



# CUPID LIMITED

Manufacturer & Exporter of Male Condoms, Female Condoms,  
Water based Lubricants & In Vitro Diagnostics (IVD) Kits

*We Help The World Play Safe*

Date: - 7<sup>th</sup> August, 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

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SCRIP CODE: CUPID

**Subject: - Q1FY2024 Conference Call Transcript**

Dear Sir / Madam,

With reference to captioned subject, we hereby enclose the transcript of Q1FY2024 conference call which was hosted by the company on 2<sup>nd</sup> August, 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**

**CIN No.: L25193MH1993PLC070846**

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**CUPID**  
LIMITED

“Cupid Limited

Q1 FY '24 Earnings Conference Call”

August 02, 2023



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

**MODERATOR: MR. YASH SAVLA – KIRIN ADVISORS PRIVATE  
LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Cupid Limited Q1 FY '24 Earnings Conference Call hosted by Kirin Advisors Private 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Yash Savla from Kirin Advisors Private Limited. Thank you, and over to you.

**Yash Savla:** Thank you. On behalf of Kirin Advisors, I welcome you all to Cupid Limited Quarter 1 FY '24 con call. From the management side we have Mr. Omprakash Garg, Managing Director Interim. Over to you, sir.

**Omprakash Garg:** Thank you, Yash. Good afternoon, ladies and gentlemen. On behalf of Cupid Limited, I would like to welcome you all at the first quarter FY '24 earnings conference call today. By now, I suppose that you have had a chance to review the press release and the financial data we had circulated a couple of days ago.

So without any further delay, I would like to open the conference for a question-and-answer period, please.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from Mr. Gaurav, an Investor.

**Gaurav:** Sir, my first question is regarding -- sir, during the quarter ending June '23, the other expenses has increased due to payment of INR4.4 crores as damage to meet the contractual terms. Sir, what is this item? And is it a recurring kind of item or onetime damage cost is there? Please explain.

Sir, my second question is, in the prior '23, the order book of the company was INR177 crores, and now it is INR104 crores. And in the quarter, the sale is regarding INR33 crores, which means INR40 crores might be cancelled. One of the order of INR14 crores of UNFPA I have seen which is cancelled. What about the rest of the INR6 crores? Please explain, sir. Right now I have two questions, and I will ask again some follow-ups.

**Omprakash Garg:** Okay. First of all, the INR4.4 crores charge is a onetime payment because of the contractual obligations on behalf of Cupid. So it's not likely to be repeated.

Now about the second part of your question on the order book, yes, out of that INR177 crores, we had dispatched INR33 crores. And also INR14 crores was cancelled. So the rest of the order is being held back by the South African government. So since they have not reconfirmed that order, we are not listing that in our order book. So this is how we are achieving INR104 crores order, up-to-date order as of July 31.

**Gaurav:** Okay. Okay. Sir, regarding the INR4.4 crores damage, sir, can you explain the kind of damage is occurring? Like is a kind of inventory losses or fluid material kind of -- which kind of loss is this? Actually, contractual terms means I can't understand. Can you elaborate this?

**Omprakash Garg:** Okay. The reason for this INR4.4 crores charge is that we had manufactured water-based lubricant jelly for UNFPA. And at the time of manufacturing, we had checked the quality and it was found to be okay. However, during transportation and storage of this material in overseas storage areas, which may take many months, the samples deteriorated. And this charge is due to the replacement cost of those damaged batches.

**Gaurav:** Okay. Sir, in this regard, I think company should take care of this so that these damages could not occur again. And sir, regarding the order terms, I can -- I ask one question. Like sir, India is a very good -- a very huge population is there. But our company has a -- domestic sale is very less. Like B2C sale is not at much that level. And in domestic, only 5% sale is there. Is management planning to utilize Indian population advantage like to increase the company distribution network in India itself or some kind of things to increase order book?

**Omprakash Garg:** Yes. We have considered the possibility of Cupid increasing its domestic sales. However, the margin -- net margin on these sales is quite a bit lower than what we receive it in export profits, especially because the government of India provides an incentive for exports. So the other consideration is that in order to promote the brand locally within India, we have to spend several crores worth of advertising and promotion rupees. And we have concluded that it is better for Cupid in the short term and the long term to concentrate on the export markets where demand for condoms is very strong and it is growing.

So while the demand is growing, the number of suppliers are still restricted. So we believe that going forward over the next 5 to 10 years at least, the scope for profits is much higher in the export markets than in the domestic.

**Gaurav:** Okay. Sir, regarding the different segments of our company, like in the IVD segment, we was expecting to get various licenses like ISO, CE, WHO, CMD. Has company obtained all those licenses? What is the status in -- regarding this? And is IVD completely commercially operational now as IVD sale is very less and the company is also showing losses in -- I have seen in last financial report, sir. I think this segment has a very huge scope. And what company expects in future over this? And any major capex in this segment in coming 2, 3 years?

**Omprakash Garg:** Yes. The scope for IVD sales is quite good, very promising. The main problem is that in order to cater to the high-volume tender and the other markets, a manufacturer has to have 3 things. Number one, they should have a 3-year manufacturing license from their respective government. And number two, a WHO certification. And number three, a CE certification, which is required for the European sale.

Now Cupid would complete 3 years of manufacturing experience in September 2024. And while we have applied for the WHO and CE certificates, it's expected to take about 1 more year. So after that, Cupid will be fully qualified to participate in all the domestic as well as international tenders.

- Gaurav:** Okay. Okay. So we have to wait for 1 more year in the segment. Sir, one more question. Sir, as on FY '23, out of INR70 crores investment company has major investment in the form of corporate FD. So which kind of corporate FD it is? It is safe enough? And company has total INR100 crores in cash and investment part. Is company management any capex or buyback, dividend, etcetera, in the coming 2, 3 years?
- Omprakash Garg:** Yes. We have considered reviewing our dividend amount. And as you may have noticed, last year, we increased our dividend payout from INR 4 to INR 4.5 and further to INR 5 per share last year. And we are constantly reviewing the situation in terms of further increases in the dividend amount.
- Gaurav:** Sir, in case of capex, any capex in coming 2, 3 years, any big capex?
- Omprakash Garg:** As of now, we don't see any big expense, except we may make a deal to buy a part of a land located next to our factory for future expansion of the operations.
- Gaurav:** Okay. Okay. Sir, what about the corporate FDs? In which corporate it is implemented? Is it safe? Like I don't have exposure of corporate FD, so I was asking this question. Can you explain this? Because the major amount of company investment is in the corporate FD. I think it is currently investment part. I think it should not be a variable part. But can you explain what kind of corporate FD it is?
- Omprakash Garg:** I'm sorry. Could you please repeat your question?
- Gaurav:** Sir, in the investment part, the company has a major amount in the form of corporate FD. So my question is, it is not the bank FD, it is something else. So in which corporate it is invested can you explain, corporate FD?
- Omprakash Garg:** We have considered that, but we have not taken a final decision. And for now, we are continuing our investments into mutual funds as well as into FDs.
- Gaurav:** Okay. Okay. Which kind of FD, can you explain? The corporate FD, which kind of corporate FD? Because you have mentioned mutual funds, SBFC, Kotak. But corporate FD is not mentioned, I think. So...
- Omprakash Garg:** No. These are the bank FDs floated by HDFC, by Kotak Bank, by Punjab National Bank and so on.
- Gaurav:** Okay. So this is bank FD. Okay. Sir, one major case of the company is spending in income tax for period 2021 amounting to INR9.79 crores. Is there any progress? And where it is spending right now? Pre-tribunal, where it is? And what is status of that?
- Omprakash Garg:** Say that again? Plans for...
- Gaurav:** Sir, there is a one litigation case of company regarding income tax amounting to INR9.79 crores as on FY '23 -- 2022. I have seen this. Is there any progress in this case?

- Omprakash Garg:** Yes. I'm glad to report that, that case has been settled amicably with the income tax department, and there is no more outstanding liabilities on Cupid due to income tax.
- Gaurav:** Okay. So company has paid any amount in this case?
- Omprakash Garg:** No. This was a penalty which they were asking us to pay. And on our petition, they have waived that penalty. So no money was exchanged.
- Gaurav:** Okay. Okay. Sir, one more question regarding your expected credit loss. Sir, as on FY 2022, the company has INR6 crores in the expected credit loss segment. Is it -- sir, the customers related to which this amount belongs, are we dealing with those customers right now? And is it onetime loss or a recurring kind of loss? Can you explain? Expected credit loss.
- Omprakash Garg:** Please say that again?
- Gaurav:** Sir, as on annual report FY 2022, there is -- the major expected credit loss is shown as INR6 crores. So the customers from which this amount belongs, are we still dealing with them? One question. And second, is it onetime loss or we are occurring again and again such kind of losses?
- Omprakash Garg:** Yes. No, we had one write-off from a customer who was with us for last 15 years in South Africa. And due to ill health, he closed down his business. So that was the only major setback for us in our receivables.
- Moderator:** Our next participant Pranay Gandhi from Green Portfolio.
- Pranay Gandhi:** Sir, I just wanted to understand that there was a 20% decline in our revenue in the recent quarter compared to the previous quarter. Is there any specific reason for that?
- Omprakash Garg:** I'm sorry. Could you please repeat your question and speak a little louder?
- Pranay Gandhi:** Yes. Sorry about that. I just wanted to highlight that there was a 20% decline in revenue during the recent quarter compared to the previous quarter. Is there any specific reason for that?
- Omprakash Garg:** Yes. The main reason for the reduced profit in the first quarter as compared to a year ago is that we had practically no sales of high-margin female condoms. So that was the major reason. The other reason was, like the caller earlier had asked, there is a onetime charge of about INR4.4 crores, which, of course should not appear again. So because of those 2 reasons, our profit has come down from INR4.6 crores in the quarter a year ago down to about INR2.16 crores.
- Pranay Gandhi:** Okay. And sir, any specific reason why there has been no sales for the female condom?
- Omprakash Garg:** Yes. The main reason is that because of the geopolitical situation and the budget allocation by the South African government, they have cut back on their purchases. And they were supposed to reissue their purchase orders for FC back in March 2023 and they have been postponing that. And as of today even, we have not received those orders. However, we are expecting those to come -- to be declared in next 2 to 3 weeks. So that is the main reason why the profits are down.

Now this has happened for the first time in 10 years that South Africa has not ordered any female condoms in the quarter. So it's a very unusual onetime situation. And looking at the balance of FY '24, we are expecting a robust business for female condoms to the tune of about -- INR32 crores sales we are projecting in the current financial year.

**Pranay Gandhi:** Okay. And apart from this INR32 crores coming from female condoms, what should we anticipate for the whole of business in general?

**Omprakash Garg:** The profit margin in female condom is about 50%. So we are anticipating a good amount of profit. And the total profit -- the total FC sales is expected to be about INR16 crores to INR18 crores.

**Pranay Gandhi:** Okay. Sir, my question was in terms of revenue, the turnover for the business apart from this INR32 crores since we are actually lagging behind on the IVD division itself, what should be our overall turnover for the business for FY '24?

**Omprakash Garg:** Okay. The total turnover we are expecting is about INR155 crores top line and INR32 crores to INR34 crores income after tax in March 2024.

**Pranay Gandhi:** Perfect. And sir, in terms of other expenses, they have nearly doubled compared to previous quarter. I understand that there was a INR4.4 crores damages that we paid. But even then, our other expenses increased from INR7.75 crores to INR15.16 crores. What were the other contributing factors?

**Omprakash Garg:** Okay. The 2 main causes were, number one, that the sales commission on the male condom sales to Tanzania during the quarter was just over INR2 crores on a sale of INR20 crores. This was the highest sale in any 1 quarter for any one customer. So that is the reason that because of this high sales commission this extra expenses being booked on the books.

And the other reason is that company had negotiated a long service award, meaning any employees who have or will have completed 25 years of service, they will be eligible for a payment of INR4.5 lakh. So with that, the number of people we have, about 25, it will be just over INR1 crores, which is, again, a special situation and one time charge.

And besides that, we had issued an ESOP plan for the employees and also a small increase in the labour cost, each costing about INR50 lakhs, for a total of INR1 crores.

So to summarize, INR2 crores cost is related to employees, including the long service award provision. It is a provision in the books. Payments have not yet been made. And they will be made as people retire after 25 years of service. So this is how the additional -- about INR8 crores expense is the difference between INR15 crores this quarter and about INR7.5 crores a year ago quarter.

**Pranay Gandhi:** Okay. And sir, I wanted to understand if you see any impact on future orders from UNFPA regarding the water-based lubricant jelly?

- Omprakash Garg:** Okay. The status is that right now UNFPA is examining all the data they have collected from different countries, and they are evaluating what type of damages they have suffered. And we have sent several samples to different labs, including a well-known lab in U.K. And the UNFPA people have scheduled a visit to Cupid in September this year, next month. And after that inspection, we hope to get these lubricant shipments going again later in the year, hopefully, in October, November.
- Pranay Gandhi:** Okay. And sir, since you mentioned about buying a part of land next to our current factory, could you help me with the value of the investment that would be made?
- Omprakash Garg:** It is about INR12 crores.
- Pranay Gandhi:** INR12 crores. Perfect. And sir, one final question. Do you have any update on the current status of discussion with the companies based in Singapore and the U.S.?
- Omprakash Garg:** Singapore project is moving rather slowly. The party is still interested, but they have not quite finalized their production plans. They are still giving finishing touches to their R&D before they release the order for in-house manufacturing.
- Pranay Gandhi:** Okay. And sir, just one last question regarding the IVD division. Earlier, our target revenue for the current financial year was INR2.5 crores. Since we have only done INR15 lakhs and it would take us some time to get WHO certification and CE certification, what are the targets for this year from IVD division? Do you think we need to revise it? Or we would be able to reach INR2.5 crores?
- Omprakash Garg:** We expect the sale in the current second quarter to be about INR60 lakhs from IVD sales, and also in the third and fourth quarter as well just over INR60 lakhs each. So for the entire FY '24, we are expecting a minimum IVD sales of about INR2 crores. And these sales will be to the distributors directly in India. And I mentioned the major restrictions for larger volume of sales due to lack of 3-year manufacturing period and also lack of WHO and CE mark. So to answer your question, it will be just over INR2 crores this financial year in IVD sales.
- Pranay Gandhi:** And what kind of margins can we expect?
- Omprakash Garg:** About 20% right now.
- Moderator:** Our next participant is Yashwanti Khedkar, an Investor.
- Yashwanti Khedkar:** Sir, you mentioned that female condom sales has been impacted because of the low demand from South Africa. So are you approaching a new region where we can see some good ramp-up happening for this female condom?
- Omprakash Garg:** Please ask that again.
- Yashwanti Khedkar:** Yes. You said that in South Africa the sale of the female condom has been dampened. So are we looking at a different region so you ramp up sales for the female condom?



- Omprakash Garg:** Yes, we are. First of all, like I mentioned earlier, South African sales are likely to resume later this month in August and continue till next March. But in addition, we are also expecting a new tender from Brazil to supply female condoms. We don't have the numbers yet, but it could be as high as INR25 crores to INR30 crores for Cupid.
- Yashwanti Khedkar:** Okay. Okay. Yes, sir, in last con call, you mentioned that we have reached over 90 countries. In this quarter, you mentioned that you have a reach of 104 RMs. Sir, which new companies have been added to our portfolio?
- Omprakash Garg:** Sorry?
- Yashwanti Khedkar:** Sir, I'll repeat my question?
- Omprakash Garg:** Yes, please do.
- Yashwanti Khedkar:** Sir, in the last con call, you mentioned that we have reached around 90 countries in the international markets. This quarter, you mentioned the number was 105 countries. So which new countries have been added to our portfolio?
- Omprakash Garg:** Mostly, we have added a couple of countries in Europe, and also we have added two or three countries in Africa. So yes, we are now in a total of 105 countries throughout the world, including between 35 to 40 countries on the African continent.
- Yashwanti Khedkar:** Okay. Okay. And can you just throw some light on your IVD business? When it will start contributing in a great extent to our revenue?
- Omprakash Garg:** Like I mentioned in the earlier call, we need to get WHO and CE certificates to be able to participate in large international tenders. And also, we need to complete a 3-year period in terms of manufacturing experience, which we would do next August, September 2024. So right now, we are catering to small size orders from about 80 customers within India. And we have built up this customer base all the way from Kerala to Assam and all the way up north.
- So it's going slowly because of the qualifications which are needed to be eligible to participate in the large tender orders. So in spite of the slow going, in the long term, we are optimistic that IVD business would pick up and we could be looking at easily INR50 crores to INR100 crores turnover in 2 to 3 years time.
- Yashwanti Khedkar:** Okay, sir. Could you just provide a regional breakup of how much is America contributing, how much is South Africa contributing and how is the things happening? Which are the major countries contributing to our sales?
- Omprakash Garg:** Yes. In our sales data, we report the sales by country. So we'll be glad to provide more details on any specific country for any particular period. So please let us know.
- Yashwanti Khedkar:** Sir, you mentioned that you had seen a good demand for the male condom in America. So how was the demand over there? And how much of sales has come from the America?
- Omprakash Garg:** From America, you mean U.S.?

- Yashwanti Khedkar:** Yes.
- Omprakash Garg:** Yes. In U.S., we are qualified to supply male condoms only so far, and the margins there are quite low as compared to our other markets. And we have applied -- we are in the process of applying for female condom in U.S., which is -- which may take up to one more year.
- Yashwanti Khedkar:** Okay. Okay. And sir, what is the margin difference between the male condom and the female condom?
- Omprakash Garg:** Male condom is 18% to 20% and the female condom is close to between 45% to 50%. A very high margin product this female condom.
- Moderator:** Our next participant is Anand Gupta, an individual investor.
- Anand Gupta:** If you can share updates on the promoter stake sale and also on the supplementary study that was recommended to Cupid by the U.S. FDA?
- Omprakash Garg:** Okay. On the first question, there is no real update on the stake sale. It is still under discussion. And about the second question, the U.S. FDA has requested Cupid to do a supplementary clinical study based in South African population with 60% blacks, 25% mixed and 15% Indian. So that is an additional requirement. We hope to get some results in 1 year's time. And once we do qualify to participate in U.S. business, the potential there is huge.
- In the initial year, we expect to do a sale of about \$1 million or INR8 crores minimum, and the profit will be about half of that, INR4 crores. So we are quite excited to look for our U.S. registration, although it is taking a bit more time.
- Moderator:** Our next participant is Gaurav, an investor.
- Gaurav:** Sir, recently the Audit Committee of the company has been reconstituted twice and the Chairman is also changed. Any reason -- certain reasons there or any issues there?
- Omprakash Garg:** I am sorry. Could you please repeat the question?
- Gaurav:** Sir, the Audit Committee of our company has been reconstituted twice recently in last few -- a couple of months. And in this regard, any personal reason or any issue there regarding reconstitution of Audit Committee again and again?
- Omprakash Garg:** Okay. The one main reason is that the senior most Director in our company, one Mr. J. L. Sharma, was hospitalized. And I'm sorry to report that actually he died last night. He was in a hospital in U.S.A. So obviously, he could not participate in the Audit Committee meeting on July 31. So we had to reconstitute that.
- Gaurav:** Okay. Sorry to hear that, about that, sir. And sir, one last question. I have read in annual report -- you have mentioned therein the company has been appended with obligatory permission to enter into diamond, gold, silver business. Sir, what is this all about? Is the company seeing another segment?

- Omprakash Garg:** Diamond, gold business?
- Gaurav:** Yes, sir, diamond, gold jewellery, silver and other allied precious products.
- Omprakash Garg:** I don't think there are any active plans at all to enter into this new business of gold jewellery. So maybe you are reading some older reports or there is some miscommunication there.
- Gaurav:** Sir, I read this report in annual year 2022. So I was asking this question. Just leave this question, sir. I have just heard in the conference call that you mentioned that management is discussing on selling of shares. Is promoter selling their shares? Or I have something -- a different thing?
- Omprakash Garg:** I have confirmed this in the last two conference calls that promoter is considering selling their stake. So I have made that public.
- Moderator:** Our next participant is Pranay Gandhi from Green Portfolio.
- Pranay Gandhi:** Sir, I just wanted to double check with you the current order book. You had previously mentioned in the call, but my network was poor. Could you just repeat that?
- Omprakash Garg:** Yes. So the current order book is INR104 crores. And about INR35 crores worth of orders which were allocated to us from South Africa, they have not been confirmed yet. So like I mentioned to the other caller, we have adjusted our order book down to INR104 crores as of July 31. However, we are expecting more orders from UNFPA and also expecting more orders from Brazil and also from South Africa as the year progresses.
- Pranay Gandhi:** Okay. And sir, just wanted to double check our capacity for female condoms. It is 25 million pieces, right?
- Omprakash Garg:** It is 25 million pieces, but we could increase it to 52 million pieces by replacing the male condom capacity if we have the orders. So Next.
- Moderator:** Our next participant is Shivam Parakh, an investor.
- Shivam Parakh:** Sir, my question was regarding the buyback and special dividend, which you told that you will tell us about till September of 2023. So sir, you had an excess cash of around INR100 crores. You promised that you'll make better use of these resources. And you only have an expansion plan of INR12 crores. And given the less working capital which we need, can we not use the excess cash for better purpose such buyback and special dividend?
- Omprakash Garg:** We have considered that option as well. And at the same time, we are looking at business expansion plan in terms of increasing the production capacity at Cupid for both male and female condoms. And also, we need INR30 crores to INR40 crores in terms of higher working capital requirements for the IVD business. So we are looking at all the 3 aspects in terms of the best utilization of the reserves, including a higher dividend for our shareholders.
- Shivam Parakh:** Okay. But sir, last quarter, you told that you will require a capital requirement of only INR5 crores to INR10 crores for the IVD business. Now you have raised the expectation to around INR35 crores to INR40 crores. So what's the reason for this?

- Omprakash Garg:** No. The main reason is the new distribution business all over the world, and that would require more capital, building a sales force and appointing some agents and distributors. So this is just an estimate. As the business of IVD grows, we will accordingly follow the need for capital requirements. So this is just an estimate that I have given to you.
- Shivam Parakh:** Okay. But as per the previous answers which you had told to other investors, you told that the IVD business will need around 1 to 2 years to get the proper certifications. And after that, the sales will be more and we'll be eligible to apply for bigger tenders. So before that, such a huge amount of -- amount will be required for the distribution business?
- Omprakash Garg:** No, no, not before that. You are correct that earlier we had mentioned, and even today, that we need WHO and CE marking, which may take up to December of '24. And also at that time, we would complete the requirement of 3 years of manufacturing experience. So until our sales increase, the capital requirements will be only INR3 crores or INR4 crores. It would increase only after the sales pick up, which will be in FY '25 and '26.
- Shivam Parakh:** Okay. And sir, I had one more question. I'll get back again, sir. I'll get back again.
- Omprakash Garg:** Okay, please do.
- Moderator:** Our next participant is Gaurav, an Investor.
- Gaurav:** Sir, regarding selling of promoter stake, is promoter selling their stake for the expansion of the business or some other personal reasons?
- Omprakash Garg:** Special?
- Moderator:** Sir, the -- sorry to interrupt. Mr. Gaurav, your voice is very low. Can you speak a little louder?
- Gaurav:** Okay. I am saying the promoters are selling their stakes. Are they selling for the expansion of the business? Or they're selling for their personal reasons? Can you explain this?
- Omprakash Garg:** No, it's mostly for personal business we are considering selling the promoter stake.
- Gaurav:** By how much percent you are expecting to sell your holdings?
- Omprakash Garg:** No. We own about 45%.
- Gaurav:** Okay. Sir, so how much percentage you are thinking to sell? I'm just asking this. By way of IPO or by preference shares? By which way you are going to sell this?
- Omprakash Garg:** No, it depends on the type of offer we get. We are completely open in terms of the quantities.
- Gaurav:** Okay. Maybe directed to the DIIs or FIIs as well.
- Omprakash Garg:** Yes, it could be. Yes.
- Moderator:** Our next participant is Shivam Parakh, an Investor.

- Shivam Parakh:** Sir, we have paid INR4.4 crores as damages for breach of contractual terms. So I wanted to know whether insurance was taken for the same.
- Omprakash Garg:** There was no insurance taken on that. And we have tried to find out through our insurance agent and they say that this kind of deterioration in the sample quality is not covered by any insurance policy.
- Shivam Parakh:** Okay, sir. Sir, I cover one more company. That name is Avanti Feeds. In its con call, I got to know that they had sold some shrimp feed to U.S. So there was some breach of contractual terms and there was an issue in quality.
- Omprakash Garg:** Hello?
- Moderator:** Yes, Mr. Omprakash, you can go ahead.
- Omprakash Garg:** Yes. Let's repeat the question. The call was interrupted.
- Moderator:** Yes, the participant is no more on queue. As there are no further questions from the participants, I now hand the conference over to Mr. Omprakash for his closing comments.
- Omprakash Garg:** Thank you. So ladies and gentlemen, on behalf of Cupid Limited, I would like to thank all of you for attending the quarter 1 FY '24 earnings conference call today. We value your support and encouragement that you have given to the management over the years. And we expect to meet all your expectations as we move forward.
- Also, I would like to thank very much our customers, many of them who have been with us over 10 to 15 years, for their continued support and confidence in the quality of Cupid products. And finally, I would like to thank all the employees of Cupid Limited for working diligently to improve the workings of Cupid and to improve the bottom line of the company throughout the year. So thank you all.
- Moderator:** Thank you. On behalf of Kirin Advisors Private Limited, that concludes this conference. If you have any queries, you can write at [vastupal@kirinadvisors.com](mailto:vastupal@kirinadvisors.com) and [research@kirinadvisors.com](mailto:research@kirinadvisors.com). Thank you for joining us, and you may now disconnect your lines.