



# CUPID LIMITED

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

*We Help The World Play Safe*

Date: - 30<sup>th</sup> January, 2024

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.

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**Subject: - Conference call Transcript**

Dear Sir / Madam,

With reference to captioned subject, we hereby enclose the transcript of Q3FY2024 conference call which was hosted by the company on 25<sup>th</sup> January, 2024 at 4.30 p.m.

This is for your records.

Kindly acknowledge the receipt.

Thanking You.

**For CUPID LIMITED**

**Saurabh V. Karmase**

**Company Secretary and Compliance Officer**

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**Cupid Limited**  
**Q3 FY24 Earnings Conference Call**  
**January 25, 2024**

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**Moderator:** Ladies and gentlemen, good day and welcome to the Q3 FY24 conference call of Cupid Limited.

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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Omprakash Garg from Cupid Limited. Thank you and over to you, sir.

**Omprakash Garg:** Thank you. Ladies and gentlemen, on behalf of Cupid Limited, I would like to welcome you all for attending the Q3 FY24 Earnings Conference Call today. By now, I assume that most of you have seen the "Financial Results" along with the "Press Release" we had published yesterday.

**I will go over a couple of highlights from the 3rd Quarter Results.**

The revenue from the operation was about Rs. 40 Cr which was 16% higher than the second quarter of FY24. And in terms of the net profit after tax, we were 73% higher as compared to the second quarter. The one main point to note here is that the sale of female condoms were only Rs. 1 Cr during the 3rd Quarter because of the major breakdown in the laboratory apparatus back in South Africa, resulting in delays, significant delays in the export of female condoms. And because of that, we had to stock piling that material at our factory in Nasik. The net result of that was that our inventory level as of December 31<sup>st</sup> had gone up to 23 Cr.

**Now looking at the 4th Quarter:**

We are projecting a topline of between Rs. 50 and 55 Cr and female condom sales are expected to be approximately Rs. 21 Cr. Now, in terms of the exports, 89% of our sales were exported during the 3rd Quarter and only 11% were in the domestic market which included both the B2C sales as well as the sales of the IVD kits. And you may have noticed that in the press release, we had made three other announcements on three major decisions relating to number one, bonus share issue, number two, share split of 10 to 1 and the third is issuance of nonconvertible shares to FII's raising approximately Rs. 385 Cr.

So without further delay, I would like to now open the conference call for the Q&A session.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Onkar Ghugardare from Shree Investment. Please go ahead.

**Onkar Ghugardare:** My question is regarding the warrants which you have issued to the FII's around Rs. 385 crores. As you have already highlighted that you don't need any money outside, whatever money which is there in the balance sheet is sufficient for expansion of the new facility. So would like to know exactly what's the purpose of raising this Rs. 385 crores. I mean you would be saying that for future need and all that but I would like to know the exact reason for this. Any acquisition you are planning or anything else?

**Aditya Halwasiya:** We are looking at using a very small portion of these funds for working capital requirements. That is something I can definitely mention but other than that we're looking for a strategic acquisition outside India also, if not in India. And we'll be earmarking these funds for that purpose.

**Onkar Ghugardare:** So, this acquisition is related to the business which you are currently doing in terms of condoms or IVD or anything else apart from this you are targeting?

**Aditya Halwasiya:** Condoms and IVDs.

**Onkar Ghugardare:** Okay, includes both, right?

**Aditya Halwasiya:** Condoms and or IVDs, yes.

**Onkar Ghugardare:** Okay, when can we hear about this? I mean, any specific timeline you would be able to give for this acquisition?

**Aditya Halwasiya:** Well, we have to make sure we use the funds for what is the purpose for which we are raising them. We have clearly defined the purpose and we also have an oversight body making sure that we use the funds for what we say we are using the funds for.

**Onkar Ghugardare:** Yes, so the purpose of the fund raise is for the acquisition, right? Mostly for the acquisition, so that's what I'm asking.

**Aditya Halwasiya:** Yes, I can't give you anything other than that. We are making sure that we will use these funds for an acquisition. I can't mention which company.

**Onkar Ghugardare:** I'm not asking for any company. I'm asking just what would be the timeline for this?

**Omprakash Garg:** Or a timeline, but all our preferential issuances, the funds which we are supposed to get will be received within 18 months.

**Onkar Ghugardare:** Okay, so maybe we can expect something in maybe a year or two, right?

**Aditya Halwasiya:** Yes, we are working towards that.

**Onkar Ghugardare:** Okay, and if you could, I know you won't be giving more about this, but what size of acquisition this could be, like how large it could be, what kind of opportunities it will open up because of this?

**Aditya Halwasiya:** The opportunity something an acquisition like this will open up is, it will increase our product line within the condom segment. Simultaneously it will give us some faster approvals for our IVD segment and because the target company has all those approvals and apart from this I can't share anything else.

**Onkar Ghugardare:** Okay, more product you mentioned, what exactly more products? If you can talk about it, in terms of condoms.

**Aditya Halwasiya:** In terms of a condom market, apart from that there is latex condom, there is a polyisoprene condom and there is a polyurethane condom. These are the three products which are there in the condom market.

**Onkar Ghugardare:** And currently you are not present in any of them?

**Aditya Halwasiya:** We are only present in manufacturing latex condoms.

**Onkar Ghugardare:** So with this acquisition you would be adding two more types of condoms in your kitty?

**Aditya Halwasiya:** Hopefully yes.

**Onkar Ghugardare:** Just wanted to ask another question, is that, you have issued ESOPs to the employees. May I know, these are to what, second tier or 3rd Tier of the employee or like to the promoters or like what kind of ESOPs are these and why the issue price is at 240 when the current market price is at 1750, 1800 and you have issued warrants to the FIIs at around 1750?

**Aditya Halwasiya:** So the issuance of ESOP, the board meeting took place in August of 2022. At that time, the board who issued the ESOP, which Mr. Om Garg was a part of, decided an exercise price of Rs. 140 and post that we don't want to change the ESOP in any way shape or form because there's been no material change in the company on the day-to-day functioning. So we have gone forward with the issuance and we have been able to also get an agreement from the existing people we've issued the warrants to that they'll be letting go of 50% of the issuance and we'll be redistributing them to more employees within the company.

**Onkar Ghugardare:** Okay, so this is to the first level management, second level management, what you can give color on that?

**Aditya Halwasiya:** Key managerial personnel. This includes no promoters.

**Onkar Ghugardare:** Okay, it doesn't include any promoters?

**Aditya Halwasiya:** Yes.

**Onkar Ghugardare:** Okay, just wanted a broad view on this, like say when you acquired the company, the total market cap of the company was around between Rs. 300 crores to Rs. 400 crores, right?

**Aditya Halwasiya:** Yes.

**Onkar Ghugardare:** So now you are issuing shares worth around Rs. 400 crores. So what gives you the confidence to issue like Rs. 385 crores to Rs. 400 crores when the market cap of the company was around, let's say 6 months back or 6 months to 8 months back was the total 100% of that issuance?

**Aditya Halwasiya:** Well, we have doubled on our efforts on focusing on selling female condoms to other geographies other than the geographies we are selling to. We have started with a B2C presence in all the distribution channels in India. Simultaneously, we have brought about the idea of acquisition out of India also to our prospective investors who are going to be participating in the preferential share issue. And we have shared projections to make sure that they are in sync with our ideology to why they should participate in this differential issue. So we are making many strives and jumps to make sure that we are able to garner sales and forward looking numbers going forward to the best of our efforts.

**Onkar Ghugardare:** So these investors are mostly financial investors, right?

**Aditya Halwasiya:** What investments are you pertaining to?

**Onkar Ghugardare:** I mean the FIIs to whom you are issuing warrants, they are mostly financial investors, right?

**Aditya Halwasiya:** Yes, they are investors in the equity market, yes.

**Onkar Ghugardare:** Correct, so there won't be any board position for them, right?

**Aditya Halwasiya:** The board position comes about if any one of the FIIs are holding 5% or more. None of them will be holding 5% or more.

**Onkar Ghugardare:** Okay, so you will be issuing around 22 lakh shares. So around how much equity dilution we can expect and like what is the percentage of this, like which fund is giving how much money to you? You haven't specified that.

**Aditya Halwasiya:** Yes, we have close to 22 lakhs split amongst six funds. We will be sharing the names in the coming disclosures and each fund will be having a dilution of 2% to 3%, like having an expendable share ownership of 2% to 3%. This is a share ownership post dilution.

**Onkar Ghugardare:** So this is mostly equally distributed, 22 lakh shares among all six participants?

**Aditya Halwasiya:** No, it's not equally distributed. Like some are holding 4 lakhs, 3 lakhs, 2 lakhs something like that.

**Onkar Ghugardare:** So you will be making a disclosure about that, right?

**Aditya Halwasiya:** Yes, we have to.

**Onkar Ghugardare:** So we can expect that, okay fine. So I was asking about what kind of equity dilution it would take place because of this fund raise? So you are raising around Rs. 400 crores. So how much equity will be diluted?

**Aditya Halwasiya:** Like, you can do the math, like 22 lakhs shares will be added to our pool of Rs. 1.33 crores.

**Onkar Ghugardare:** Correct, so around 14%-15% of dilution.

**Aditya Halwasiya:** Yes, 15% of dilution.

**Onkar Ghugardare:** Okay, and in terms of acquiring of the land parcel, where are we? What's the progress on that front?

**Aditya Halwasiya:** We have acquired the land parcel.

**Onkar Ghugardare:** Yes, so I mean the timeline which you have given, say in around two years you would have already commenced the new lines, right? That stays, right?

**Aditya Halwasiya:** That stays, yes.

**Onkar Ghugardare:** Any other initiatives which you have taken in the last 3 months after the last conference call?

**Aditya Halwasiya:** We have looked at expansion in other geographies via acquisitions. Simultaneous expansion, not limited to other geographies, also India.

**Onkar Ghugardare:** We were doing a study to get into the US markets, right, for female condoms, so where are we in terms of that study? At what level we have reached? When can we see the conclusion of that study, result of that study and going by that getting approval of female condom for US marketing?

**Omprakash Garg:** The study is going rather slowly in South Africa. And also our discussions with the USFDA are still going on. They have raised many new questions which we are in the process of replying. So I would say we are about one to one-and-a-half years away from any positive results from USFDA.

**Onkar Ghugardare:** So can we expect something in FY26 maybe?

**Omprakash Garg:** Yes, sometime in 26.

**Onkar Ghugardare:** How certain you are that you will be getting the approval for this after completing the study whenever that study completion takes place?

**Omprakash Garg:** No, we are going through a very detailed evaluation process with the USFDA, and they have raised many questions. One of the important questions is that part of that study we are doing in South Africa should be done in the US with US participants which of course will be very expensive. So we are still discussing this issue with them.

**Onkar Ghugardare:** Okay, thank you. Another question is on the sales front. So I mean, when can we like significantly see the sales going up? They're hovering around this 40-ish crore mark for last couple of quarters and years, I guess. Aditya, if you can answer this question.

**Aditya Halwasiya:** Yes, we will be increasing our capacities in a staggered manner post this **20:05** \_\_\_\_\_ acquisition. Also, we'll be able to do it more rapidly post our acquisition targets end up getting closed and the deals getting closed for them. We are hopeful for that. So one clarity I can give, in the coming two quarters you will be able to see at least by end of this year 2024, 3 to 4 dipping lines being introduced, and thereby giving us a further capacity of close to 300 million units of male condoms. That will help to augment our sales numbers also. Currently we have capacity of 480 million units of male condoms being manufactured.

**Onkar Ghugardare:** So you ended FY23 with around Rs. 160 crores of sales. This year also, I guess it would be around the same level give or take Rs. 5 crores – Rs. 10 crores here and there. So for FY25 like how significant jump we can see in the revenues, given all what you have mentioned?

**Aditya Halwasiya:** I can talk clearly about FY24 like as of today. Also Om sir will also throw some more light on it. We have a lot of female condom sales which have not commenced for this entire financial year. So those sales will be booked this quarter, January - April quarter. So you'll be able to see a very big push in sales from the female condom side and that will help us contribute to a much higher tax of close to Rs. 15 crores and a topline of Rs. 60 crores to Rs. 65 crores by this quarter end.

**Onkar Ghugardare:** Yes, but just now Mr. Garg said that you would be targeting around Rs. 50 crores to Rs. 55 crores.

**Aditya Halwasiya:** Yes, we do project conservatively 55 crores, but ICF or the pipeline of **23:03** \_\_\_\_\_ crores.

**Moderator:** Thank you. Our next question is from the line of Sharad Parke, an individual investor. Please go ahead.

**Sharad Parke:** What is the current order book of the company and can you please split it out in terms of domestic and international market?

**Aditya Halwasiya:** So the current order book is Rs. 80 crores. And for the domestic and international split, it would be 88% international and 85% to 90% international, 10% to 15% domestic.

**Sharad Parke:** In terms of revenue, how much do the other reproductive health care products of the company contribute?

**Aditya Halwasiya:** We just have one product in our segment that is pregnancy test kits which is known as Cupisure and other than that, we are in the contraceptives segment in male and female condoms.

**Sharad Parke:** What is your competitor profile for IVD?

**Aditya Halwasiya:** Well, we have several test kits. We have eight test kits at least, which we are currently going, tracing, like we are undergoing clinical trials for two of them. That's primarily the malaria test kit, as well as the pregnancy test kits and 4 tested trials for CE Mark. We'll be getting our certifications in two years to three years for CE Mark and WHO. After getting WHO certifications, we'll be able to participate in **(Inaudible) 26:27** orders after 2 to 3 years. And when it comes to getting, participating in any domestic state level tender, we can participate by September of 2024 or between September of 2024 and May of 2025. And there are also lists of countries which will be participating in after three years of manufacturing experience by May of 2025 that will be pertaining to African countries and a few Latin American countries.

**Moderator:** Thank you. Our next question is from the line of Chandra Gupta, an individual investor. Please go ahead.

**Chandra Gupta:** I have two questions. First is on this retail distribution that we are planning in the Indian domestic market. So can you please elaborate on what all has been done in this area until now, and what are the plans so far? Can you give some details on how we are going about building the retail foray?

**Aditya Halwasiya:** Regarding the retail foray, we have right now as a sales team in pan India from all the **(Inaudible) 28:24** we have zonal managers, we have area sales managers, we have sales executives, and they end up selling our product to all the different geographies in India. We have representatives in the north geography populated over there because they are very well versed because of the education levels of the customers over there is very high. So they're able to sell more products. Simultaneously we have our zonal and area sales managers, in our east and west the product distribution is different. In north we primarily focus on selling male and female condoms. Simultaneously in the east we focus on selling male and female condoms whereas west and south focus on selling male condoms.



**Chandra Gupta:** And have we lost any new products as well or the existing product and how many products we have and what under what branding are we doing this?

**Aditya Halwasiya:** So we are going to see bundling our products going forward, yes. We'll be looking at getting deodorant sprays bundled with our existing products. We have got formulations for the same. And as of today, we are selling our product under the name of Cupid only. We will be using product as Cupid strawberry, Cupid butterscotch, Cupid vanilla and our pregnancy test kits as Cupisure.

**Chandra Gupta:** Okay, so as of date, if I ask you know, asking how many retail outlets we would have reached by now, our products will be available and as of date?

**Aditya Halwasiya:** As of date, we've reached at least 1,000 retail outlets.

**Chandra Gupta:** So what is the plan going ahead? I mean, say, in the next couple of years, what kind of reach can we expect in this?

**Aditya Halwasiya:** Next couple of years, the more money you spend in distribution lines, the higher the reach and it is a very long process of trying to get big reach. We don't want to be unconvoluted and spend too much money on the retail segment and blow it up till we have, till we see good traction in these, from these housing stores we have in us.

**Chandra Gupta:** So this thousand are across the country or any particular geography that is being targeted like some kind of a test marketing?

**Aditya Halwasiya:** As of now, the best test market is Northern territory of India.

**Chandra Gupta:** And how much funds are you sort of earmarked, you would have earmarked for advertising and promotion or any plans to hire a brand ambassador or something like that?

**Aditya Halwasiya:** No plan was allowed to hire a grand ambassador and we are working on a day-to-day basis to get funds allocated to it. It's not a big portion of our overall expenditure which is less than 10% percent as of today.

**Chandra Gupta:** Now the second question is about this overseas acquisition that you have spoken about. So what kind of returns can we expect from this? Do you have any target sort of benchmark IRR or something that you have in mind?

**Aditya Halwasiya:** So, overseas acquisition, we'll be looking at first primarily increasing our product lines based on our condom segment, because in India, we see primarily flavored condoms being sold. Flavored condoms and dotted condoms and textured condoms. So, trying to get condoms which are non-latex is a very big attribution to sales which we do foresee in the future.

**Chandra Gupta:** Okay, and this acquisition will be in developed market or is it in Asia or someplace?

**Aditya Halwasiya:** As of today, when it comes to manufacturing setups, Asia is the best place to be for condoms. And there are a lot of companies who operate in other geographies who have the manufacturing sector. We will be looking to buy a manufacturing setup rather than the brand.

**Chandra Gupta:** Okay, more of manufacturing setup rather than the brand, okay.

**Moderator:** Thank you. Our next question is from the line of Dikshant from BD Wells. Please go ahead.

**Dikshant:** Thank you so much for the great sort of guidance that you have been giving us for so long. I have two particular questions. One is on our operating margin. As you just mentioned that we would be increasing our sales rates now in the coming 2 to 3 quarters, what do you think our operating margins are going to be especially given that you would also have million capacity of your condoms?

**Aditya Halwasiya:** So our operating margins, as you can see, are in the low 20s if you see year-on-year. We will be working towards getting them to 25% yet as we scale.

**Dikshant:** So our current this quarter's margin were around 31.5% of which.....

**Aditya Halwasiya:** When you mean to say operating margins, you're mentioning EBITDA?

**Dikshant:** Correct.

**Aditya Halwasiya:** Yes, I'm sorry. I was talking about PAT margins. The EBITDA margin is 30.33% **35:56**\_\_\_\_\_. Looking to get our PAT margins up over and above 25%. And our EBITDA margins will be, it will be better if we keep it above 35%.

**Dikshant:** Well, my second question is on the cash conversion cycle. So I mean, in the last concall, we were discussing that this is a major focus for you. And I'm sure that one of our major requirements while you acquired this business was better cash conversion cycles because our ROCEs will improve there. So can you shed a bit of light on this, on how we have improved this so far and what kind of cash conversion cycle we can see by the end of this year?

**Aditya Halwasiya:** So we are improving this as of today by increasing our list of suppliers. So simultaneously improving our terms with the suppliers. So that takes care of the inwards part and when it comes to the outwards part, apart from a few key clients which we won't be distributed to, that UNFPA, we are not pushing on them to improve their payment terms. We are happy with the payment terms because they are very iron clad contracts which they end up signing with us. Apart from them, any other distributor which has a specific order value below a certain amount, we end up getting behind them to improve their payment terms.

**Dikshant:** I mean, Aditya, in order to just quantify this a little bit, our inventory days have been north of 200 days for the last 3 years. And since the last quarter, the management has been focused on the conversion cycle. So are we making our inventory days better? Are we making our payable days, I think the receivables from the clients better? Quantify it with a little bit of numbers that would help immensely.

**Aditya Halwasiya:** Yes, I can quantify with a bit of numbers by saying that we'll be improving it by 20%.

**Dikshant:** So from 230-ish days, we can see a reduction of, let's say, around like 25 to 50 days, 40 to 50 days, something like that?

**Aditya Halwasiya:** Yes, 40 to 45 days, yes. The inventory days have been hard, because a lot of inventory for our premium condoms were stuck up in those so that's a very big reason why.

**Dikshant:** Yes, you did mention this the last time and thank you so much for the guidance. Just a few follow ups quick ones. One is on the current sales operations for our retail business, glad to know that we have cross distribution. Could you sort of tell us that what are our repeat business right now? Or is it too early on that data?

**Aditya Halwasiya:** So all our repeat clients are like, all our big clients are still ordering with us?

**Dikshant:** on the retail side, you mentioned earlier during the call that we have around a thousand stores that we are catered. So could you just help us out with the repeat business there? Some data there on what kind of ticket price, is it per store? What is this thousand stores converting into as our revenue? How is it guiding our revenue forward and how is it driving our revenue till now?

**Aditya Halwasiya:** It is not guiding our revenue in any way to highlight, in any good way as of now. It's a very small part of our revenue. We've just started selling and started selling to increasing our retail network from mid of December onwards.

**Dikshant:** Congratulations again on getting those thousand because I mean, you guys are doing great there. I saw a couple of products near my store. So happy to know that you guys are improving there. Thank you so much.

**Moderator:** Thank you. Our next question is from the line of Onkar Ghugardare from Shree Investment Investment. Please go ahead.

**Onkar Ghugardare:** You mentioned that current order book is around Rs. 80 crores. What's the split between female and male condom and till when you have to execute this Rs. 80 crores?

**Omprakash Garg:** Out of the Rs. 80 Cr order book, Rs. 30 Cr is for female condoms and Rs. 50 Cr for male condoms.

**Onkar Ghugardare:** And by when we have to execute this order?

**Omprakash Garg:** We are expecting some new orders in February from South Africa, Brazil and Government of India.

**Onkar Ghugardare:** And this South Africa, Brazil and Indian government orders are for female condoms or male condoms or both?

**Omprakash Garg:** South Africa, we are expecting both female and male condoms. From government of Brazil, we are expecting female condom orders. And from government of India, we are expecting male condom orders. We have our regular customers from UNFPA and private sector as well. So we are expecting over the next two months, in February and March, a significant quantity of orders.

**Onkar Ghugardare:** So as far as the Brazilian order and South African order, I mean the tendering have already taken place or at what stage it is?

**Omprakash Garg:** The backlog was for female condoms, which I mentioned will be cleared in the 4th Quarter to the tune of about Rs. 21 Cr.

**Onkar Ghugardare:** That is the backlog you are talking about. But just now you mentioned that you will be receiving orders from Brazilian government for female and African government for both male and female. So I'm asking these are the new tenders and has the tendering already taken place by the government?

**Omprakash Garg:** We don't know the exact volume and the amounts of these pending orders.

**Onkar Ghugardare:** Whether the tendering has already taken place or not? Or as you are saying, you will be expecting orders in February and March, significant orders. So that means by now the tendering must have already taken place or would be taking place shortly, right, in order for you to receive the orders?

**Omprakash Garg:** No, for example, for South Africa, we are starting in the third year of the three-year long-term contract and we could be easily getting orders worth about 50 crores, including both male and female condoms. In Brazil, we are expecting a tender to be floated for female condoms in February and we are expecting an order of about Rs. 23 crores. And with the Government of India, we have already announced orders worth about Rs. 15 crores. However, we are expecting one more order in the next couple of weeks, which would be about 10 Cr. And in addition to all this, we are getting regular orders from UNFPA. And I would expect Rs. 30 Cr orders for the first quarter of FY25 from UNFPA, mostly for male condoms.

**Onkar Ghugardare:** So as far as the current quarter is concerned, the Jan to March quarter, you are expecting around Rs. 50 crores from Africa, Rs. 25 crores from Brazil and around Rs. 10 crores to Rs. 15

crores from Indian government, right? So around Rs. 80 crores, Rs. 85 crores orders in the current quarter you are expecting?

**Omprakash Garg:** Yes, correctly, to be delivered over the next 12 months.

**Onkar Ghugardare:** Correct, but you would be receiving the orders in the current quarter, right?

**Omprakash Garg:** Yes.

**Onkar Ghugardare:** Okay, the next question is to Aditya. Last time you had mentioned that around Rs. 160 crores of the sales which you will be delivering at say end of FY24, you will be doubling it in the next three to four years, given the expansion plan which you have. When you projected this the acquisition was not planned, right? So now that you are planning to do the acquisition, I mean, what kind of sales you are looking at, given it's a big acquisition?

**Aditya Halwasiya:** See, when it comes to an acquisition, whether it's in India or whether it's out of India, it will impact us very differently. If it's an acquisition in India, nobody in India is making polyisoprene or polyurethane products. Outside India, they are. So the entire sales outlook will change. We have to start looking at private players who are already selling such condoms out of India to be contract manufacturers for if we make acquisitions out of India. Whereas within India we can look at government tenders in and out of India as well as private players in and out of India because there is a very big demand for latex condoms because of the constituents of latex as a polymer.

**Onkar Ghugardare:** So what you are saying is that nobody in India is selling neither manufacturing this type of condoms, right?

**Aditya Halwasiya:** Nobody in India is manufacturing such condoms, PI or PU condoms.

**Onkar Ghugardare:** Okay, but the selling is taking place?

**Aditya Halwasiya:** The selling is taking place via imports.

**Onkar Ghugardare:** And is it a big contribution to the overall selling of condoms or like how much is the percentage currently in India?

**Aditya Halwasiya:** It's very minuscule because of the price, the price barrier basically.

**Onkar Ghugardare:** What difference does it bring to the table from if you look at the other condoms as compared to these condoms as compared to normal condoms?

**Aditya Halwasiya:** Well, just looking at how the market receives it out of India is an indication that India's consumption would tend towards in the next 10 years to 15 years honestly speaking towards such materials.

**Onkar Ghugardare:** So this is like a more premiumization of condoms? Is it like that?

**Aditya Halwasiya:** Yes.

**Onkar Ghugardare:** And if you can talk more about this, where in Asia this trend is currently playing out? If you can tell more about that?

**Aditya Halwasiya:** This trend is playing out in Malaysia, China, Thailand, Indonesia, all these countries.

**Onkar Ghugardare:** Okay, like if you can compare it with say like how it was say 10 years back and how it is currently, so if you can give a comparison of that in this countries which you mentioned?

**Aditya Halwasiya:** Well, they've been selling all, and India is very price sensitive as a country for any form of consumer level. So nobody has introduced these condoms in India. I'm talking about there were certain barriers to entry when it comes to manufacturing such condoms in India. That is why nobody has also. Whereas out of India, the ballgame is quite different. People are ready to consume better, more premium prophylactic condoms in those other markets.

**Onkar Ghugardare:** Yes, but like if you can give an example, say for example, in China, let's say 10 years back, if one condom of that kind was sold, now how many condoms are being sold currently?

**Aditya Halwasiya:** I can't give any indication for China or any other.

**Onkar Ghugardare:** No, I'm not asking you for indication, whatever already trend is there and whatever the real facts are there, I'm asking just that. Because you must have studied the trend in those markets, right, before thinking about this acquisition?

**Aditya Halwasiya:** The only trend I've studied as of now is what are the sales of such companies who are doing job working for private clients in the EU and in the US? So those are numbers which have been shared with me in confidence that I cannot disclose because that's only business I'm certain about. I'm not looking at selling such condoms in India per se because as of now those condoms garner a very high price as imports.

**Moderator:** This will be the last question for the day. Our next question is from the line of Rakesh from White Pigeon Investment.

**Rakesh:** Quantified in revenue and profitability terms, what are we expecting from the capacity expansion announced by the company in December?

**Aditya Halwasiya:** So in terms of the revenue expansion, we've already made a press release regarding it. We are expecting a top line of not \$320 crores, but close to \$400 crores, post finishing up with our expansion plan. And simultaneously we're expecting an EBITDA of upwards of \$100 crores.

**Moderator:** Ladies and gentlemen, that was the last question for the day. I now hand the conference over to Mr. Aditya Halwasiya for closing comments.

**Aditya Halwasiya:** As we come to the end of this earnings call, I want to take a moment to extend my deepest gratitude to all our shareholders and employees. To our shareholders, thank you for your continued trust and investment in us. Your faith in our potential, use our drives to innovate, expand and excel. We are committed to delivering on our promises and maximizing the value of your investment. You are an incredible team of employees. Your hard work, creativity and perseverance are the reasons we are able to celebrate our achievements today. Each of us plays an integral role in building our future. And I'm profoundly thankful for the opportunity to work alongside everyone at Cupid. Looking ahead, we are excited about the opportunities and challenges that lie before us. Thank you once again everybody for joining our earnings call.

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