. But my own thinking is that once the arrangements are in place, and they approve, of our manufacturing process and approve the quality of the final product, the quantity could be substantial.
- Vivek Chaturvedi:** Sir, and what would be any indication of what would be the pricing of each product? So say, assuming we are making 1 lakh piece what could be the pricing.
- Om Garg:** No, not yet. They have not fully disclosed all their technical details including the raw material requirements and raw material consumptions. So at this stage, it's difficult to estimate the unit cost of the product.
- Vivek Chaturvedi:** Actually, sir, we are going to be doing contract manufacturing for them?

- Om Garg:** Yes, we will be under contract to them, to manufacture their two products.
- Vivek Chaturvedi:** And sir, any indication of how much sales would we be doing in FY '24? Any broad indication?
- Om Garg:** No. I think I don't expect any production at all during rest of this FY '23, till end of March, the way they are going, it would start only in the next financial year FY '24.
- Vivek Chaturvedi:** Sir, I meant for the entire company. For the entire company, what are you looking at in terms of the top line for FY '24?
- Om Garg:** For FY '23, first of all, we are expecting a 20% increase in top line and 20% increase in the bottom line in fourth quarter as compared to the third quarter of FY '23. And to answer your question, if we compare the FY '24 projection, it's about, I would say, a minimum of 10% improvement in the top line and at least a 20% improvement in the net profit after tax as compared to the FY '23. So we are looking at a very healthy performance even during FY '24.
- Vivek Chaturvedi:** So 10% top line growth and 20% bottom line growth is what we are looking at, right, sir?
- Om Garg:** Yes, as compared to FY '23, going into FY '24.
- Moderator:** The next question is from the line of Jyothi Basu an individual Investor.
- Jyothi Basu:** Yes. I just want to know the order book for IVD alone?
- Om Garg:** Yes.
- Jyothi Basu:** What was the order book standing as on date for IVD alone?
- Om Garg:** IVD, there is no order book yet. We are approaching the individual customers, mostly in the private sector, and we are servicing the orders as they come along. So there is no backlog of orders. Our sales were only 12 lakhs in the October to December quarter.
- Jyothi Basu:** What would be your expectation for the next quarter or the next financial year in IVD?
- Om Garg:** Indeed we expect about INR 1 crores by March and next year and INR 5 crores to INR 10 crores in FY '24. That is our current projection, but it depends on several international development, including certifications, as I explained earlier.
- Jyothi Basu:** And why do you think onto the breakup of male condom and female condom and also the IVD, still the IVD stand-alone is still negative? Am I right?
- Om Garg:** Yes. Please repeat your question.
- Jyothi Basu:** So while looking into the presentation, just one thing I'm noting that IVD results -- the segment results is in negative. So IVD is yet to make profit, am I right?



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- Om Garg:** Profit. I think we should start it in the next financial year '24 first quarter.
- Jyothi Basu:** Any update on the US FDA?
- Om Garg:** No. Like I mentioned, US FDA would like Cupid to do another clinical trial in US using US participants.
- Jyothi Basu:** And on CEO, any candidates approached us or do we have any other plan -- alternate plan in case of delay in getting the right person?
- Om Garg:** No, there is no real update on the CEO. And like I mentioned in the last con call, we would continue with the existing management. We have the adequate manpower to expand the business as it is.
- Jyothi Basu:** And last one more thing. Do you think that the raw material price will sustained for a year or two? That's the thing...
- Om Garg:** According to the current indication, the lower prices will continue at least until June of this year. And we are hoping that this downward trend would continue for the rest of 2023, what would be the trend in calendar year '24 is not yet clear.
- Moderator:** Thank you. Ladies and gentlemen, that is the last question. I now hand the conference over to the management for their closing comments.
- Om Garg:** Thank you for participating in the discussion. I would say that we are looking for an exciting year in FY '24, for a healthy growth. And we have indicated an expansion in the top line of approximately 10% and the profit potential of 20% increase as compared to FY '23. So we are looking at another year of healthy profit going forward. And in closing, I would like to thank all our shareholders, who have stood by Cupid management through thick and thin. Also, a special thanks to all our customers who have been forwarding many repeat orders, some of them over a period of 15 years. So we appreciate the loyalty of these customers.
- And third of all, we would also like to thank our vendors who have helped us to maintain the product quality as well as to maintain the production cost through cost of raw materials. And finally, I would like to thank all the employees of Cupid Limited, who have worked diligently throughout the year to improve the performance of Cupid Limited. And again, thank you all for participating in the third quarter FY '23 earnings conference call.
- Moderator:** Thank you. Ladies and gentlemen, on behalf of Cupid Limited, that concludes this conference call. We thanks for joining us, and you may now disconnect your lines. Thank you.