

# 23<sup>rd</sup> Annual Report 2015 - 2016

*Green Love*

**BULL**

**FANTASY**  
live your fantasy

*Hi-LIFE*

**CUPID**

*D'sire*

**STUD**

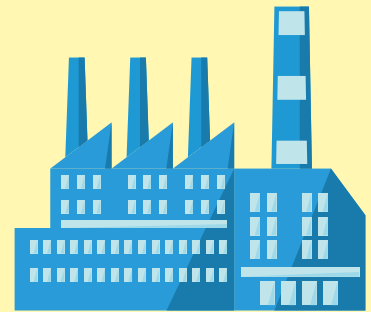
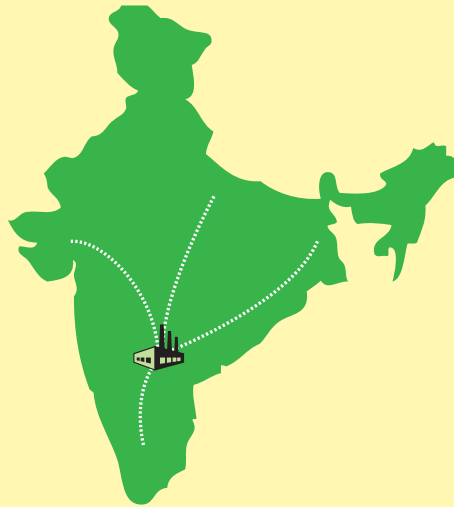
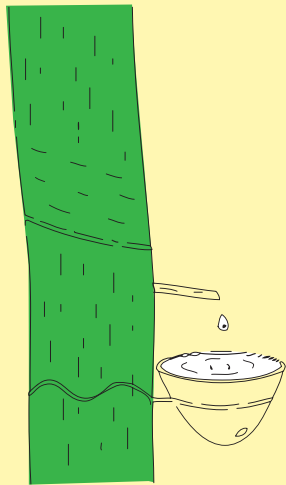
**BLACK  
ZEBRA**

**BIG DOM**



# CUPID LIMITED

# SOURCING, MANUFACTURING & DISTRIBUTION



# BOARD OF DIRECTORS



**Omprakash Garg**  
Chairman and Managing Director



**Jandhyala Sarma**  
Independent Director



**Pradeep Kumar Jain**  
Independent Director



**Veena Garg**  
Woman Director



## CHAIRMAN STATEMENT

Dear Shareholders,

At the outset, let me thank you for your support and for being a valuable part of the Cupid family. Let me take you through the financial and operating highlights of the year gone past.

Fiscal 2015-16 has by far been the most eventful year for your Company. We registered one of the best financial performances for the company in its history as well as bolstered our readiness to exploit opportunities in the global condoms industry. The total revenues grew 39.1% to INR 628.05 million in FY 2015-16 from INR 451.42 million in FY 2014-15. This performance came on the back of increased shipments both for the female as well as male condoms. From a business standpoint, the revenues are equally distributed between female and male condoms. The female condom business has

seen a robust growth in this fiscal largely on account of new institutional orders and this impacted our EBITDA and PAT positively. While the EBITDA registered a 99.3% growth to move from INR 135.34 million in FY 2014-15 to INR 269.74 million in FY 2015-16, the Net Profits also showed a 106.7% increase to close at INR 159.33 million. This translates to an EBITDA Margin at 42.9% for FY 2015-16 as against 30.0% in FY 2014-15. We exported to about 26 countries and our exports contribution to overall sales was 77% at the end of year.

Operationally, the capacity utilization increased from 52.0% in the FY 2014-15 to 64.0% in FY 2015-16. This is expected to improve further in the coming year as the pipeline of orders gives us the required confidence. During the year, the Company also took the task of upgrading its facility as to improve overall levels of productivity. In addition, a new range of product called water based lubricant jelly was launched. Requisite approvals from the Indian authorities have been received and we expect this business to start generating revenue from FY 2016-17. We also continued our efforts in research and development activity as to develop new value added products for widening our offerings Both for institutional and direct consumer.

As you are aware, the Company also entered into an agreement with National Department of Health(NDOH), Government of South Africa through our agents for supply of female condoms worth USD 16.3 million (INR equivalent of approximately 1,032.2 million). The execution for this order is already underway and we expect to complete the same by fiscal 2018-19. Besides this order, the South Africa and other Sub Sahara African countries are of strategic importance for the business. This country has the biggest HIV epidemic in the world, with an estimated 6.8 million people living with HIV in 2013. It was also estimated according to a survey that HIV prevalence among women was nearly twice as high as men.



We also remain positive on our business in the entire Sub-Sahara region which accounts for close to 70% of the global HIV population, the HIV prevalence is still extremely high in some countries. With these factors, we see a good business opportunity for male as well as female condoms and this is one of the key reasons why the Company's strategy is centred around Sub-Sahara region for future growth. We are also looking at inclusive growth in the region. Fiscal 2015-16 was a stellar year with our share in ex-south Africa female condom business increasing from 8% in 2014-15 to over 25% in 2015-16.

The Company has signed a non-exclusive long term agreement with United Nations Population Fund (UNFPA) for period of 3 years on 10th March 2016 to supply female condoms and for period of 8th March 2016 to 31st July 2016 to supply male condoms, Company is expecting for renewal upon its expiry. UNFPA is a front running organization addressing HIV, adolescent and unintended pregnancies program. This partnership is a step in the right direction to increase access to HIV-related services for young people, women and girls, including those living with HIV. We hope to cement this relationship further and ensure that social interests get married with business commitments. Overall, FY16 was a progressive year for us, and we believe we are on the right trajectory to move towards the next orbit of growth.

The global contraceptives market size is poised to touch USD 33.6 billion in revenue by 2023. Despite the general increase in trends of condom use, there still exists a substantial gap in access to condoms for a large percentage of the population. This dichotomy highlights the important opportunities for strengthening demand and supply of condoms and the Company is well prepared to address it.

I also take the opportunity to acknowledge your feedback regarding the need for a formal investor relations setup. Based on your feedback, we have initiated a formal investor relations program for the company effective first quarter of fiscal 2017. The objective of this program is to enhance our communication efforts and disclosures that are important for investors taking an informed decision on the Company.

The building blocks for the next level of growth has been laid. Events to watch as we moved ahead include approval from UNFPA for CUPID 2 Female condoms which could be a key trigger for the new markets. The other trigger would be the response to water based lubricant jellies that are poised for a mass-market debut.

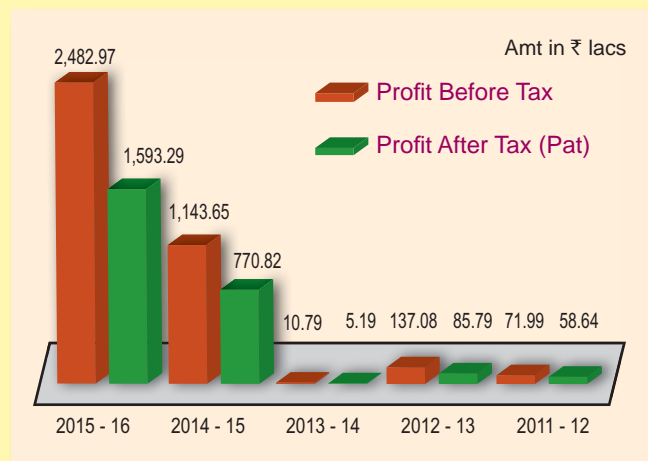
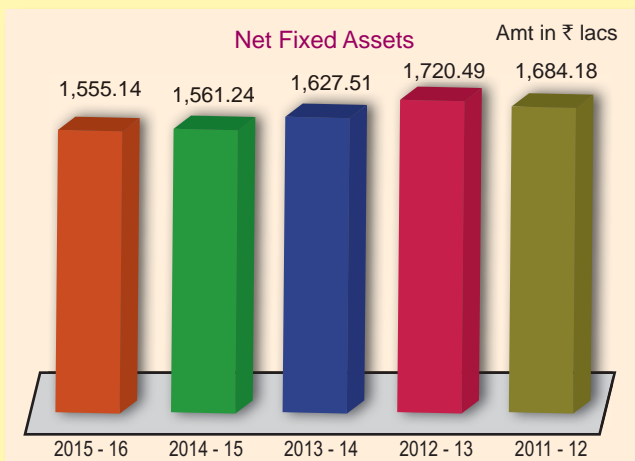
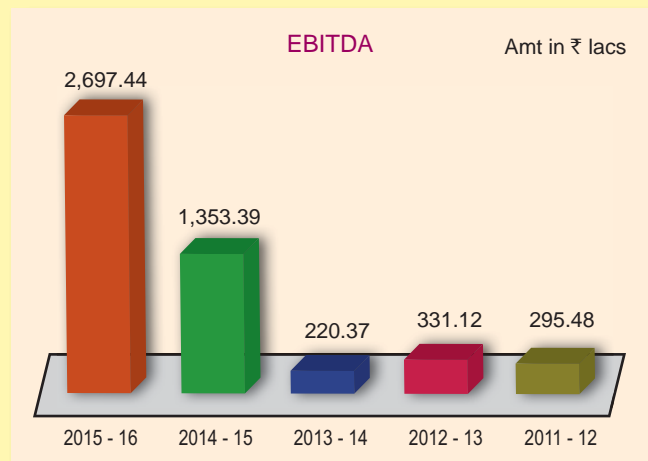
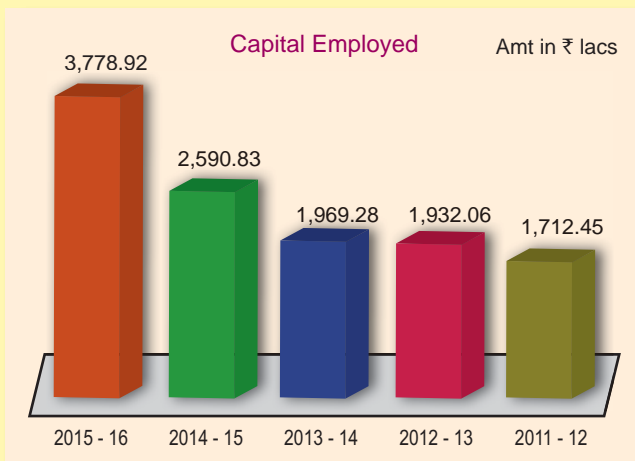
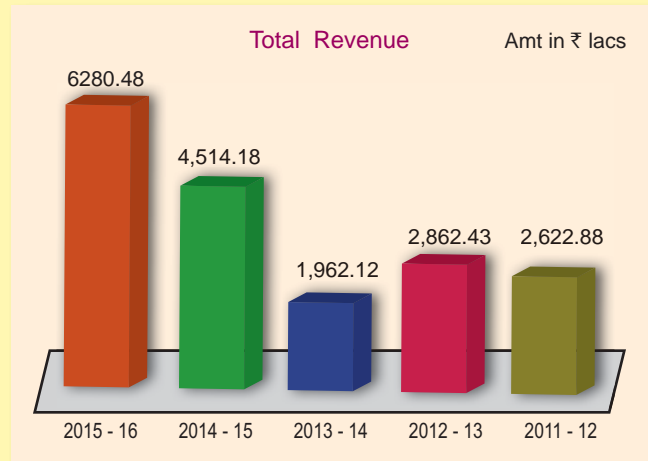
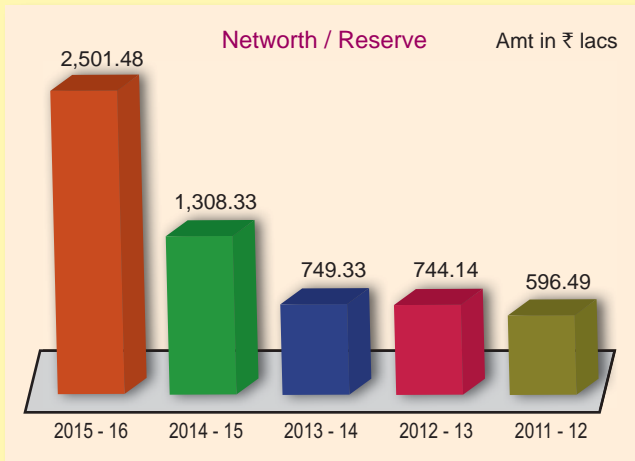
I would like to thank you once again for reposing your faith and trust in us. I also take the opportunity to thank all the employees of company for their dedicated service towards Company's growth.

**BEST REGARDS,**

**OMPRAKASH GARG**  
Chairman and Managing Director

# CUPID LIMITED

## FINANCIAL GROWTH PATH



# FINANCIAL OF 5 YEAR - HIGHLIGHTS

## FINANCIAL GROWTH PATH

Amt in ₹ lacs

<i>Particulars</i>	2015 - 16	2014 - 15	2013 - 14	2012 - 13	2011 - 12
Equity Capital	1,111.50	1,111.50	1,111.50	1,111.50	971.00
Networth / Reserve	2,501.48	1,308.33	749.33	744.14	658.34
Capital Employed	3,778.92	2,590.83	1,969.28	1,932.06	1,712.45
Net Fixed Assets	1,555.14	1,561.24	1,627.51	1,720.49	1,684.18
Cash and Cash Equivalents	919.13	319.82	24.77	38.70	23.76
Trade Receivables	1,327.39	817.55	317.47	127.70	269.83
Trade Payables	152.54	186.59	229.98	153.43	241.09

## OPERATING RESULTS

Amt in ₹ lacs

<i>Particulars</i>	2015 - 16	2014 - 15	2013 - 14	2012 - 13	2011 - 12
Revenue from Operation	6114.56	4,444.05	1,953.39	2,839.89	2,597.76
Other than Operation	165.92	70.13	8.73	22.54	25.12
<b>Total Revenue</b>	<b>6280.48</b>	<b>4,514.18</b>	<b>1,962.12</b>	<b>2,862.43</b>	<b>2,622.88</b>
Expenditure	3,583.04	3,160.79	1,741.75	2,531.31	2,327.40
<b>EBITDA</b>	<b>2,697.44</b>	<b>1,353.39</b>	<b>220.37</b>	<b>331.12</b>	<b>295.48</b>
<b>EBITDA ( % )</b>	<b>42.95</b>	<b>29.98</b>	<b>11.23</b>	<b>11.57</b>	<b>11.27</b>
Depreciation	193.00	183.21	150.63	141.90	137.27
Finance Cost	21.47	26.05	47.12	48.53	86.22
Exceptional items	-	0.48	11.83	3.61	-
<b>PROFIT BEFORE TAX</b>	<b>2,482.97</b>	<b>1,143.65</b>	<b>10.79</b>	<b>137.08</b>	<b>71.99</b>
Income Tax and Deferred Taxes	889.68	372.83	5.60	51.29	13.35
<b>PROFIT AFTER TAX ( PAT )</b>	<b>1,593.29</b>	<b>770.82</b>	<b>5.19</b>	<b>85.79</b>	<b>58.64</b>
<b>PAT ( % )</b>	<b>25.37</b>	<b>17.08</b>	<b>0.26</b>	<b>3.00</b>	<b>2.24</b>
Basic EPS ( Amt in ₹ )	14.33	6.93	0.05	0.77	0.60
Diluted EPS ( Amt in ₹ )	14.33	6.93	0.05	0.77	0.53
Cash EPS ( Amt in ₹ )	16.07	8.58	1.40	2.05	2.02
Dividend ( Amt in ₹ )	3.00	1.50	-	-	-

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

#### **CHAIRMAN & MANAGING DIRECTOR**

Mr. Omprakash Chhangamal Garg

#### **WOMAN DIRECTOR**

Mrs. Veena Omprakash Garg

#### **INDEPENDENT & NON EXECUTIVE DIRECTORS**

Mr. Pradeep Kumar Jain

Mr. Jandhyala L. Sarma

#### **COMPANY SECRETARY AND COMPLIANCE OFFICER**

Mr. Saurabh V. Karmase

#### **CHIEF FINANCIAL OFFICER**

Mr. Narendra M. Joshi

#### **REGISTERED OFFICE & FACTORY ADDRESS**

A – 68, M.I.D.C., Sinnar, Malegaon,  
Nasik District, Maharashtra, India, Pin code – 422113.

CIN No. : L25193MH1993PLC070846

Tel : - 02551 – 230 280 / 230 772

Email :- corporateaccounts@cupidlimited.com

Website:- www.cupidltd.in

#### **AUDITORS**

##### **Bhatter & Co.**

Chartered Accountants  
Mumbai

#### **SECRETARIAL AUDITORS**

##### **CS Shailesh Kachalia**

Practicing Company Secretary  
Mumbai

#### **REGISTRARS & SHARE TRANSFER AGENTS**

##### **Bigshare Services Private Limited**

CIN No: U99999MH1994PTC076534

E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka,  
Andheri (East), Mumbai – 400 072

Tel: - 022 – 40430200

Email: - investor@bigshareonline.com

Website: - www.bigshareonline.com

#### **BANKERS**

Kotak Mahindra Bank Limited

HDFC Bank Limited

State Bank of India





## NOTICE

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Shareholders of CUPID LIMITED will be held on Saturday 17<sup>th</sup> September, 2016, at A – 68, M. I. D. C., (Malegaon), Sinnar, Nashik, Maharashtra - 422113 at 12.00 noon to transact the following business : -

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2016 together with the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Omprakash Garg (DIN: 00140756), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Veena Garg (DIN: 03456648), who retires by rotation and being eligible, offers herself for re-appointment.

#### 4. Appointment of auditors and fixing their remuneration

To pass the following resolution as an Ordinary Resolution

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s Bhattar and Company, Chartered Accountants, (Firm Registration No. 131092W), be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors, in addition to the reimbursement of service tax and actual out-of-pocket expenses incurred in connection with the audit of accounts of the Company for the Financial Year ending 31<sup>st</sup> March, 2017.

RESOLVED FURTHER THAT Mr. Omprakash Garg, Managing Director of the Company be and is hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”.

### SPECIAL BUSINESS

#### 5. Appointment of Mr. Omprakash Garg, as Chairman and Managing Director of the Company

To pass the following resolution as an Special Resolution

RESOLVED THAT pursuant to provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and such other consents and permission as may be necessary, and subject to such modifications, variations as may be approved and acceptable to the appointee, the consent of the shareholders of the Company be and is hereby accorded for the appointment of Mr. Omprakash Garg (DIN No – 00140756) as Chairman and Managing Director of the Company for a period of 5 years from 20<sup>th</sup> July, 2016 to 19<sup>th</sup> July, 2021 and payment of remuneration for the aforesaid period on the terms and conditions as approved by the Nomination and Remuneration Committee in its meeting.

### I. REMUNERATION

#### (a) SALARY

Salary payable of Rs. 5,00,000 (Rupees Five lakhs only) per month

#### (b) COMMISSION

Commission payable shall be Equivalent to 1% of the net profits of the Company.

### II. PERQUISITES

#### (a) HOUSING

The Company shall provide free un-furnished accommodation. The value of benefit will be determined as per the Income Tax Rules.

#### (b) REIMBURSEMENT OF MEDICAL EXPENSES

Reimbursement of medical expenses (including insurance premium for medical and hospitalisation policy, if any) incurred for self and family, subject to a ceiling of one month's salary or three months' salary over a period of 5 years, as per Rules of the Company. For the above purpose, “Family” includes spouse, dependent children and parents.

#### (c) LEAVE TRAVEL CONCESSION

Leave Travel Concession for self and family, once a year, incurred in accordance with the Rules of the Company. For the above purpose, “Family” includes spouse, dependent children and parents.





**(d) PERSONAL ACCIDENT INSURANCE**

Personal accident insurance cover of an amount, the annual premium of which does not exceed Rs. 25,000.

**(e) CONTRIBUTION TO PROVIDENT FUND AND SUPERANNUATION FUND**

Contribution to Provident Fund and Superannuation Fund, as per Rules of the Company, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

**(f) LEAVE AND ENCASHMENT OF LEAVE**

As per Rules of the Company.

**(g) GRATUITY AND / OR CONTRIBUTION TO GRATUITY FUND**

As per Rules of the Company.

**(h) USE OF CAR AND TELEPHONE**

Company maintained car with chauffeur for use on Company's business, telephone at residence and cellular phone provided by the Company will not be considered as perquisite. However, personal long distance calls and use of car for private purposes shall be borne by the Director.

**(i) REIMBURSEMENT OF EXPENSES**

Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company.

**III. MINIMUM REMUNERATION: -**

Notwithstanding anything contained above, where in any financial year during Mr. Omprakash Garg tenure as the Chairman and Managing Director, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Omprakash Garg shall be subject to Section 197 of the Act and to the provisions of Section II of Part II of Schedule V to the Act or any other law or enactment for the time being in force.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter, amend or vary the terms and conditions of appointment including remuneration structure as may be agreed to between the Board of Directors and Mr. Omprakash Garg subject to the limits within such guidelines or amendments as may be made to the Companies Act, 2013 or subject to approval of the Central Government or such other authorities.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**6. Adoption of new set of Articles of Association**

To pass the following resolution as Special Resolution

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), the Articles of Association of the Company be and are hereby replaced with the new set of Articles of Association, a copy of which is available at the registered office of the Company for inspection and is also available on the website of the company, be and is hereby adopted as new set of the Articles of Association of the Company."

"FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, Mr. Omprakash Garg (DIN: 00140756), Director of the Company be and is hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, for the purpose of giving effect to the aforesaid Resolution."

**For and on behalf of the Board of Directors**

**Saurabh V. Karmase**  
Company Secretary

CIN No. : L25193MH1993PLC070846  
Website: www.cupidltd.in  
Email : corporateaccounts@cupidltd.com

**REGISTERED OFFICE**

A - 68, M. I. D. C. (Malegaon), Sinnar, Nasik,  
Maharashtra- 422113

Place: Mumbai

Date: 13<sup>th</sup> July, 2016





## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing the Proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.

2. Pursuant to Section 91 of the Companies Act, 2013, The Register of Members and Share Transfer Register of the Company will remain closed from 10<sup>th</sup> September, 2016 to 17<sup>th</sup> September, 2016 ( both days inclusive ).

3. Members holding shares in 'Electronic form' are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts.

Members holding shares in 'Physical form' are requested to advise any change in their address or bank mandates immediately to the Company or M/s Bigshare Services Pvt Ltd (Bigshare) , E – 2/3, Ansa Industrial Estate, Saki Naka, Andheri (East), Mumbai – 400072 (RTA) by a request letter quoting the Folio no of the Member.

4. Documents referred to in any of the items in the Notice are available for inspection at the Registered Office of the Company on any working day during Business Hours of the Company between 10.30 a.m. to 5.00 p.m.
5. Queries on accounts and operations of the Company, if any, may please be sent to the Company at least seven days in advance of the meeting so that the answers may be made available at the meeting.
6. Members are requested to bring their copy of this Annual Report to the Meeting.
7. Members / Proxies should bring the 'Attendance Slip' duly filled in for attending the Meeting.

8. **Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market.**

**Members holding shares in electronic form are, therefore, requested to submit their Pan to their Depository Participants with whom they are maintaining their demat accounts.**

**Members holding shares in physical form can submit their PAN to the Company / Bigshare Services Pvt Ltd.**

9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be obtained by a letter communicated to the Company / Bigshare Services Pvt Ltd.

10. Non-Resident Indian Members are requested to inform RTA immediately of (in case of shares held in physical form)

(a) Change in their residential status on return to India for permanent settlement.

(b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

11. **Members who have not registered their email address so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, and other from the Company electronically.**

12. A statement giving the details of the Director seeking re-appointment under the item no. 2 & 3 of the accompanying Notice, as required under SEBI ( Listing Obligations and Disclosure Requirements ) Regulations, 2015 and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India, is annexed hereto.





**13. Information and other instructions relating to e-voting are as under: -**

- (i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- (ii) The Chairman shall, at the venue of Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the venue but have not cast their votes by availing the remote e-voting facility.
- (iii) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- (iv) The Company has engaged the services of M/s. Central Depository Services Limited as the Agency to provide e-voting facility.
- (v) The Board of Directors of the Company has appointed Shri Shailesh Kachalia, a Practicing Company Secretary, Mumbai as Scrutinizer to scrutinise the Ballot Paper Voting and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- (vi) **Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 10<sup>th</sup> September, 2016.**
- (vii) **A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 10<sup>th</sup> September, 2016 only shall be entitled to avail the facility of remote e-voting / Ballot Paper Voting.**
- (viii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. **10<sup>th</sup> September, 2016** may obtain the User ID and password in the manner as mentioned at point no 14 of the Notice or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) : -
- (ix) **The remote e-voting facility will be available during the following period:**  
  
**The voting period begins on 14<sup>th</sup> September, 2016 at 9.00 a.m. and ends on 16<sup>th</sup> September, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**
- (x) The Scrutinizer, after scrutinising the votes cast at the meeting through Ballot Paper Voting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company "[www.cupidltd.in](http://www.cupidltd.in)" and on the website of M/s. Central Depository Services Limited "[www.evotingindia.com](http://www.evotingindia.com)". The results shall simultaneously be communicated to BSE Limited.
- (xi) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Annual General Meeting, i.e. 17<sup>th</sup> September, 2016.

**14. The instructions for shareholders voting electronically are as under : -**

The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

Click on "SHAREHOLDERS" TAB.

Now Enter your User ID.





- a) For CDSL: 16 digits beneficiary ID,
- b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (i) Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below:

For Members holding shares in ' Demat Form ' and ' Physical Form '	
PAN *	<p>Enter your 10 digit alpha-numeric * PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p><b>SHAREHOLDERS WHO HAVE NOT UPDATED THEIR PAN :-</b></p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number ( refer serial no. printed on the name and address sticker ) in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> DOB	<ul style="list-style-type: none"> <li>Enter the Dividend Bank Details or Date of Birth ( in dd/mm/yyyy format ) as recorded in your Demat Account or in the Company Records in order to login.</li> <li>If both the above details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction ( iii ).</li> </ul>

- (ii) After entering these details appropriately, click on "SUBMIT" tab.
- (iii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.

Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (iv) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (v) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (vii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If







you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(viii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(ix) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(x) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xi) Shareholders can also cast their vote using CDSL's mobile app “ m-Voting ”. The m-Voting app can be downloaded from Google Play Store for android based mobile. Apple and Windows phone users can download the app from the App Store and Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xii) **NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS**

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

15. Pursuant to Section 102 of the Companies Act, 2013, the Statement of Material facts relating to the business under item No. 5 and item No. 6 accompany Notice.





## STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act"):-

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:-

### Item No. 5:-

The Board of Directors of the Company at their meeting held on 13<sup>th</sup> July, 2016 had appointed Shri Omprakash Garg (DIN: 00140756) for the period of 5 years with effect from 20<sup>th</sup> July, 2016 as a Chairman and Managing Director of the company on the terms and conditions as set forth in the special resolution under item no. 5.

However, your approval by way of Special Resolution is required for the said appointment.

Keeping in view that Shri. Omprakash Garg, has rich and varied experience in the industry and has been involved in the operations of the Company since its incorporation, it would be in the interest of the Company to continue the employment of Shri. Omprakash Garg as Chairman and Managing Director.

Accordingly, approval of the members is sought for passing the Special Resolution as set out at item No. 5 of the Notice.

Brief details of Shri. Omprakash Garg are as below:-

Age: 72 years

Qualifications: M. SC.

Experience: 46 years in Metal business and healthcare products.

Date of first appointment on Board: 16<sup>th</sup> August, 1994

Shareholding in the Company: 45,84,800 equity shares

Relationship with other Directors: Husband of Mrs. Veena Garg.

Other Directorships: NIL

Other Memberships of Committees of Other Boards: NIL

Other Chairmanships of Other Boards: NIL

No of Board meetings attended during the year: 6 Board Meetings

Last Drawn remuneration from Company: Rs. 3, 00,000/- per month.

Shri. Omprakash Garg and Mrs. Veena Garg being his relative is interested in the resolution set out at item no. 5 of the Notice. The relatives of Shri Omprakash Garg may be deemed to be interested in the resolution set out at item no. 5 of the notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel (KMP) / their relatives are in any way concerned or interested financially or otherwise in the resolution set-out at ITEM No. 5 of the notice of the meeting.

This Statement may also be regard as a disclosure under Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SS 2 – Secretarial Standard on General Meetings. The given particulars of his appointment and remuneration as set out at Item no 5 of the Notice may be treated as an abstract pursuant to section 190 to the Act.

### Item No. 6:-

The Existing Articles of Association of the company are replaced by the new set of Articles of Association. The said adoption of new set of Articles of Association is carried out to give effect to the provisions of the Companies Act, 2013. Consent of the shareholders by passing a Special Resolution is required in this regard. New set of Articles of Association is available for inspection at the registered office of the Company; also available on the website of the company ([www.cupidltd.in](http://www.cupidltd.in)) and available at the venue of Annual General Meeting.

**For and on behalf of the Board of Directors**

**Saurabh Karmase**  
Company Secretary

**CIN No. : L25193MH1993PLC070846**

### REGISTERED OFFICE

A - 68, M. I. D. C. (Malegaon), Sinnar, Nasik,  
Maharashtra- 422113

Place: Mumbai

Date: 13<sup>th</sup> July, 2016





**DETAILS OF DIRECTORS**  
**SEEKING RE – APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING**

(In pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of the Director	Shri Omprakash Garg	Smt. Veena Garg
DIN	00140756	03456648
Date of Birth	25th June 1943	30th December 1951
Date of first appointment	16th August 1994	28th October 2014
Qualification	M. Sc.	B. A.
Expertise	46 years' experience in metal and healthcare products business	21 years' experience in management and administration
Number of meeting of board attended during the year	All 6 meeting held during the year has been attended by him	All 6 meeting held during the year has been attended by her
List of Directorship / Membership / Chairmanship of the Committees of other Board	NIL	NIL
Shareholding in Cupid Limited	45,84,800 equity shares	7,77,500 equity shares
Relationship between directors inter-se	Spouse of Smt. Veena Garg	Spouse of Shri Omprakash Garg
Terms and Conditions of appointment	As per Nomination and Remuneration Policy of the Company	As per Nomination and Remuneration Policy of the Company

**For and on behalf of the Board of Directors**

**Saurabh Karmase**  
Company Secretary

**CIN No. : L25193MH1993PLC070846**

**REGISTERED OFFICE**

A - 68, M. I. D. C. (Malegaon), Sinnar, Nasik,  
Maharashtra- 422113

Place: Mumbai

Date: 13<sup>th</sup> July, 2016





## DIRECTORS' REPORT

To,

The Members,

The Board of Directors is pleased to present herewith the 23<sup>rd</sup> Annual Report of your Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2016(FY16). The Management Discussion and Analysis has been annexed to the Directors Report.

### FINANCIAL RESULTS

The highlights of financial results of the company are as follows: -

( ₹ in lacs)

Particulars	For the financial year 2016 (FY16)	For the financial year 2015 (FY15)
Operating Revenues / Turnover	6,280.47	4,514.19
<b>Profit before Depreciation &amp; Amortization, Finance charges</b>	<b>2,697.43</b>	<b>1,352.90</b>
Depreciation & Amortization	192.99	183.21
Finance Charges	21.47	26.05
<b>Profit / (Loss) before tax</b>	<b>2,482.97</b>	<b>1,143.64</b>
Provision for taxation (incl. deferred tax)	889.68	372.83
<b>Profit / (Loss) after tax</b>	<b>1,593.29</b>	<b>770.81</b>

During the period under review, the Company registered an uptick of 39% in the operating revenues from ₹ 4,514.19 lac in FY15 to ₹ 6,280.47 lac in FY16. This performance was largely driven by ramp up in the institutional business both for the male as well as female condoms. In the total operating revenues, the male condoms contributed about 51% in value terms as against 49% for the female condoms. From a business nature perspective, the contract manufacturing business contributed close to 20% in overall sales.

From the margins standpoint, we expanded our EBITDA margins from 30.0% in FY15 to 42.9% in FY16. This is based on an absolute EBITDA increase of 99% from ₹ 1,353.4 lac to ₹ 2,697.4 lac in FY16. The expansion in the EBITDA performance was led by increased contribution from female condoms business which attract relatively higher margins than the male condoms. At the net profit level, we closed this financial year with a net profit of ₹ 1,593.29 lac as against ₹ 770.81 lac in the previous year which is an increase of 107%.

### DIVIDEND

Your Board of Directors' had declared 1<sup>st</sup> interim dividend of ₹ 1 (i. e. 10%) per equity share at their meeting held on 31<sup>st</sup> October, 2015. Further, 2<sup>nd</sup> interim dividend of ₹ 2 (i.e. 20%) per equity share was declared by the Board of Directors at their meeting held on 10<sup>th</sup> March, 2016. During the year, the Company paid a total dividend of ₹ 3 (i.e. 30%) per equity share

### RESERVES

The whole of profit after tax has been transferred to Profit & Loss account. Interim Dividends are paid from the Profit & Loss account. There is no other amount that has been proposed to be carried to any other reserves.

### CHANGE IN NATURE OF BUSINESS:

During the financial year 2015-16, Company has not changed its nature of business and has been continuing with the same line of business.

### SHARE CAPITAL

The paid up Equity Share Capital as at 31<sup>st</sup> March, 2016 is ₹ 1,111.50 Lac (₹ Eleven Crores Eleven Lacs and Fifty Thousand Only). During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options as sweat equity. As on 31<sup>st</sup> March 2016, none of the Directors of the Company hold instruments convertible into equity shares of the Company.





## FINANCE AND ACCOUNTS

Your Company prepares its financial statements in compliances with the requirements of the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. The financial statements have been prepared on historical cost basis. The estimates and judgments relating to the financial statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and Cash Flows for the year ended 31<sup>st</sup> March, 2016. There is no audit qualification in financial statements by the statutory auditors for the year under review.

## LOANS, GUARANTEES & INVESTMENTS

Details of Loan, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements.

## DEPOSITS

The Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, or under Chapter V of the Act.

## RELATED PARTY TRANSACTIONS

The Company has not entered into any contracts or arrangements with related parties referred to in Section 188(3) of the Companies Act, 2013 and providing the information in the prescribed Form AOC-2 are not applicable to the Company. There are no transactions with related parties except those indicated out in notes to accounts.

## INTERNAL CONTROL SYSTEMS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. It ensures that strict confidentiality is maintained whilst dealing with concerns and also no discrimination will be meted out to any person for a genuinely raised concern. Any suspected or confirmed incident of fraud / misconduct can be reported thereof.

The Whistle Blower Policy has been posted on website of the Company at below link:-

[http://www.cupidltd.in/wp-content/uploads/2015/06/05\\_002\\_CG\\_Whistlerblower.pdf](http://www.cupidltd.in/wp-content/uploads/2015/06/05_002_CG_Whistlerblower.pdf)

## RISK MANAGEMENT POLICY

There is a continuous process for identifying, evaluating and managing significant risks faced through a risk management process designed to identify the key risks facing business. During the year a risk analysis and assessment was conducted and no major risks were noticed.

## PERFORMANCE EVALUATION OF BOARD

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The same is found to be satisfactory.

## FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the Compliance required from him under the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant regulations and affirmation taken with respect to the same.

The Chairman and Managing Director also has one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further the Company has put in place a system to familiarize the Independent Directors about the Company, its products, business and the on-going events relating to the Company.



## DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Omprakash Garg and Mrs. Veena Garg Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company, and being eligible offers themselves for re-appointment.

Mr. Saurabh V. Karmase, appointed as Company Secretary and Compliance Officer of the company with effect from 28<sup>th</sup> January, 2016.

Further, Company has also appointed Mr. Narendra M. Joshi, as Chief Financial Officer (CFO) of the company with effect from 10<sup>th</sup> March, 2016.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

'Appointment Letters' of Independent Directors and 'Familiarization Program' process to provide insights of the Company to Independent Directors are hosted on website ([www.cupidltd.in](http://www.cupidltd.in)) of the Company.

The Shareholders are also requested to appoint Mr. Omprakash Garg as Chairman and Managing Director of the Company as mentioned in item no. 5 of notice of annual general meeting.

## BOARD MEETINGS

During the year under review, the Company has conducted 6 Board Meetings on the following dates: 18<sup>th</sup> May 2015; 23<sup>rd</sup> July 2015; 12<sup>th</sup> August 2015; 31<sup>st</sup> October 2015; 28<sup>th</sup> January 2016 and 10<sup>th</sup> March 2016. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

## COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

## STATUTORY AUDITORS

M/s. Bhatler & Co., Chartered Accountants, being eligible, offer themselves for re-appointment. If re-appointed, it will be within the prescribed limits specified in Section 139 of the Companies Act, 2013. They hold office up to the forthcoming Annual General Meeting and are recommended for re- appointment to audit the accounts of the Company for the financial year 2016-17.

## SECRETARIAL AUDIT

As required under Section 204 of the Companies Act, 2013, Secretarial Audit Report as obtained from Mr. Shailesh Kachalia, Practising Company Secretary is annexed and forms part of the Board Report.

## OBSERVATIONS – AUDITOR & SECRETARIAL AUDITOR

There are no qualifications contained in the Auditors Report and Secretarial Audit Report. Except that Due to oversight the Company has not filled cost audit report for the year ended 31st March 2014. The Company will file by paying additional fees.

## EXTRACT OF ANNUAL RETURN

The extract of Annual Return in Form No. MGT-9, as provided under sub-section (3) of Section 92 of the Companies Act, 2013, is annexed and forms part of the Board Report.

## MATERIAL CHANGES AND COMMITMENTS

There are no material changes having taken place affecting the financial position of the Company from the date of closure of financial year till the signing of Accounts.





### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the Regulators / courts / Tribunals that would impact the going concern status of the Company and its future operations.

### **ENVIRONMENT AND SAFETY**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances, environmental regulations and preservation of natural resources.

### **DISCLOSURE IN TERMS OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company take all necessary measures to ensure a harassment free workplace and has instituted an Internal Complaints Committee for redressal of complaints and to prevent sexual harassment. No complaints relating to sexual harassment were received during the year.

### **CORPORATE GOVERNANCE**

As per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on 'Report on Corporate Governance' practices followed by the Company, together with a certificate from the Auditors' of the Company confirming compliances forms integral part of this Report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 (3) (c) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### **CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION**

#### **A) Conservation of Energy:-**

- i. The Company has taken all effective steps to conserve the energy by installing latest equipment's for conservation of energy. As a stand-by arrangement in case of no supply of electricity of the Company has installed generator set.
- ii. The cumulative effect of the Energy conversations steps taken by the Company has considerably reduced the consumption of Energy and saved the cost of the Company.
- iii. The Company is not required to mention per unit consumption of Energy in "form A".

#### **B & C) Technology Absorption and Expenditure on Research & Development:-**

The Company has deployed indigenous technology to manufacture its products. The Company is also taking steps to upgrade its technology to improve the quality of its product so as to make same cost effective and compete in international market.



## FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has earned foreign exchange of ₹ 4,425.53 Lacs (Previous year ₹ 3,240.96 Lacs) through exports, whereas the Company paid / payable foreign exchange of ₹ 31.83 Lacs (Previous Year ₹ 67.65 Lacs) towards machinery / equipment's. Further payments made in foreign exchange of ₹ 29.12 Lacs (Previous Year ₹ 59.74 Lacs) towards other expenses.

## CORPORATE SOCIAL RESPONSIBILITY

In terms of the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of the your Company has constituted a Corporate Social Responsibility ("CSR") Committee which is chaired by Mr. Pradeep Kumar Jain, Independent Director of the Company, the other members of the committee are Mr. Omprakash Garg, Chairman and Managing Director and Mr. Jandhyala L. Sarma Independent Director. Your Company also has in place a CSR policy and the same is available on the website of the Company at [www.cupidltd.in](http://www.cupidltd.in). A detailed report as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as "Annexure 3" forming part of this report.

## AUDIT COMMITTEE

The Audit Committee now headed by Shri. Pradeep Kumar Jain as Chairman of the committee. Shri. Omprakash Garg and Shri. Jandhyala L. Sarma are Members. The details of all related party transactions, if any, are placed periodically before the Audit Committee. During the year there were no instances where the Board had not accepted the recommendations of the Audit Committee.

## NOMINATION AND REMUNERATION COMMITTEE:

Nomination and remuneration committee has been reconstituted on 28<sup>th</sup> January, 2016. On reconstitution on 28<sup>th</sup> January, 2016 the following are members: -

Mr. Pradeep Jain	Chairman
Mr. Jandhyala L. Sarma	Member
Mrs. Veena Garg	Member

The Company paid ₹ 37,56,652/- remuneration to Mr. Omprakash Garg, Chairman & Managing Director of the Company for the year 2015 - 2016. Nominal sitting fees are paid to the other Directors of the Company. Further, Company reimburses out of pocket expenses incurred by all Directors of the Company as per approvals and under review by Nomination and Remuneration committee members.

Further, during the financial year 2015-2016, Nomination and Remuneration Committee had identified and recommended to the board the appointment of Mr. Saurabh V. Karmase as Company Secretary and Compliance Officer of the company with effect from 28<sup>th</sup> January, 2016 and Mr. Narendra M. Joshi as Chief Financial Officer of the company with effect from 10<sup>th</sup> March, 2016.

## TERMS OF REFERENCE:

Terms of reference of the committee inter alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of board of directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

## PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 and regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of the Independent Directors is carried out by other non-independent directors on the basis of their contribution towards important aspects of the company and active participation on the board. The Directors express their satisfaction with the evaluation process.

Further, the company have constituted Performance Evaluation Policy to evaluate the performance of Independent Directors and the said policy is available on the website of the company at [www.cupidltd.in](http://www.cupidltd.in)



## REMUNERATION OF DIRECTORS:

### Pecuniary Relationship or Transactions with the Non-Executive Directors:

There was no any pecuniary relationship or transaction took place between the company and its non-executive directors.

### Criteria of making payments to non-executive directors:

Company is paying the sitting fees to all the non-executive directors as decided by the board for attending the board meetings and various committee meetings. Further, Company reimburses out of pocket expenses incurred by all the non-executive directors of the Company in connection with various affairs of the company.

## PARTICULARS OF EMPLOYEE

The disclosure required under section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as “Annexure 4” .

The statement of particulars of employees pursuant to Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Annual Report.

## COST AUDITORS

As per the Companies (cost records and audit) Rules, 2014 notified by Ministry of Corporate Affairs, cost audit is not applicable to the company. Therefore the board did not proceed with the appointment of cost auditor and cost audit for the year 2016-17. The company is properly maintaining its cost record internally.

## SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANIES

Company doesn't have any Subsidiaries or Joint Ventures or Associate companies as on the report date as defined under the Companies Act, 2013 and providing the information in the prescribed Form AOC-1 are not applicable to the Company.

## CAUTIONARY STATEMENT

Statements in this report describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements considering the applicable laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand – supply conditions. Finished goods prices, raw materials cost and availability fluctuations in exchange rates, change in Government regulations and tax structure within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations.

## APPRECIATION

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from all organizations connected with its business during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of Executives and Staff of the Company. Your Directors are also deeply grateful for the confidence and faith shown by the Shareholders of the Company in them.

**For and on behalf of the Board of Directors**

**Omprakash Garg**  
Chairman & Managing Director  
Din No: 00140756

CIN No. : L25193MH1993PLC070846

## REGISTERED OFFICE

A - 68, M. I. D. C. (Malegaon), Sinnar, Nasik,  
Maharashtra- 422113

Place: Mumbai

Date: 13<sup>th</sup> July, 2016





### FORM NO. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
CUPID LIMITED, NASHIK.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Cupid Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit Period);**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company : —
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. **(Not applicable to the Company during the Audit Period)**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008; **(Not applicable to the Company during the Audit Period);**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period); and**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period).**





**(vi) Laws Specifically Applicable:-**

- a. Drugs & Cosmetics Act, 1940 & Rules 1945. (Under Food & Drugs Administration, Maharashtra)
- b. Drugs (Price Controls) Order 2013 (Under Food & Drugs Administration, Maharashtra)
- c. Drugs & Magic Remedies ( objectionable Advertisement ) Act, 1954 & Rules 1955. (Under Food & Drugs Administration, Maharashtra) I have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.
- d. The list of major head / groups of Acts, Laws and Regulations as applicable to the Company is given in “**Annexure I**”.

I have also examined compliance with the applicable clauses of the following: -

- a. Secretarial Standards issued by The Institute of Company Secretaries of India.
- b. The Listing Agreements entered into by the Company with BSE Limited.
- c. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; ( with effect from 1st December 2015 ).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that:-**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no any change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, Except the Company has not filled Cost Audit Report for the financial Year ended 31st March 2014, under the provision of section 148 (6) of the Companies Act, 2013 and consequential requirements.

**I further report that** during the audit period, the Company has passed following Special Resolutions in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc.

1. Maintenance of Registers and Copies of Annual Return under section 88 and 92 of the Companies Act, 2013.
2. Payment of Remuneration under section 196, 197, 198, 203 and Schedule V of Companies Act, 2013.

Place: Mumbai  
Date: 13<sup>th</sup> July, 2016

**SHAILESH KACHALIA**  
Practicing Company Secretary  
Proprietor  
Membership No. 1391 / CP No. 3888





## ANNEXURE I

List of applicable laws to the Company (Under the Major Group and Head)

1. Factories Act, 1948;
2. Industries (Development & Regulation ) Act, 1951;
3. Labour Laws and other incidental laws related to Labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, compensations, etc;
4. Acts prescribed under prevention and control of pollutions;
5. Acts prescribed under Environmental protection;
6. Acts as prescribed under Direct Tax and Indirect Tax;
7. Land Revenue laws of Maharashtra States;
8. Labour Welfare Act of Maharashtra States;
9. Trade Mark Act, 1999 ;
10. The Legal Metrology Act, 2000;
11. Acts as prescribed under Shop and Establishment Act of various local authorities;
12. Employment Exchange Act, 1959;
13. Maternity Benefit Act, 1961;
14. Apprenticeship Act, 1961;
15. The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.







## ANNEXURE - 2

## FORM NO. MGT - 9

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED 31.03.2016

## I REGISTRATION &amp; OTHER DETAILS:

a	CIN	L25193MH1993PLC070846
b	Registration Date	17 <sup>th</sup> February 1993
c	Name of the Company	Cupid Limited
d	Category/Sub-category of the Company	Company having Share Capital
e	Address of the Registered office & contact details	A – 68, M. I. D. C., (Malegaon), Sinnar Village, Dist. Nashik, Maharashtra, India, Pincode – 422113
f	Whether listed company	Yes
g	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Bigshare Services Private Limited. E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400072. Tel – 91-22-40430200 / 2847 5207

## II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Rubber Prophylactics (Other rubber product manufacturing)	401410 . 01	100 %

## III PARTICULARS OF HOLDING , SUBSIDIARY &amp; ASSOCIATE COMPANIES

Company does not have any Holding, Subsidiary or Associate companies, as defined under the Companies Act, 2013.

## IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

## i) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS SHAREHOLDING									
(1) Indian									
a) Individual/HUF	30,14,900	-	30,14,900	27.12	53,86,800	-	53,86,800	48.46	21.34
b) Central or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	30,14,900	-	30,14,900	27.12	53,86,800	-	53,86,800	48.46	21.34
(2) Foreign									
a) NRI- Individuals	23,71,400	-	23,71,400	21.34	-	-	-	-	-21.34
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	23,71,400	-	23,71,400	21.34	-	-	-	-	-21.34
Total Shareholding of Promoter (A)	53,86,300	-	53,86,300	48.46	53,86,800	-	53,86,800	48.46	-
= (A) (1) + (A) (2)									





Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	-	3,500	3,500	0.03	-	3,500	3,500	0.03	-	
b) Banks/FI	-	-	-	-	-	-	-	-	-	
c) Central govt	-	-	-	-	-	-	-	-	-	
d) State Govt.	-	-	-	-	-	-	-	-	-	
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	-	
g) FIIs'	-	-	-	-	10,000	-	10,000	0.09	0.09	
h) Foreign VCFs'	-	-	-	-	-	-	-	-	-	
i) Others (Specify)	-	-	-	-	-	-	-	-	-	
SUB TOTAL (B)(1):	-	3,500	3,500	0.03	10,000	3,500	13,500	0.12	0.09	
(2) Non Institutions										
a) Bodies corporate	4,59,845	600	4,60,445	4.14	4,08,470	600	4,09,070	3.68	- 0.46	
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	18,81,120	1,83,915	20,65,035	18.58	28,63,577	1,68,415	30,31,992	27.28	8.70	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	24,17,660	-	24,17,660	21.75	16,49,072	-	16,49,072	14.85	-6.90	
c) Others (Specify)										
Clearing Member	24,079	-	24,079	0.22	43,322	-	43,322	0.39	0.17	
Overseas Bodies Corporate	-	3,20,800	3,20,800	2.89	-	3,20,800	3,20,800	2.89	-	
Non Resident Indians	3,86,881	50,300	4,37,181	3.94	2,18,644	37800	2,56,444	2.31	-1.63	
Trusts	-	-	-	-	4,000	-	4,000	0.04	0.04	
SUB TOTAL (B)(2):	51,69,585	5,55,615	57,25,200	51.51	51,87,085	5,27,615	57,14,700	51.44	-0.07	
Total Public Shareholding (B)= (B)(1)+(B)(2)	51,69,585	5,59,115	57,28,700	51.54	51,97,085	5,31,115	57,28,200	51.56	0.02	
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	-	-	-	-	-	-	-	-	-	
Grand Total (A + B + C)	1,05,55,885	5,59,115	1,11,15,000	100	1,05,83,885	5,31,115	1,11,15,000	100		

## ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Omprakash Garg	15,93,900	14.34	14.34	45,84,800	41.25	-	26.91
2	Veena Garg	7,77,500	07.00	-	7,77,500	07.00	-	-
3	Sureshchand Garg	27,35,651	24.61	-	-	-	-	-24.61
4	Sureshchand Garg HUF	2,78,249	02.50	-	23,000	0.21	-	-2.29
5	Abha Garg	1,000	0.01	-	1,500	0.01	-	-
	<b>Total</b>	<b>53,86,300</b>	<b>48.46</b>	<b>14.34</b>	<b>53,86,800</b>	<b>48.46</b>	<b>-</b>	<b>0.01</b>



**(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)**

Sr. No.	Particulars	Change in Shareholding during the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Sureshchand Garg HUF</b>				
	At the beginning of the year	2,78,249	02.50		
	TRANSFER on 10/12/2015	-2,55,249	-2.29	23,000	0.21
	At the end of the year			23,000	0.21
2	<b>Abha Garg</b>				
	At the beginning of the year	1,000	0.01		
	TRANSFER on 06/10/2015	500	00.01	1,500	00.01
	At the end of the year			1,500	00.01
3.	<b>Sureshchand Garg</b>				
	At the beginning of the year	27,35,651	24.61		
	TRANSFER on 10/12/2015	2,55,249	2.30	29,90,900	26.91
	TRANSFER on 22/03/2016	-29,90,900	-26.91	-	-
	At the end of the year			-	-
4.	<b>Omprakash Garg</b>				
	At the beginning of the year	15,93,900	14.34		
	TRANSFER on 22/03/2016	29,90,900	26.91	45,84,800	41.25
	At the end of the year			45,84,800	41.25

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors and Promoters)**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dushyant Poddar	5,00,000	4.50	4,13,000	3.72
2	Greenmate Corporation	3,00,000	2.70	3,00,000	2.70
3	Rajeev Jawahar	1,34,241	1.21	1,12,898	1.02
4	Basant Maheshwari	NA	NA	1,10,920	1.00
5	Sandeep Bipinchandra Jhaveri	1,40,069	1.26	1,01,777	0.92
6	Runner Marketing Pvt Ltd	NA	NA	1,00,000	0.90
7	Sheetal Rahul Mehta	NA	NA	67,041	0.60
8	Rahul Chandrasingh Mehta	NA	NA	64,579	0.58
9	Pooja Maheshwari	NA	NA	56,800	0.51
10	R. Srinivasan	NA	NA	52,200	0.47
11	Satya Narain	3,45,833	3.11	NA	NA
12	Mukul Agarwal	2,09,482	1.88	NA	NA
13	Madras Parameswaran Manoj Mahadev	1,83,509	1.65	NA	NA
14	Rahul Dhruv	77,000	0.69	NA	NA
15	Y Gokul	75,000	0.67	NA	NA
16	M P Manoj Mahadev	61,882	0.56	NA	NA

**(v) Shareholding of Directors & KMP**

Sr. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Shri Pradeep Kumar Jain	NIL	NIL	NIL	NIL
2.	Shri Jandhyala L. Sarma	NIL	NIL	NIL	NIL
3.	Shri Saurabh V. Karmase	NIL	NIL	NIL	NIL
4.	Shri Narendra M. Joshi	NIL	NIL	NIL	NIL





## V INDEBTEDNESS

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of financial year</b>				
i) Principal Amount	2,18,67,889	NIL	NIL	2,18,67,889
ii) Interest due but not paid	NA	NA	NIL	NIL
iii) Interest accrued but not due	NA	NA	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>2,18,67,889</b>	<b>NIL</b>	<b>NIL</b>	<b>2,18,67,889</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	NA	NA	NIL	NIL
Reduction	1,30,41,086	NA	NIL	1,30,41,086
<b>Net Change</b>	<b>1,30,41,086</b>	<b>NIL</b>	<b>NIL</b>	<b>1,30,41,086</b>
<b>Indebtedness at the end of financial year</b>				
i) Principal Amount	88,26,803	NIL	NIL	88,26,803
ii) Interest due but not paid	NA	NA	NIL	NIL
iii) Interest accrued but not due	NA	NA	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>88,26,803</b>	<b>NIL</b>	<b>NIL</b>	<b>88,26,803</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

**A. Remuneration to Managing Director, Whole time director (WTD) and/or Manager**

(Amount in ₹)

Sr.No	Particulars of Remuneration	Name of Director	Total Amount (Rs.)*
		Mr. Omprakash Garg	
1	Gross salary		
	(a) Salary as per provisions of section 17(1) of the Income Tax Act, 1961	₹ 36,04,955/-	₹ 36,04,955/-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	NIL	NIL
2	Stock option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission	NIL	NIL
	as % of profit	NIL	NIL
	others (specify)	NIL	NIL
5	Others, Employers Contribution to Provident Fund	₹ 1,51,697/-	₹ 1,51,697/-
	<b>Total</b>	<b>₹ 37,56,652/-</b>	<b>₹ 37,56,652/-</b>

\*OVERALL CEILING LIMIT IS 5% P. A. OF NET PROFIT UNDER SECTION 198 OF COMPANIES ACT, 2013.



**B. Remuneration to other directors** (Amount in ₹)

Sr.No	Particulars of Remuneration	Name of the Director #			Total Amount
		1	2	3	
1	Independent Directors				
	(a) Fee for attending board committee meetings	85,000	1,10,000	NIL	1,95,000
	(b) Commission	NIL	NIL	NIL	NIL
	(c ) Others, please specify	NIL	NIL	NIL	NIL
	<b>Total (1)</b>	85,000	1,10,000/-	NIL	1,95,000
2	Other Non-Executive Directors				
	(a) Fee for attending board committee meetings	NIL	NIL	1,10,000	1,10,000
	(b) Commission	NIL	NIL	NIL	NIL
	(c ) Others, please specify	NIL	NIL	NIL	NIL
	<b>Total (2)</b>	NIL	NIL	1,10,000	1,10,000
	<b>Total = ( 1 + 2 )</b>	85,000	1,10,000	1,10,000	3,05,000

# 1. Pradeep Kumar Jain

2. J. L. Sharma

3. Veena Garg

**C. Remuneration to Key Managerial personnel other than MD/WTD/Manager**

(Amount in ₹)

Sr. No	Particulars of Remuneration	CEO	*Company Secretary	*CFO	Total Amount
1	Gross salary	NIL			
	(a) Salary as per provisions of section 17(1) of the Income Tax Act, 1961		30,000 p. m.	30,000 p. m..	60,000 p. m.
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		NIL	NIL	NIL
	(c ) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961		NIL	NIL	NIL
2	Stock option		NIL	NIL	NIL
3	Sweat Equity		NIL	NIL	NIL
4	Commission		NIL	NIL	NIL
	as % of profit		NIL	NIL	NIL
	others (specify)		NIL	NIL	NIL
5	Others, Employers Contribution to Provident Fund		2,160 p. m.	2,304 p. m.	4,464 p. m.
	<b>Total (C)</b>		32,160 p. m.	32,304 p. m.	64,464 p. m.

**\*NOTES: 1. Mr. Saurabh V. Karmase appointed as Company Secretary with effect from 28<sup>th</sup> January, 2016****2. Mr. Narendra M. Joshi appointed as Chief Financial Officer with effect from 10<sup>th</sup> March, 2016****VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment /Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made, if any (give details)
	A. COMPANY				
Penalty	NONE				
Punishment					
Compounding					
	B. DIRECTORS				
Penalty	NONE				
Punishment					
Compounding					
	C. OTHER OFFICERS IN DEFAULT				
Penalty	NONE				
Punishment					
Compounding					



## ANNUAL REPORT ON CSR INITIATIVES

(Particulars required as per Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time)

### 1. Brief outline of the Company's CSR Policy, including overview of the projects or programs proposed to be undertaken:-

The Company had proposed to undertake activities relating to rural development by way of constructing the ladies toilets from the point of view of creating "SWACHH BHARAT". The activities and funding are monitored internally by the Company.

### 2. The Composition of the CSR Committee.

Mr. Pradeep Kumar Jain

Mr. Omprakash Garg

Mr. Jandhyala L. Sarma

### 3. Average net profit of the Company for last three Financial Years.

(Average Net Profit calculated in accordance with the provisions of the Section 198 of the Companies Act, 2013)

The average net profit for the last three years is ₹ 430.30 lacs.

### 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above).

The Company is required to spend ₹ 8.61 lac towards CSR for the Financial Year 2015-16.

### 5. Details of CSR spent during the Financial Year.

a. Total amount to be spent for the financial year: ₹ 8.61 lacs.

b. Amount unspent, if any : ₹ 8.61 lacs

c. Manner in which the amount spent during the financial year detailed below:

In accordance with the Company's CSR policy and in compliance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, Cupid Limited have undertaken CSR project. During the year under review the CSR Committee identified a project for construction of Ladies Toilets at Wadjire Village, Taluka Sinnar, District Nashik for supporting the cause of Rural Development and to create "SWACHH BHARAT".

The above mentioned project is identified by the CSR committee during FY 2015-16 and purchase order for the same was executed at the end of FY 2015-16, the construction of which completed during FY 2016-17 and was opened for use to the ladies during the same period.

The details are as under:-

(₹ In Lacs)

Sr. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs #	Amount spent: Direct or through implementing agency
1.	Construction of Ladies Toilets	Rural Development	Wadjire Village, Taluka Sinnar, District Nashik – (Maharashtra)	8.73	-	-
	<b>TOTAL</b>			<b>8.73</b>	<b>-</b>	<b>-</b>

### 6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

# The Company has undertaken CSR activities for construction of toilets from the point of creating 'Swach Bharat' after due diligence. The work on said activities was commenced on later part of financial year however no funds were released for the said CSR activities during the year under review, amount spent on said CSR activities will be reflected in current financial year i. e. 2016-17.

### 7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014, we hereby confirm that the CSR Committee has implemented and monitored the CSR initiatives of Cupid in line with CSR Objectives and Policy of the Company.

S/d  
**Pradeep Kumar Jain**  
Chairman of CSR Committee

S/d  
**Omprakash Garg**  
Member of CSR Committee /  
Chairman Managing Director

S/d  
**Jandhyala L. Sarma**  
Member of CSR Committee





## ANNEXURE 4

**DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014**

Sr. No.	Requirements	Disclosure	
		Name of the Director	Ratio
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	Mr. Omprakash Garg	14.88 x
		1. The median remuneration of employees of the Company was Rs. 2.42 lac. 2. For this purpose, Sitting Fees paid to the Directors have not been considered as remuneration. 3. Figures have been rounded off wherever necessary.	
2	The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary in the financial year.	Mr. Omprakash Garg-MD	NA*
		Mr. Saurabh Karmase-CS	NA**
		Mr. Narendra Joshi-CFO	NA***
		* 2015-16 is the first financial year for which Mr. Omprakash Garg have drawn the remuneration. ** Mr. Saurabh Karmase was appointed as Company Secretary w.e.f. 28 <sup>th</sup> January, 2016. *** Mr. Narendra Joshi was appointed as CFO w.e.f. 10 <sup>th</sup> March, 2016.	
3	The percentage increase in the median remuneration of employees in the financial year:	During FY 2016, the percentage increase in the median remuneration of employees as compared to previous year was approximately 4.92%.	
4	The number of permanent employees on the rolls of company.	There were 87 employees as on March 31, 2016.	
5	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in remuneration is 18% for Employees other than Managerial Personnel.	
6	The key parameters for any variable component of remuneration availed by the directors.	Nil	
7	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, it is confirmed.	





## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMY OUTLOOK

Although the global financial crisis is behind us by many years, the world's economy is still gradually gaining momentum. From 2015 perspective, the growth continues to falter in advanced economies and, while there was considerable divergence of performance across emerging market and developing economies, their overall growth remains potential yet slow. According to the World Bank, the World economy is projected to expand at 2.4 percent in 2016, roughly at the same pace as the last year. India on the other side continues to remain a bright spot in the World. The economic growth is projected to remain strong, hovering around 7.5%. Private consumption will be boosted by expected large increases in public wages and declining inflation. It also continues to be the preferred choice for manufacturing of low cost quality products. The Country is inching up on competitive manufacturing and is forecast to become second only to China by 2018. With government taking multiple initiatives, India will soon be poised to counter China's manufacturing edge through the introduction of policy and labour reforms, investment incentives, and improvements to the country's transportation and power supply networks.

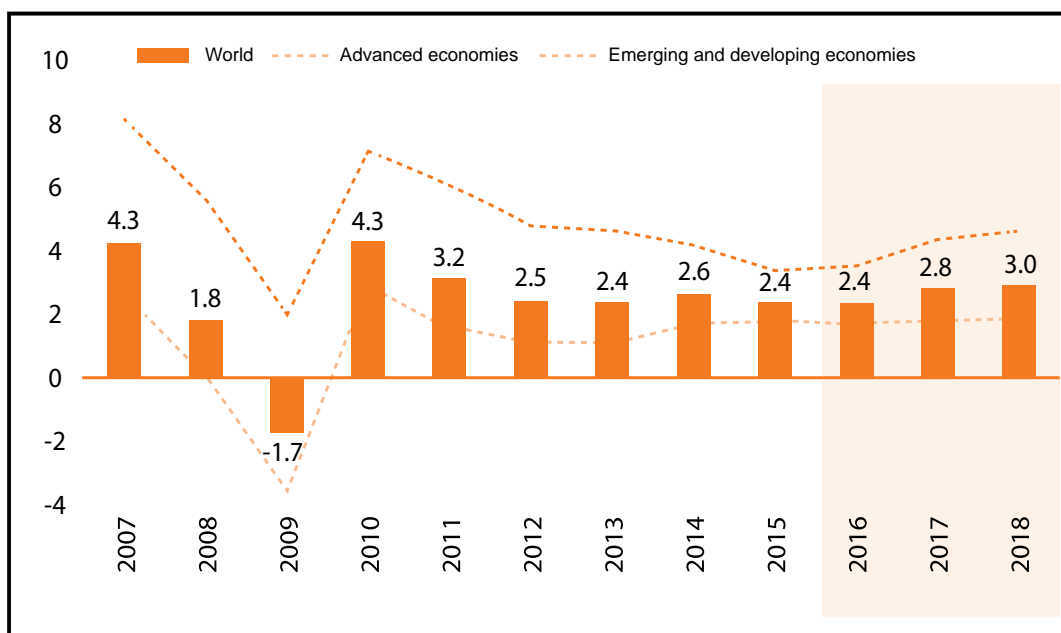


Figure 1 World Economy Outlook (Source: World Bank)

### INDUSTRY DEMAND SCENARIO

According to latest report by Global Market Insights, Inc., the global contraceptives Market size is poised to touch USD 33.6 billion in revenue by 2023. This growth will largely factor the increasing number of government initiatives in order to curb unwanted pregnancies as well as sexually transmitted infections(STIs). It is currently estimated at USD 19.8 billion and is projected to increase at 6.8% CAGR over the coming years. Growing need for population control and increasing incidence of STDs are two of the key drivers of this industry.

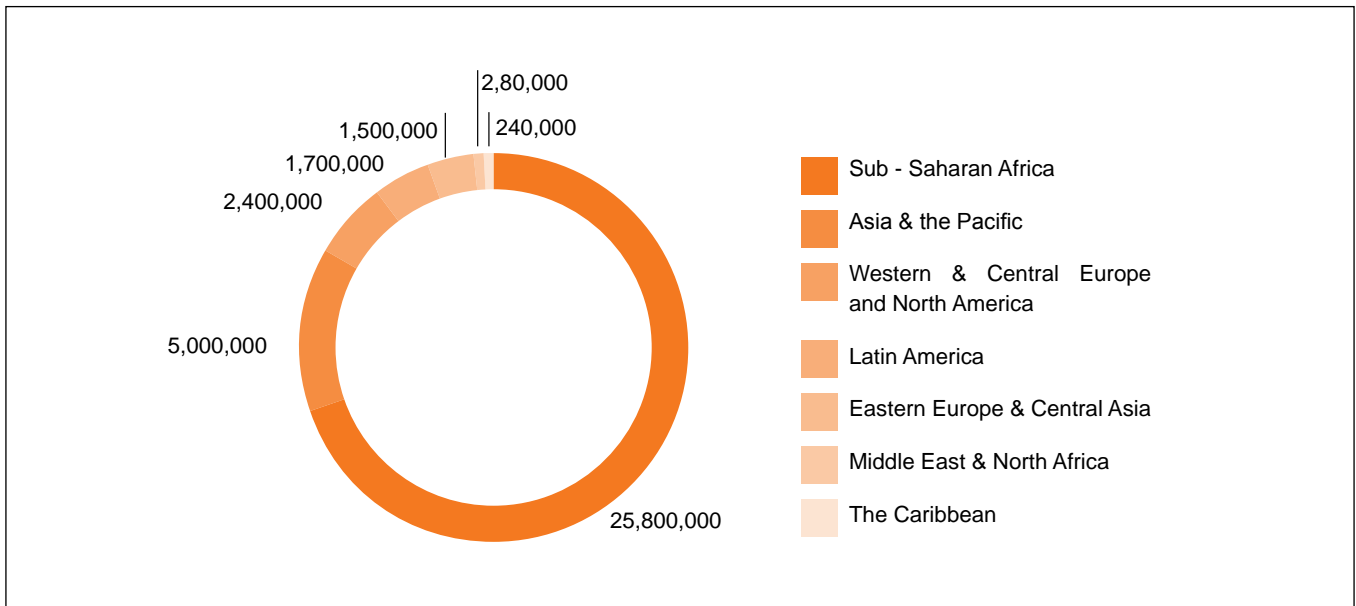
Condoms which is one of the important component of the industry, is a critical component in a comprehensive and sustainable approach to the prevention of HIV and other STIs and are effective for preventing unintended pregnancies. According to UNAIDS statistics 2015:

- Since 2000, 38.1 million people have become infected with HIV and 25.3 million people have died of AIDS-related illnesses.
- In 2014, an estimated 36.9 million people were living with HIV (including 2.6 million children) – a global HIV prevalence of 0.8%. The vast majority of this number live in low- and middle- income countries.
- In the same year, 1.2 million people died of AIDS-related illnesses.
- 25.8 million people living with HIV are in sub-Saharan Africa, accounting for 70.0% of the global total.
- Only 54% of all people living with HIV know that they have the virus.





### Number of People living with HIV Worldwide



**Figure 2 Number of People living with HIV** (Source: UNAIDS, 2015)

Distribution of condoms has also been shown to reduce rates of HIV and other STIs in sex workers and men who have sex with men. In India and Thailand increased condom distribution to sex workers and their clients in combination with other prevention interventions were associated with reductions of transmission of both HIV and other STIs. Zimbabwe and South Africa are two high-prevalence countries where increased condom use was found to contribute to reductions in spread of HIV.

#### The Demand for Condoms in Male and Female Category

Although the volumes of condoms used year on year is growing, there exists a gap between the potential use and current use of condoms. This underlines an important opportunity for increasing supply of condoms. It is estimated that the global market for male condoms would touch USD 9.3 billion by the year 2020 (Source: *Global Industry Analyst Inc.*). While the male condoms market would demonstrate a growth from annual 27 billion units to 42 billion units, the female condom market would also expand from the current annual 100 million units to about 340 million units by 2020. (Source: *Industry sources*).

#### Some key pointers for growth

- Increasing population in the developing Asia Pacific (APAC) industries including China as well as India is anticipated to enhance contraceptive drugs and devices demand in the coming years.
- North America, with the U.S. contraceptives market share dominating demand, grabbed more than 30.0% of global revenue in 2015, followed by Asia Pacific, Europe, Latin America (LATAM) and MEA (Middle East and Africa).
- Increasing child bearing population of women is expected to drive market growth throughout the forecast period.
- Implementation of a number of regulatory initiatives and campaigns such as free distributions of samples in LATAM has led to the development of the contraceptive market in this region.
- The increasing occurrence of HIV in Africa has led to programmes by UN (UNAIDS), public and private funding agencies and other NGOs across the globe to focus on providing better and reliable methods of contraception





## COMPANY REVIEW

As Cupid, we started its journey in 1993. Today, we represent India in the Global male and female condom market as one of the leading suppliers of quality male and female condoms. We have one of the largest manufacturing facilities and an in-house Research and Development Centre and we were the first company in India and the second one in the World to have been pre-qualified by WHO/UNFPA for worldwide public distribution of female condoms. With the introduction of female condoms, we aligned our capacities and thus our annual male condom capacity moved from 400 million pieces to 325 million pieces and upto 20 million pieces for female condoms. From a manufacturing capability viewpoint, we conform to global standards and best quality practices. As a testimony to our quality systems, we are WHO-GMP approved along with certifications from ISO standards such as 9001:2008, 13485:2003, 14001:2004, CE-0434, prequalification from UNFPA, SABS Mark, USFDA\_510k for male condoms amongst others. Today, we export to over 26 countries and derive around 77.0% of our revenues from our export business. We have long term supply contracts with our customers and with our continued focus on quality, execution and timely delivery, we hope to build upon our business on the burgeoning opportunities in the market.

During the fiscal year 2016, we registered a growth of 39.1% in the total revenues from INR 4,514.2 lacs in FY 15 to INR 6,280.5 lacs in FY16. The increase in sales was largely on account of sales in new territories as well as uptick in the revenue from our contract manufacturing business. The contract manufacturing sales contributed close to 20.0% in the overall revenues. Out of the total sales achieved, the male condoms contributed close to 51.0% while the remaining sales came from our female condoms category. At the EBITDA level, we registered a 99.3% growth to improve our EBITDA from INR 1,353.4 lac in FY 15 to INR 2,697.4 lac in FY16. This translates to an EBITDA Margin at 42.9% for FY16 as against 30.0% in FY15. The Net Profit stood at INR 1,593.3 Lacs for FY16 as compared to INR 770.8 Lac in the previous financial year, an increase of 106.7%. This is by far the best financial performance the company has shown in its history. The Board of Directors have also paid 30% dividend during the financial year.

During the year, we also signed a non-exclusive long term agreement with United Nations Population Fund (UNFPA) for supplying female condoms over the next 3 years. In addition, we also received order worth USD 16.3 million (INR ~10,322 lac equivalent) for female condoms from National department of Health (NDOH), South Africa (Through agents) during last financial year. The execution from this agreement is already underway and will complete through fiscal 2018-19. We also improved our capacity utilization from 52.0% in the FY15 to 64.0% in this fiscal. We have also successfully upgraded our testing and sealing facility as to improve productivity and quality.

## OUTLOOK

We would continue our focus on the opportunities that we see in the industry and our strategy towards future would largely bank upon the following key areas:

- i. Enter new geographies such as South America, Eastern Europe and CIS countries
- ii. Add new value added products to the basket and expand capacity and add different types of female condoms
- iii. Brand Promotion: To initiate Cupid brand promotion program to promote Cupid Male & Cupid Female condoms in India and abroad
- iv. Cupid would continue to spread the awareness and promotion of both Male & Female Condoms on the social media, like Facebook & twitter and also to expand the sale of its product online.

As we enter to the new fiscal, we are well poised to grow and find opportunities for us. We would continue to focus on women health and wellness areas and we believe that the market has enough opportunities for resourceful business players like Cupid for growth and expansion.





## CEO / CFO CERTIFICATION

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Cupid Limited ("the Company") to the best of our knowledge and belief certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief, we state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violation of the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
  - i. significant changes, if any, in internal control over financial reporting during the year;
  - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

### For Cupid Limited

**Omprakash Garg**

Chairman and Managing Director

Place: - Mumbai

Date: - 13<sup>th</sup> July, 2016

### For Cupid Limited

**Narendra M. Joshi**

Chief Financial Officer

## AUDITORS' CERTIFICATE

### On Compliance With The Conditions Of Corporate Governance Under Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015

To,

The Member of Cupid Limited,

We have examined the compliance of conditions of Corporate Governance by **CUPID LIMITED** ("The Company"), for the year ended **31<sup>st</sup> March, 2016**, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Bhatler & Company**  
Chartered Accountants

**Daulal H. Bhatler**

(Proprietor)

Membership No. : 16937

FRN: 131092 W

Place: Mumbai

Date: 13<sup>th</sup> July, 2016



## REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended on 31<sup>st</sup> March 2016: -

### COMPANYS' PHILOSOPHY: -

Corporate governance is creation and enhancing long-term sustainable value for the stakeholders through ethically driven business process. At Cupid it is imperative that our Company affairs are managed in a fair and transparent manner. We ensure that we evolve and follow the corporate governance guidelines and best practices. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as the governance of the Company.

Sound Corporate Governance is critical to enhance and retain trust of stakeholders. The Board of Directors of the Company fully supports Corporate Governance practices of the Company with appropriate checks and balances at right places and at right intervals.

### BOARD OF DIRECTORS: -

The name and categories of the directors on the Board, their attendance at Board Meetings and Annual General Meeting held during the financial year 2015 – 16 and the number of directorships and Committee Chairmanships / Memberships in public ltd companies held by them are given below. Other Directorships in other Companies do not include alternate directorships, directorships of private limited companies and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Stakeholders Relationship Committees: -

Name of Director	Category	Attendance at board Meeting in year 2015 – 2016		Attendance at Last AGM on 28 Sep 2015	Directorships in other Public Ltd Companies		Committees Position held in other Public Ltd Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Omprakash Garg	Chairman & Managing Director	6	6	PRESENT	NIL	NIL	NIL	NIL
Pradeep Kumar Jain	Independent Director & Non-Executive	6	5	PRESENT	NIL	NIL	NIL	NIL
Jandhyala I. Sarma	Independent Director & Non-Executive	6	6	PRESENT	NIL	NIL	NIL	NIL
Veena Garg	Woman Director & Non-Executive	6	6	PRESENT	NIL	NIL	NIL	NIL

### BOARD MEETING AND PROCEDURES:

The Board meets at regular intervals to discuss and decide on business strategies / policies and review the financial performance of the Company. The Board meetings are pre-scheduled and a tentative annual schedule of the Board meetings is circulated to the directors well in advance to facilitate the Directors to plan their schedules. In case of business exigencies the Board's approval is taken through Circular Resolutions. The Circular Resolutions are noted at the subsequent Board meeting.

During the financial year 2015-16, the Board met 6 times. The meetings were held on 18<sup>th</sup> May 2015; 23<sup>rd</sup> July 2015; 12<sup>th</sup> August 2015; 31<sup>st</sup> October 2015; 28<sup>th</sup> January 2016; and 10<sup>th</sup> March 2016. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has a mandatory requirement for all Directors to inform the Company about the Committees / Board member position they occupies in other Companies and notifies the change, if any.

### Disclosure of Relationships between Directors Inter-se:

Mrs. Veena Garg, Wife of Mr. Omprakash Garg, Chairman and Managing Director of the company is acting as a non-executive woman director of the company with effect from 28<sup>th</sup> October, 2014.

### Number of Shares and Convertible Instrument held by Non-Executive Directors:

Mrs. Veena Garg, non-executive woman director of the company held 7, 77,500 equity shares of the company.



### **Familiarisation Programmes Imparted to Independent Directors:**

The details of Familiarisation Programme imparted to Independent Directors is available on the following web link:- [http://www.cupidltd.in/wp-content/uploads/2015/06/07\\_002\\_FAMILIARIZATION-PROGRAM.pdf](http://www.cupidltd.in/wp-content/uploads/2015/06/07_002_FAMILIARIZATION-PROGRAM.pdf)

### **BRIEF PROFILE OF DIRECTORS SEEKING REAPPOINTMENT AND APPOINTMENT: -**

#### **1. Brief Profile of Shri. Omprakash Garg,**

Shri Omprakash Garg is aged 72 years is promoter of the Company is associated with the Company since inception of the Company. He has wide experience in the field of Metal business and healthcare products.

Brief details of Shri. Omprakash Garg are as below:-

Age: 72 years

Qualifications: M. SC.

Experience: 46 years in Metal business and healthcare products.

Date of first appointment on Board: 16<sup>th</sup> Aug 1994

Shareholding in the Company: 45,84,800 equity shares

Relationship with other Directors: Husband of Mrs. Veena Garg.

Other Directorships: NIL

Other Memberships of Committees of Other Boards: NIL

Other Chairmanships of Other Boards: NIL

No of Board meetings attended during the year: 6 Board Meetings

Last Drawn remuneration from Company: ₹ 37,56,652/-

#### **2. Brief Profile Of Mrs. Veena Garg,**

Mrs. Veena Garg aged of 64 years, is wife of Shri. Omprakash Garg and closely associated with the business of Shri. Omprakash Garg. She supports him in decision making and add support and confidence in the business doing to Shri. Omprakash Garg.

Brief details of Mrs. Veena Garg are as below:-

Age: 64 years

Qualifications: B.A.

Experience: 21 years' experience in management and administration.

Date of first appointment on Board: 28<sup>th</sup> October 2014.

Shareholding in the Company: 7,77,500 equity shares of Company.

Relationship with other Directors: Wife of Shri Omprakash Garg, Managing Director

Other Directorships: NIL

Other Memberships of Committees of Other Boards: NIL

Other Chairmanships of Other Boards: NIL

No of Board meetings attended during the year: 6 board meetings

Last Drawn remuneration from Company: NIL

### **INDEPENDENT DIRECTORS:**

The Independent Directors fulfill the conditions of Independence specified in section 149(6) of the Companies Act, 2013 and Rules made thereunder and meet with requirement of Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A formal letter of appointment to independent Directors as provided in Companies Act, 2013 has been issued and disclosed on the website of the Company.





## Meetings of Independent Directors:

Meeting of only Independent Directors of the Company held at least once in a year to deal with matter listed out in Schedule IV and Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which inter-alia includes, review the performance of the non – independent directors, chairman and the Board as a whole and assess quality and quantity of flow of information to perform the duties by the Board of Directors was held on 14<sup>th</sup> March, 2016.

## Governance Codes : -

### Code of Conduct & Ethics

The Company has adopted Code of Conduct & Ethics (“the Code”) which is applicable to the Board of directors and Senior Management Team (one level below the Board) of the Company. The Board of Directors and the members of Senior Management Team are required to affirm annual Compliance of this Code. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code of Conduct is available on the website of the Company viz. [http://www.cupidltd.in/wp-content/uploads/2015/06/01\\_001\\_CG\\_Code\\_of\\_Conduct.pdf](http://www.cupidltd.in/wp-content/uploads/2015/06/01_001_CG_Code_of_Conduct.pdf)

### Conflict of Interest

Each Director informs the Company on an annual basis about the board and the Committee positions they occupies in the other companies including Chairmanships and notifies changes during the year. Members of the Board while discharging their duties, avoid conflict of Interest in the decision making process. The members of the Board restrict themselves from any discussions and voting in transactions that they have concern or interest.

During the year under review, there were no transactions of any material, financial and commercial transactions, which had personal interest of the management that had a potential conflict with the interest of the Company at large.

### Insider Trading Code

The Company has adopted a Code of Conduct for Prevention of Insider Trading (“The Code”) in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The Code is applicable to Promoters and Promoters’ Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information in relation to the Company. Shri. Saurabh V. Karmase is the Compliance officer for monitoring adherence to the said Regulations.

## AUDIT COMMITTEE:

Composition of the Audit Committee is as follows:-

- Mr. Pradeep Kumar Jain - Chairman
- Mr. Jandhyala L. Sarma - Member
- Mr. Omprakash Garg - Member

The Audit Committee met 6 times during the financial year 2015 – 16. The Company is in full compliance with the provisions of the regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on gaps between any two Audit Committee meetings. The Committee met on 18<sup>th</sup> May 2015; 23<sup>rd</sup> July 2015; 12<sup>th</sup> August 2015; 31<sup>st</sup> October 2015; 28<sup>th</sup> January 2016 and 10<sup>th</sup> March 2016. The necessary quorum was present for all meetings.

The Attendance of the Audit Committee Members as per below: -

Name of Committee Member	No of Meeting for year 2015 – 2016	
	Held	Attended
Mr. Pradeep Jain	6	5
Mr. Jandhyala L. Sarma	6	6
Mr. Omprakash Garg	6	6

Mr. Pradeep Jain Chairman of the Audit Committee was present at the 22<sup>nd</sup> Annual General Meeting of the Company held on 28<sup>th</sup> September, 2015 to answer the shareholders queries.



The Committee is empowered to deal with all such matters as required by Section 177(4) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In addition to other business, reviews the quarterly (unaudited) financial results, annual financial statements, cost audit reports, before submitting to the Board of Directors, review internal control systems, related party transactions, and appointment and matter related to appointment of auditors and to examine disclosure aspect of significant transactions of the Company.

#### **Terms of Reference - :**

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal controls systems, discussion on quarterly, and annual financial results, interaction with Statutory and Internal Auditors, one-on-one meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory and Cost Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, review of Business Risk Management Plan, review of Forex policy, Management Discussions & Analysis, review of Internal Audit Reports, significant related party transactions. The Board has framed the Audit Committee for the purpose of effective compliance of provisions of Section 177 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

#### **Functions of Audit Committee - :**

The Audit Committee, while reviewing the Annual Financial Statements also review the applicability of various Accounting Standards (AS) referred to in Section 133 of the Companies Act, 2013. Compliance of the Accounting Standards as applicable to the Company has been ensured in the preparation of the Financial Statements for the year ended 31<sup>st</sup> March, 2016.

The Audit Committee bridges the gap between the Internal Auditors and the Statutory Auditors. The Statutory Auditors are responsible for performing Independent audit of the Company's financial statements in accordance with the generally accepted auditing practices and issuing reports based on such audits, while the Internal Auditors are responsible for the internal risk controls.

The Audit Committee also oversees and reviews the functioning of a vigil mechanism (implemented in the Company as Whistle Blower Policy) and reviews the finding of investigation into cases of material nature and the actions taken in respect thereof.

Besides the above, Chairman and Directors, Business heads of the Company, the representatives of the Statutory Auditors and the Internal Auditors are permanent invitees to Audit Committee meetings. The presentation and reports of the Cost Auditors are review in the meetings of Audit Committee and steps for improvements are taken up by the Audit Committee.

The Company follows best practice in financial reporting. The Company has been reporting on quarterly basis the Un-audited financial result as required by the regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company's quarterly un-audited financial results are made available on the **website [www.cupidldt.in](http://www.cupidldt.in)** and are also sent to the BSE Limited (stock exchanges) where the Company's equity shares are listed.

#### **Internal Controls and Governance Processes - :**

The Company has appointed a firm of Chartered Accountant as Internal Auditors to review and report on internal controls system. The report of the Internal Auditors is reviewed by the Audit Committee. The Audit Committee formulates a detailed plan to the Internal Auditors for the year and the same is reviewed at the Audit Committee meetings. The Internal Auditors submit their recommendations to the Audit Committee and provides a road map for future actions.

#### **NOMINATION AND REMUNERATION COMMITTEE**

Nomination and Remuneration Committee has been reconstituted on 28th January, 2016. On reconstitution on 28th January, 2016 the following are members: -

- Mr. Pradeep Jain - Chairman
- Mr. Jandhyala L. Sarma - Member
- Mrs. Veena Garg - Member





The Committee met on 28th January, 2016 and 10th March, 2016 and the necessary quorum was present for both the meetings. The attendance of the Nomination and Remuneration Committee Members as per below:-

Name of Committee Member	No of Meeting for year 2015 – 2016	
	Held	Attended
Mr. Pradeep Jain	2	1
Mr. Jandhyala L. Sarma	2	2
Mrs. Veena Garg	2	2

The Company paid ₹ 37, 56,652/- remuneration to Mr. Omprakash Garg, Chairman & Managing Director of the Company for the year 2015 - 2016. Nominal sitting fees are paid to the other Directors of the Company. Further, Company reimburses out of pocket expenses incurred by all Directors of the Company as per approvals and under review by Nomination and Remuneration committee members.

Further, during the financial year 2015-2016, Nomination and Remuneration Committee had identified and recommended to the board the appointment of Mr. Saurabh V. Karmase as Company Secretary and Compliance Officer of the company with effect from 28th January, 2016 and Mr. Narendra M. Joshi as Chief Financial Officer of the company with effect from 10th March, 2016.

## PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 and regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of the Independent Directors is carried out by other non-independent directors on the basis of their contribution towards important aspects of the company and active participation on the board. The Directors express their satisfaction with the evaluation process.

Further, the company have constituted Performance Evaluation Policy to evaluate the performance of Independent Directors and the said policy is available on the website of the company at [www.cupidltd.in](http://www.cupidltd.in)

## REMUNERATION OF DIRECTORS:

### Pecuniary Relationship or Transactions with the Non-Executive Directors:

There was no any pecuniary relationship or transaction took place between the company and its non-executive directors.

### Criteria of making payments to non-executive directors:

Company is paying the sitting fees to all the non-executive directors as decided by the board for attending the board meetings and various committee meetings. Further, Company reimburses out of pocket expenses incurred by all the non-executive directors of the Company in connection with various affairs of the company.

## STAKEHOLDER RELATIONSHIP COMMITTEE:

The composition of Stakeholder Relationship Committee is as follows:

Mr. Pradeep Kumar Jain	- Chairman
Mrs. Veena Garg	- Member
Mr. Omprakash Garg	- Member

The Stakeholder Relationship Committee met 6 times during the financial year 2015 -16. The Committee met on 18<sup>th</sup> May 2015; 23<sup>rd</sup> July 2015; 12<sup>th</sup> August 2015; 31<sup>st</sup> October 2015; 28<sup>th</sup> January 2016 and 10<sup>th</sup> March 2016. The necessary quorum was present for all meetings.

Mr. Saurabh V. Karmase is the Company Secretary and Compliance Officer of the company with effect from 28<sup>th</sup> January, 2016.

The Attendance of the Stakeholder Relationship Committee Members as per below: -

Name of Committee Member	No of Meeting for year 2015 – 2016	
	Held	Attended
Mr. Pradeep Jain	6	5
Mrs. Veena Garg	6	6
Mr. Omprakash Garg	6	6





The total numbers of Members' complaints received and replied to the Members' for year ended 31st March 2016 are as per details given below : -

Sr.No	Category	Received	Replied	Pending
1.	Non Receipt Of Annual Report	6	6	-
2.	Non Receipt Of Dividend Warrant	7	7	-
3.	Non-Receipt Of Demat Credit	1	1	-
4.	General Queries (Others)	20	20	-
	<b>Grand Total</b>	<b>34</b>	<b>34</b>	<b>-</b>

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Company has constituted a Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Companies Act, 2013. The CSR committee was constituted by the Board of Directors of the Company at its meeting held on 18th May, 2015.

The composition of CSR Committee is as follows:-

Mr. Pradeep Kumar Jain - Chairman

Mr. Omprakash Garg - Member

Mr. Jandhyala L. Sarma - Member

The Committee met on 10th March, 2016 and the necessary quorum was present for both the meetings.

The attendance of the Corporate Social Responsibility Committee Members as per below:-

Name of Committee Member	No of Meeting for year 2015 – 2016	
	Held	Attended
Mr. Pradeep Jain	1	NIL
Mr. Omprakash Garg	1	1
Mr. Jandhyala L. Sarma	1	1

The Corporate Social Responsibility Policy is available on the website of the company [www.cupidltd.in](http://www.cupidltd.in).

Company has earned a profit of Rs. 7.70 crore in the financial year 2014-15 and is covered under section 135 of the Companies Act, 2013 for making contribution towards activities which falls under the purview of Corporate Social Responsibility.

In accordance with the Company's CSR policy and in compliance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, Cupid Limited have undertaken CSR project. During the year under review the CSR Committee identified a project for construction of Ladies Toilets at Wadjire Village, Taluka Sinnar, District Nashik for supporting the cause of Rural Development and to create "SWACHH BHARAT".

The above mentioned project is identified by the CSR committee during FY 2015-16 and purchase order for the same was executed at the end of FY 2015-16, the construction of which completed during FY 2016-17 and was opened for use to the ladies during the same period.

The Company has undertaken CSR activities for construction of toilets from the point of creating 'Swach Bharat' after due diligence. The work on said activities was commenced on later part of financial year however no funds were released for the said CSR activities during the year under review, amount spent on said CSR activities will be reflected in current financial year i. e. 2016-17.

#### GENERAL BODY MEETINGS:

Information of the last three Annual General Meetings held: -

Date of AGM	Time of AGM	Location
Monday, 30 <sup>th</sup> September, 2013	10.00 A. M.	A – 68, M. I. D. C. (Malegaon), Sinnar, Nasik – 422113.
Saturday, 27 <sup>th</sup> September, 2014	10.00 A. M.	A – 68, M. I. D. C. (Malegaon), Sinnar, Nasik – 422113.
Monday, 28 <sup>th</sup> September, 2015	10.00 A. M.	A – 68, M. I. D. C. (Malegaon), Sinnar, Nasik – 422113.





## MEANS OF COMMUNICATION:

The quarterly financial results of the Company for each quarter is place before the Board of Directors within stipulated time. On approval quarterly financial result are published in at least one of the English daily newspaper and similarly in vernacular Marathi daily newspaper publishing from Nashik edition and the said results are also published on the website of the company [www.cupidltd.in](http://www.cupidltd.in).

## DIVIDEND

The details of dividend declared during the financial years 2014-15 and 2015-16 by the company are as follows:-

Sr. No.	Year of Declaration of Dividend	Date of Declaration of Dividend	Amount declared per share
1.	Interim - 2014-15	17 <sup>th</sup> January, 2015	₹ 1/-
2.	Final - 2014-15	28 <sup>th</sup> September, 2015	₹ 0.50/-
3.	Interim - 2015-16	31 <sup>st</sup> October, 2015	₹ 1/-
4.	Interim - 2015-16	10 <sup>th</sup> March, 2016	₹ 2/-

## UNCLAIMED DIVIDEND

The unclaimed dividend for a period of seven years is compulsorily deposited in Investor Education and Protection Fund (IEPF) Account in accordance with Section 205C of the Companies Act, 1956 administered by the Central Government which cannot be claimed by the Shareholders/Investors.

Details of Unclaimed Dividend and due dates for transfer are as follows as on March 31, 2016:

Sr. No.	Year of Declaration of Dividend	Date of Declaration of Dividend	Unclaimed Amount #	Due Date For Transfer to IEPF Account
1.	Interim - 2014-15	17 <sup>th</sup> January, 2015	₹ 5,44,255/-	22 <sup>nd</sup> February, 2022
2.	Final - 2014-15	28 <sup>th</sup> September, 2015	₹ 2,70,192/-	03 <sup>rd</sup> November, 2022
3.	Interim - 2015-16	31 <sup>st</sup> October, 2015	₹ 5,23,910/-	06 <sup>th</sup> December, 2022
4.	Interim - 2015-16	10 <sup>th</sup> March, 2016	₹ 7,33,700/-	15 <sup>th</sup> April, 2023

# Excludes amount of Demand Draft issued by bank and paid from Dividend Bank Account

## GENERAL SHAREHOLDER INFORMATION:

### 1. Annual General Meeting to be held

**Date** 17<sup>th</sup> September, 2016

**Time** 12.00 noon

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



**2. Financial Calendar for the financial year 2016 – 2017 (tentative)**

Financial reporting for the quarter ending June 2016	Within 45 days from Close of quarter
Financial reporting for the quarter ending September 2016	Within 45 days from Close of quarter
Financial reporting for the quarter ending December 2016	Within 45 days from Close of quarter
Financial reporting for the quarter ending March 2017	Within 60 days from Close of quarter

**3. Date of Book Closure**10<sup>th</sup> September, 2016 to 17<sup>th</sup> September, 2016**4. Dividend Payment Date**

Not Applicable

**5. Listing on Stock Exchanges**

BSE Limited, P. J. Towers, Dalal Street, Mumbai – 400001.

**6. Stock Code of BSE Limited**

530843

**7. Registered & Corporate Office and Correspondence Address**

A - 68, M. I. D. C. (Malegaon), Sinnar,  
Nasik, Maharashtra- 422113.  
Tel : + 91- 2551 – 230280 / 230178  
Email : cs@cupidlimited.com  
Website : **www.cupidltd.in**

**8. Registrar and Share Transfer Agent**

M/s Bigshare Services Pvt. Ltd  
E-2/3, Ansa Industrial Estate, Sakivihar  
Road, Saki Naka, Andheri(E),  
Mumbai – 400 072.

**9. International Securities Identification Numbers (ISIN)**

INE509F01011

**10. Share Transfer System of the Company: -**

The Board of Directors had delegated the power of share transfer to Mr. Omprakash Garg Chairman & Managing Director of the Company. However the Committee periodically reviews the share transferred.

**11. Dematerialization of shares and liquidity**

The Company's shares are compulsorily traded in the dematerialised / electronic form and are available for the regular trading on the BSE Limited.

**12. Outstanding GDRs / ADRs / Warrants or any convertible instruments :-**

The Company has not issued any GDR / ADR / Warrants or any convertible instruments during the year.

**13. Listing Fees: -** The Company has paid the annual listing fees for the year 2016 – 2017 to BSE Limited (BSE).**14. Shares held in Physical / Electronic form as on 31<sup>st</sup> March, 2016**

PARTICULARS	NO OF HOLDERS	NO OF SHARES	% OF SHARES
Shares in Electronic form	6,437	10583885	95.22
Shares in Physical form	286	531115	04.78
<b>TOTAL</b>	<b>6,723</b>	<b>11115000</b>	<b>100.00</b>

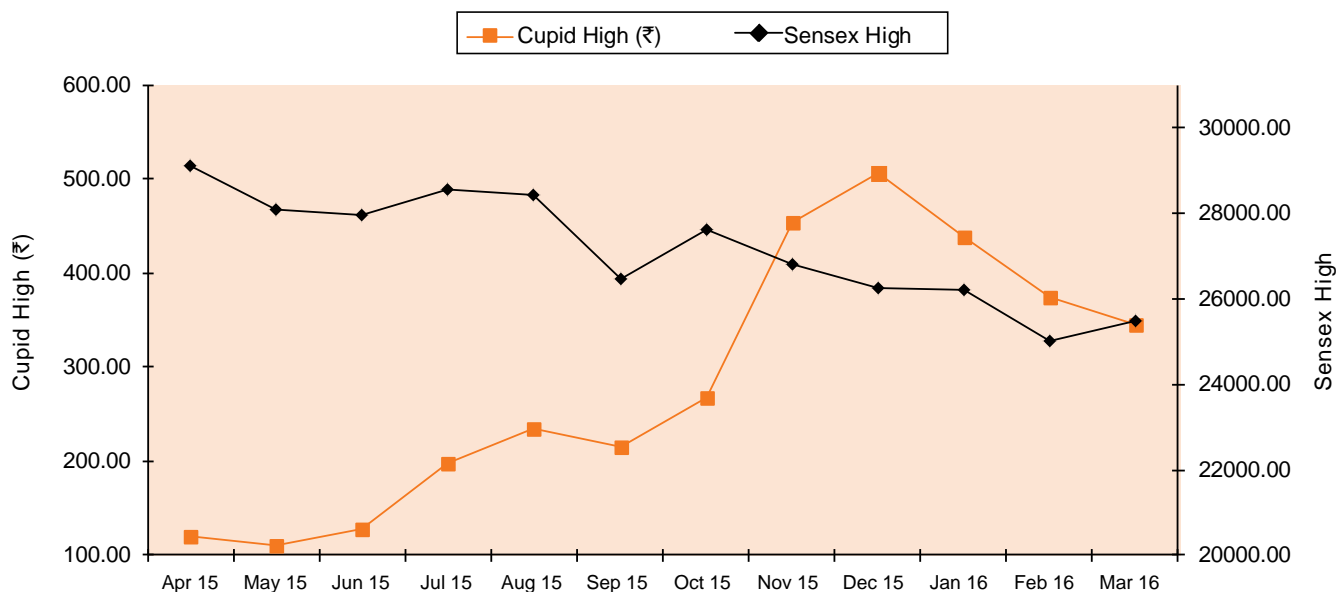




## 15. Market Data on the portal of BSE Limited (BSE)

MONTH	CUPID LIMITED				BSE SENSEX	
	HIGH (₹)	LOW (₹)	WT. AVG. PRICE (₹)	VOLUME	HIGH	LOW
Apr – 2015	119.95	84.05	103.36	10,37,932	29094.61	26897.54
May – 2015	110.75	83.50	95.24	7,93,699	28071.16	26423.99
Jun – 2015	127.90	67.05	99.44	19,59,078	27968.75	26307.07
Jul – 2015	197.50	105.70	149.26	25,09,476	28578.33	27416.39
Aug – 2015	234.90	160.60	205.97	13,32,058	28417.59	25298.42
Sep – 2015	216.10	183.90	199.64	4,59,781	26471.82	24833.54
Oct – 2015	268.00	191.10	239.93	8,95,507	27618.14	26168.71
Nov – 2015	453.40	251.00	347.83	21,52,466	26824.30	25451.42
Dec – 2015	507.00	383.10	457.77	18,56,224	26256.42	24867.73
Jan – 2016	438.40	299.10	368.54	7,84,312	26197.27	23839.76
Feb – 2016	373.80	228.50	280.36	8,28,780	25002.32	22494.61
Mar – 2016	345.90	256.00	309.46	5,71,348	25479.62	23133.18

## STOCK PERFORMANCE OF CUPID LIMITED v/s SENSEX



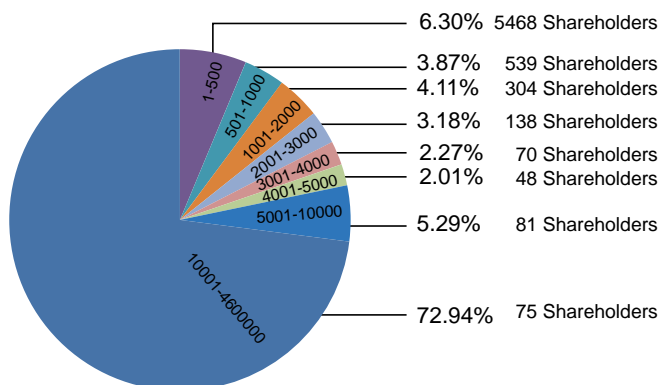
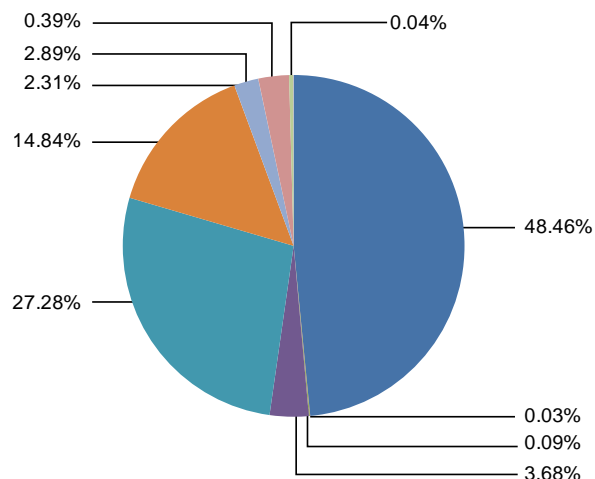


**16. Distribution of shareholding as on 31<sup>st</sup> March, 2016**

NO. OF EQUITY SHARES HELD	NO. OF HOLDERS	% OF HOLDERS	NO. OF SHARES	% OF SHARES
Upto 1-500	5,468	81.3327	700327	6.3007
501-1000	539	8.0173	430594	3.8740
1001-2000	304	4.5218	456852	4.1102
2001-3000	138	2.0527	353822	3.1833
3001-4000	70	1.0412	252946	2.2757
4001-5000	48	0.7140	223517	2.0109
5001-10000	81	1.2048	588944	5.2986
10001 and above	75	1.1156	8107998	72.9465
<b>TOTAL</b>	<b>6,723</b>	<b>100.0000</b>	<b>11115000</b>	<b>100.0000</b>

**17. Categories of Shareholders as on 31<sup>st</sup> March, 2016**

CATEGORY	NO. OF HOLDERS	NO. OF SHARES	% OF SHARES
A. Promoters Shareholding			
a. Individuals	4	5386800	48.46
B. Public Shareholding			
1. Institutions			
a. Mutual Funds	2	3500	0.03
b. Foreign Institutional Investor	1	10000	0.09
2. Non-institutions			
a. Bodies Corporate	132	409070	3.68
b. Individuals Shareholders			
I. Individual Shareholders holding nominal share capital up to Rs. 2 lac	6,352	3031992	27.28
II. Individual Shareholders holding nominal share capital in excess of Rs. 2 lac	27	1649072	14.84
c. Foreign National	176	256444	2.31
d. Overseas Corporate Bodies	4	320800	2.89
e. Clearing Members	24	43322	0.39
f. Trusts	1	4000	0.04
<b>TOTAL</b>	<b>6,723</b>	<b>11115000</b>	<b>100.00</b>

**Distribution of Total Shareholding & No. of Shareholders****% of Shares for above Category of Shareholders**



## OTHER DISCLOSURES:

### 1. RELATED PARTY TRANSACTIONS:

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. None of the transactions with any of the related parties were in conflict with the interest of the Company.

The policy on dealing with related party transaction is available on the web link [http://www.cupidltd.in/wp-content/uploads/2015/06/05\\_001\\_CG\\_Related\\_Party.pdf](http://www.cupidltd.in/wp-content/uploads/2015/06/05_001_CG_Related_Party.pdf)

### 2. ANY NON-COMPLIANCE, PENALTIES OR STRICTURES IMPOSED:

The Company has complied with all the requirement of BSE Limited (Stock Exchange), Securities and Exchange Board of India (SEBI) and other statutory authorities on matter relating to capital markets. Consequently, during the last three years no penalties or strictures imposed on the Company by these authorities.

### 3. WHISTLE BLOWER AND VIGIL MECHANISM:

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. It ensures that strict confidentiality is maintained whilst dealing with concerns and also no discrimination will be meted out to any person for a genuinely raised concern. Any suspected or confirmed incident of fraud / misconduct can be reported thereof.

The said whistleblower has been hosted on the website at : -

[http://www.cupidltd.in/wp-content/uploads/2015/06/05\\_002\\_CG\\_Whistlerblower.pdf](http://www.cupidltd.in/wp-content/uploads/2015/06/05_002_CG_Whistlerblower.pdf)

### 4. RISK MANAGEMENT COMMITTEE :

As per Regulation 21(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 formation of Risk Management Committee is applicable to TOP 100 Listed Companies. Hence, the Risk Management Committee which was formed earlier is dissolved with effect from 28<sup>th</sup> January, 2016.

Further, the company have formulated the Risk Management Policy for assessment and managing of various risks and the said policy is available on the website of the company [www.cupidltd.in](http://www.cupidltd.in)

### 5. POLICY ON ORDERLY SUCCESSION FOR APPOINTMENTS TO THE BOARD AND SENIOR MANAGEMENT

The company have formulated the policy on Orderly Succession for Appointments to the Board and Senior Management to ensure the orderly identification and selection of new Directors or Senior Management and the said policy is available on the website of the company [www.cupidltd.in](http://www.cupidltd.in)

### 6. POLICY ON PRESERVATION OF DOCUMENTS

The company have formulated the policy on Preservation of Documents to provide the comprehensive framework for preservation of documents for a specified period of time and the said policy is available on the website of the company [www.cupidltd.in](http://www.cupidltd.in)

### 7. MATERIALITY POLICY

The company have formulated the Materiality Policy for determination of materiality of events or information To serve as a guiding charter to the management to ensure that timely and adequate disclosure of events or information are made to the investor community by the Company under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the said policy is available on the website of the company [www.cupidltd.in](http://www.cupidltd.in)





## 8. COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS:

The company have complied with all the provisions of regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time.

## 9. NON – MANDATORY REQUIREMENTS: -

### a. The Board: -

Since the Company has an Executive Chairman, the requirement regarding Non-Executive Chairman is not applicable to the Company.

### b. Shareholders' Rights : -

As the quarterly and half yearly financial performance are published in the newspapers and are also posted on the Company's website, the same are not being sent to the each household of shareholders.

### c. Modified opinion(s) in audit report :-

The Company confirms that its financial statements are with unmodified audit opinion.

### d. Separate posts of Chairman and Chief Executive Officer :-

The Company has appointed Mr. Omprakash Garg as Chairman and Managing Director of the Company.

### e. Reporting of Internal Auditors : -

The Internal Auditors reports directly to the Audit Committee.





## INDEPENDENT AUDITOR'S REPORT

To the Members of

**CUPID LIMITED**

### Report on the Financial Statements

We have audited the accompanying financial statements of **CUPID LIMITED ( " the Company " )** which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the (Standalone) Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its Profit/Loss and its Cash Flow for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that : -
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.





- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “ **Annexure B** ”.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us : -
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements, refer note no. 24 (2) of “ Other Notes to the Balance sheet ” to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For and on behalf of  
Bhatter & Company**  
Chartered Accountants  
FRN: 131092W

Place: Mumbai  
Date: 11<sup>th</sup> May, 2016

**Daulal H. Bhatter**  
Proprietor  
Membership number: 16937





## “ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT

**Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended 31st March, 2016 : -**

1. In respect of Fixed Assets : -
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b. The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - c. The title deeds of immovable properties are held in the name of the company.
2. In respect of Inventory
  - a. The management has conducted the physical verification of inventory at reasonable intervals.
  - b. The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
7. Information and explanation given to us in respect of statutory dues : -
  - a. According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March, 2016 for a period of more than six months from the date on when they become payable.
  - b. According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.





11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For and on behalf of Bhatler & Company**

Chartered Accountants

FRN: 131092W

**Daulal H. Bhatler**

Proprietor

Membership number: 16937

Place: Mumbai

Date: 11<sup>th</sup> May, 2016







## **“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016 we have audited the internal financial controls over financial reporting of CUPIDLimited (“the Company”) which is a Company incorporated in India, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that : -

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.





### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For and on behalf of Bhatler & Company**

Chartered Accountants

FRN: 131092W

Place: Mumbai

Date: 11<sup>th</sup> May, 2016

**Daulal H. Bhatler**

Proprietor

Membership number: 16937



**BALANCE SHEET AS AT 31ST MARCH, 2016**

Particulars	Note No.	As at 31st March 2016	As at 31st March 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	1	111,150,000	111,150,000
(b) Reserves and surplus	2	250,148,469	130,832,690
		<b>361,298,469</b>	<b>241,982,690</b>
<b>(2) Non-current liabilities</b>			
(a) Deferred tax liabilities (Net)	3	19,538,319	21,510,653
		<b>19,538,319</b>	<b>21,510,653</b>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	4		
(i) Secured		8,826,803	21,867,889
(b) Trade payables	5	15,254,366	18,659,181
(c) Other current liabilities	6	3,204,497	3,930,815
(d) Short-term provisions	7	97,679,752	40,930,190
		<b>124,965,418</b>	<b>85,388,075</b>
<b>TOTAL</b>		<b>505,802,206</b>	<b>348,881,418</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets	8		
(i) Tangible assets		155,262,752	156,105,457
(ii) Intangible assets		251,249	18,964
		<b>155,514,001</b>	<b>156,124,421</b>
(b) Non-current investments	9	600,000	600,000
(c) Other non-current assets	10	2,345,302	3,810,502
		<b>158,459,303</b>	<b>160,534,923</b>
<b>(2) Current Assets</b>			
(a) Inventories	11	34,207,652	34,685,177
(b) Trade receivables	12	132,738,508	81,754,718
(c) Cash and cash equivalents	13	91,913,312	31,981,785
(d) Short-term loans and advances	14	70,461,099	30,018,735
(e) Other Current assets	15	18,022,332	9,906,080
		<b>347,342,903</b>	<b>188,346,495</b>
<b>TOTAL</b>		<b>505,802,206</b>	<b>348,881,418</b>
<b>SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS, AS UNDER</b>			
SIGNIFICANT ACCOUNTING POLICIES			
NOTES TO THE BALANCE SHEET	01 to 15		
OTHER NOTES	24		

In terms of our report of even date

**For Bhatte & Company**

Chartered Accountants

Firm Registration No. 131092W

**For and on behalf of the Board of Directors of Cupid Limited****Omprakash Garg**Chairman & Managing Director  
(DIN No.: 00140756)**Pradeep Kumar Jain**Independent Director  
(DIN No.: 01852819)**DAULAL H. BHATTER**

Proprietor

Membership No. 16937

**Narendra M. Joshi**

Chief Financial Officer

**Saurabh V. Karmase**

Company Secretary

Place: Mumbai

Date: 11th May, 2016

Place: Mumbai

Date: 11th May, 2016



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

Particulars	Note No.	Year ended 31st March 2016	Year ended 31st March 2015
I. Revenue from operations	16	611,456,169	444,405,128
II. Other income	17	16,591,625	7,013,529
<b>III. TOTAL REVENUE (I + II)</b>		<b>628,047,794</b>	<b>451,418,657</b>
IV. Expenses:			
Cost of materials consumed	18	220,356,639	184,866,478
Changes in inventories of finished goods, work-in-progress	19	(186,052)	8,971,173
Employee benefits expenses	20	39,185,691	31,569,892
Other Expenses	21	98,947,709	90,672,753
Depreciation and amortization expenses	8	19,299,756	18,321,133
Finance costs	22	2,146,962	2,604,670
Loss of Sale of Investments		-	48,000
<b>TOTAL EXPENSES</b>		<b>379,750,705</b>	<b>337,054,099</b>
<b>V. PROFIT BEFORE TAX (III - IV)</b>		<b>248,297,089</b>	<b>114,364,558</b>
VI. LESS :- TAX EXPENSES:			
(1) Provision for Income tax		90,940,492	29,000,000
(2) Deferred Tax	3	(1,972,334)	8,283,385
<b>VII. NET PROFIT AFTER TAXES</b>		<b>159,328,931</b>	<b>77,081,173</b>
VIII. EARNINGS PER EQUITY SHARE: (Amount in ₹)	23		
(1) Basic		14.33	6.93
(2) Diluted		14.33	6.93

**SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS, AS UNDER**

SIGNIFICANT ACCOUNTING POLICIES

NOTES TO THE STATEMENT OF PROFIT AND LOSS 16 to 23

OTHER NOTES 24

In terms of our report of even date

**For Bhatler & Company**

Chartered Accountants

Firm Registration No. 131092W

**DAULAL H. BHATTER**

Proprietor

Membership No. 16937

Place: Mumbai

Date: 11th May, 2016

**For and on behalf of the Board of Directors of Cupid Limited****Omprakash Garg**Chairman & Managing Director  
(DIN No.: 00140756)**Narendra M. Joshi**

Chief Financial Officer

Place: Mumbai

Date: 11th May, 2016

**Pradeep Kumar Jain**Independent Director  
(DIN No.: 01852819)**Saurabh V. Karmase**

Company Secretary





## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before taxation	248,297,089	114,364,558
Adjustments for:		
Depreciation on fixed assets	19,299,756	18,321,133
Finance Cost	2,146,962	2,604,670
Loss of Sale of Investments	-	48,000
Credit Balance Written Back (Net)	(34,010)	(561,618)
Interest income	(4,924,518)	(844,385)
<b>Operating Profit before Working Capital changes</b>	<b>264,785,279</b>	<b>133,932,358</b>
Adjustments for :		
(Increase) / Decrease in Inventories	477,525	12,464,120
(Increase) / Decrease in Trade receivables	(50,949,780)	(49,445,928)
(Increase) / Decrease in Other Loans and advances	15,887,234	(3,650,979)
Increase/(Decrease) in Trade payables	(3,404,815)	(4,338,775)
Increase/(Decrease) in Other Current Liabilities & Provisions	(34,917,248)	(336,775)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>191,878,195</b>	<b>88,624,021</b>
Income tax Paid / TDS	(62,980,650)	(20,078,969)
<b>Net Cash inflow from/ (outflow) from Operating activities</b>	<b>128,897,545</b>	<b>68,545,052</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(18,689,336)	(13,395,092)
Sale / (Purchase) of investments	-	50,000
Interest received	4,924,518	844,385
<b>Net Cash inflow from/ (outflow) from Investing activities</b>	<b>(13,764,818)</b>	<b>(12,500,707)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds / (Repayment) Long / Short Term Borrowings (Secured)	(13,041,086)	(8,904,165)
Proceeds / (Repayment) Short Term Borrowings (Unsecured)	-	(1,693,000)
Dividend Payment ( including Dividend Distribution Tax )	(40,013,152)	(13,337,717)
Finance Cost	(2,146,962)	(2,604,670)
<b>Net Cash inflow from/ (outflow) from Financing activities</b>	<b>(55,201,200)</b>	<b>(26,539,552)</b>
<b>D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>59,931,527</b>	<b>29,504,793</b>
<b>Opening Cash and Cash Equivalents</b>		
Cash in hand	1,074,694	1,842,873
Balances In Bank and Deposit	30,907,091	634,119
	<b>31,981,785</b>	<b>2,476,992</b>
<b>Closing Cash and Cash Equivalents</b>		
Cash in hand	1,102,190	1,074,694
Balances In Bank and Deposit	90,811,122	30,907,091
	<b>91,913,312</b>	<b>31,981,785</b>

In terms of our report of even date

**For Bhatler & Company**

Chartered Accountants

Firm Registration No. 131092W

**DAULAL H. BHATTER**

Proprietor

Membership No. 16937

Place: Mumbai

Date: 11th May, 2016

**For and on behalf of the Board of Directors of Cupid Limited**

**Omprakash Garg**

Chairman & Managing Director

(DIN No.: 00140756)

**Narendra M. Joshi**

Chief Financial Officer

Place: Mumbai

Date: 11th May, 2016

**Pradeep Kumar Jain**

Independent Director

(DIN No.: 01852819)

**Saurabh V. Karmase**

Company Secretary





## Accompanying notes to the financial statements for the Year Ended 31st March, 2016

### SIGNIFICANT ACCOUNTING POLICIES

#### 1. General Information

Cupid Limited ('the Company') is a public company domiciled and incorporated in name of Cupid Rubber Limited in the state of Maharashtra on 17<sup>th</sup> February, 1993. The name was subsequently changed to Cupid Condom Limited with effect from 8th December, 2003 and further change to Cupid Limited with effect from 2<sup>nd</sup> January, 2006 as per permission affirmation by Central Government. The Company received the Certificate of Commencement of Business on 20<sup>th</sup> February, 1993.

The main object of Company on incorporation was to carry on business of dealing, marketing and manufacture of rubber contraceptives and allied prophylactic products. Later on main object of Company have been appended with obligatory permissions to entered into Diamonds, Gold, Silver and other allied precious products international or domestic trading/manufacturing/connected business segments.

#### 2. Significant Accounting Policies

##### a) Basis of Preparation of Financial Statements

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India ( 'Indian GAAP' ) to comply with the accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies ( accounts ) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ( ' the Act ' ) / The Companies Act 1956 as applicable.

The Classification of assets and liabilities of the Companies into current or non – current is based on the criterion specified in the Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

##### b) Use of estimates

The preparation of financial statements are in conformity with generally accepted accounting principles in India (Indian GAAP) requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

##### c) Fixed Tangible Assets / Intangible Assets

Fixed Assets are stated on original cost less accumulated depreciation. The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the working condition for its intended use. Assets costing less than or equal to Rs. 5,000 are treated as company revenue expenditures or else depreciated fully in the year of purchase.

Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the assets will flow to the Company and cost of the assets can be measured reliably.

##### d) Depreciation & Amortization

###### On Tangible Assets :-

The Company has provided depreciation on basis of useful lives as prescribed in Schedule II of the Companies Act, 2013 consequent to schedule II becoming applicable w. e. f. 01<sup>st</sup> April 2014.

###### On Intangible Assets :-

Intangible Assets are amortized on Straight Line Method over the useful life, based on the economic benefits that would be derived, as per the estimates made by the management, computer software to be written off over a period of three years.

##### e) Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. The recoverable amount of the asset (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Value in use is the present value of estimated future cash flow expected to arise from the continuing use of the assets and from its disposal at the end of its useful life.





## Accompanying notes to the financial statements for the Year Ended 31st March, 2016

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

### f) Inventories

All Inventories are always valued at lower of Total Cost or Net Realizable Value. Basis of determination of cost as follows:-

Items	Methodology of Valuation
Raw materials, components, stores and spares, Trading goods, and Packing Materials	Cost is determined on FIFO cost method. Materials and other items held for use in the production of inventories are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost.
Work-in-progress and finished goods	Cost includes direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes provision for excise duty if applicable.
Goods in Transits if any have been valued inclusive of custom duty.	
Net Realizable Value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sales.	

### g) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Sales of goods:** Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. Sales are stated net of trade discount, duties and sales tax as applicable.

**Interest incomes:** Interest income is recognized on time proportion basis.

**Other Incomes:** Export incentive, income from investment and other service income are accounted on accrual basis.

### h) Investments :

Investments are classified under Non-current and current categories, as applicable are carried at cost of acquisition

### i) Foreign Currency Transactions

**Initial recognition:** Foreign currency transactions are recorded in the reporting currency which is Indian Rupee, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion :** Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.

**Exchange Differences :** Exchange differences arising on the settlement of monetary items or on reporting monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

### j) Retirement and Other Employee Benefits

**Short term employee benefits:** All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period. Benefits such as salaries and wages, etc. and the paid or expected cost of the incentives / miscellaneous welfare compensations / bonus / ex-gratia are recognised in the period in which the employee renders the related service.

**Long term Post employment employee benefits:** Company's periodical makes contribution to several vital funds and employee benefits insurances schemes its cost has been charged to the Statement of Profit and Loss of the year where such contributions to the respective funds are due or on accrual basis.

Such contribution are to the Employee's Provident fund Scheme, 1952 govern by regional provident funds commissioner, Maharashtra whereby Company's employee are obligation towards pension and retirement benefits are covered. Further the Company's liability towards gratuity of eligible employees is administered by Life Insurance Corporation of India under its Employees Group Gratuity Scheme and annual premium paid by the Company.

In addition certain employee benefits insurances schemes whereby Company's uncertain risk cost is covered by annual premium paid are been paid by the Company have been charged on accrual basis.







## Accompanying notes to the financial statements for the Year Ended 31st March, 2016

### k) Leases

Any applicable assets taken under leases, where the company assumes substantially all the risks and rewards of Ownership are classified as Finance Leases. Such assets are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

Assets taken under leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term as applicable.

### l) Taxation

Income-tax expense if any comprises current tax, deferred tax charge or credit, minimum alternative tax (MAT).

**Current tax :** Provision for current tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws.

**Deferred tax :** Deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income tax and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the current ongoing tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax asset is recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax asset is recognized only if there is a virtual certainty of realization of such asset. Deferred tax asset is reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

**Minimum alternative tax :** Minimum alternative tax (MAT) obligation in accordance with the tax laws, which give rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax during the specified period. Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

### m) Borrowing Cost

Borrowing costs if any to the extent related/attribution to the acquisition/construction of assets that takes substantial period of time to get ready for their intended use are capitalized along with the respective fixed asset up to the date such asset is ready for use. Other borrowing costs are charged to the Statement of Profit and Loss.

### n) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are calculated after adjusting effects of potential equity shares (PES). PES are those shares which will convert into equity shares at a later stage. Profit / loss is adjusted by the expenses incurred on such PES. Adjusted profit/loss is divided by the weighted average number of ordinary plus potential equity shares.

### o) Provisions and Contingencies

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Company.

When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### p) Exports Benefits

Consumption of raw material is arrived after deducting export benefits accrued such as refund of duty and duty draw back as per exim policy in the year of such exports.





## Accompanying notes to the financial statements for the Year Ended 31st March, 2016

### NOTE NO : 1

#### SHARE CAPITAL

##### a. Details of authorised, issued and subscribed share capital

Particulars	As at 31st March 2016	As at 31st March 2015
<b>Authorised Capital</b>		
Equity Shares of Rs 10/- each	120,000,000	120,000,000
<b>Issued Capital, Subscribed and Paid up</b>		
Equity Shares of Rs 10/- each	111,150,000	111,150,000
<b>TOTAL</b>	<b>111,150,000</b>	<b>111,150,000</b>

##### b. Information on shareholders holding more than 5% of the aggregate share in the Company

Name of Shareholder	Relationship	As at 31st March 2016		As at 31st March 2015	
		No of Equity shares held	Percentage	No of Equity shares held	Percentage
Omprakash Garg #	Chairman and Managing Director	4,584,800	41.25	1,593,900	14.34
Sureshchand Garg #	Brother of Mr. Omprakash Garg	-	-	2,735,651	24.69
Veena Garg	Spouse of Mr. Omprakash Garg	777,500	7.00	777,500	7.00

# Change in holding is due to inter-se-promoter transfer

##### c. Reconciliation of number of Equity shares

Particulars	As at 31st March 2016		As at 31st March 2015	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	11,115,000	111,150,000	11,115,000	111,150,000
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	11,115,000	111,150,000	11,115,000	111,150,000

### NOTE NO : 2

#### RESERVES AND SURPLUS

Particulars	As at 31st March 2016	As at 31st March 2015
<b>a. Securities Premium Account</b>		
Opening Balance	30,275,600	30,275,600
(+) Securities premium credited on Share issue	-	-
(-) Premium Utilised for various reasons	-	-
Closing Balance	<b>30,275,600</b>	<b>30,275,600</b>
<b>b. Other Reserves (Special Capital Incentive)</b>		
Opening Balance	3,000,000	3,000,000
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<b>3,000,000</b>	<b>3,000,000</b>





## Accompanying notes to the financial statements for the Year Ended 31st March, 2016

Particulars	As at 31st March 2016	As at 31st March 2015
<b>c. Surplus / Profit &amp; Loss Account</b>		
Opening balance	97,557,090	41,657,496
(-) Adjusted as per Companies Act 2013 #	-	1,175,003
(+) Profit / ( Loss ) during the year after taxes	159,328,931	77,081,173
	256,886,021	117,563,666
(-) Interim Dividend paid	33,345,000	11,115,000
(-) Dividend Tax paid on Interim Dividend	6,668,152	2,222,717
(-) Provision for Final Dividend Payable	-	5,557,500
(-) Provision for final Dividend Tax Payable	-	1,111,359
Closing Balance	216,872,869	97,557,090
<b>TOTAL</b>	<b>250,148,469</b>	<b>130,832,690</b>

# Amount is adjusted against opening retained earning for depreciation on assets, whose useful life has expired as on 1st April 2014

### NOTE NO : 3

#### DEFERRED TAX LIABILITY (Net)

The Company has provided for Deferred Tax in accordance with the Accounting Standard on "Accounting for Taxes on Income" (AS 22) issued by the Institute of Chartered Accountants of India.

The major components of deferred tax liability / asset as recognised in the financial statement is as follows:

Particulars	As at 31st March 2016	As at 31st March 2015
<b>a. Deferred Tax Liability</b>		
Excess of net block of fixed assets as per books of accounts over net block for tax purpose		
Opening Balance	22,111,298	24,278,016
# Less :- Adjusted for reversal of deferred tax on depreciation upto 31.03.2014	-	(525,436)
	22,111,298	23,752,580
Deferred tax liability for the year	1,623,828	1,641,282
	20,487,470	22,111,298
<b>b. Deferred Tax Asset</b>		
Provision for Expenses	949,151	600,645
	949,151	600,645
<b>Net Deferred Tax Liability ( a - b )</b>	<b>19,538,319</b>	<b>21,510,653</b>
Deferred Tax Charge / (Credit) for the year	(1,972,334)	8,283,385

# Amount is adjusted against opening deferred tax liability for depreciation on assets, whose useful life has expired as on 1st April 2014





## Accompanying notes to the financial statements for the Year Ended 31st March, 2016

### NOTE NO : 4

#### SHORT-TERM BORROWINGS

##### i) SECURED - SHORT-TERM BORROWINGS

Particulars	As at 31st March 2016	As at 31st March 2015
Working Capital Assistance Loan from Banks	1,895,933	2,788,892
Working Capital in Foreign Currency for Pre and Post Shipment	6,930,870	19,078,997
<b>TOTAL</b>	<b>8,826,803</b>	<b>21,867,889</b>

#### Notes on BORROWING

- Working Capital Assistance Loan from banks is secured by hypothecation of stock of raw materials, WIP and finished goods and book debts.
- Additionally above loan have been personally guranted by Mr. Omprakash Garg, Chairman and Mr. Durgesh Garg.
- Maturity period with respect to Cash Credit is renewable every year.
- Rate of interest is KMBR plus 1.50. As on 31st March 2016 KMBR is 9.50% .
- Credit facilities are further secured by mortgage land & building and lien marking on Company's Fixed Deposit of INR 250 Lakhs.

### NOTE NO : 5

#### TRADE PAYABLES

Particulars	As at 31st March 2016	As at 31st March 2015
Trade Payables	15,254,366	18,659,181
<b>TOTAL</b>	<b>15,254,366</b>	<b>18,659,181</b>

### NOTE NO : 6

#### OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2016	As at 31st March 2015
Statutory Liabilities	475,445	971,677
Funds for Research	-	1,275,550
Unpaid Dividend	2,072,057	276,601
Advance from Customers	656,995	1,406,987
<b>TOTAL</b>	<b>3,204,497</b>	<b>3,930,815</b>

### NOTE NO : 7

#### SHORT-TERM PROVISIONS

Particulars	As at 31st March 2016	As at 31st March 2015
Accrual for Expenses	7,400,091	5,261,331
Provisions for Income Tax	90,279,661	29,000,000
Provision for Final Dividend payable	-	5,557,500
Provision for Final Dividend tax payable	-	1,111,359
<b>TOTAL</b>	<b>97,679,752</b>	<b>40,930,190</b>





## Accompanying notes to the financial statements for the Year Ended 31st March, 2016

NOTE NO : 8

### FIXED ASSETS

PARTICULARS	Gross Block			Accumulated Depreciation			Net Block	
	As at 1st April 2015	Additions (Deletions) during the Year	As at 31st March 2016	As at 1st April 2015	Adjusted as per Companies Act 2013	Depreciation charge for the year	As at 31st March 2016	As at 31st March 2015
<b>TANGIBLE ASSETS</b>								
Land & Site Development	1,644,000	-	1,644,000	-	-	-	1,644,000	1,644,000
Building	60,644,770	1,424,164	62,068,934	21,313,983	-	1,923,192	38,831,759	39,330,787
Plant & Machinery	184,021,707	15,402,147	199,423,854	118,776,563	-	9,946,875	70,700,416	65,245,144
Electricals	12,256,570	-	12,256,570	8,631,647	-	998,850	2,626,073	3,624,923
Indegenious Equipment	64,069,683	468,943	64,538,626	25,786,848	-	4,716,445	34,035,333	38,282,835
Computers	2,854,369	554,084	3,408,453	1,986,894	-	317,414	1,104,145	867,475
Air Conditioner	366,472	111,755	478,227	152,891	-	50,111	275,225	213,581
Office Equipment	287,319	253,536	540,855	124,963	-	53,876	362,016	162,356
Car	1,141,275	-	1,141,275	496,205	-	167,009	478,061	645,070
Furniture & Fixtures	10,831,353	157,500	10,988,853	4,742,067	-	1,041,062	5,205,724	6,089,286
<b>SUB TOTAL</b>	<b>338,117,518</b>	<b>18,372,129</b>	<b>356,489,647</b>	<b>182,012,061</b>	<b>-</b>	<b>19,214,834</b>	<b>155,262,752</b>	<b>156,105,457</b>
<b>Previous Year (Sub Total)</b>	<b>324,796,654</b>	<b>13,320,864</b>	<b>338,117,518</b>	<b>162,205,322</b>	<b>1,590,655</b>	<b>18,216,084</b>	<b>156,105,457</b>	<b>162,591,332</b>
<b>INTANGIBLE ASSETS</b>								
Computer software	2,446,880	317,207	2,764,087	2,427,916	-	84,922	251,249	18,964
<b>SUB TOTAL</b>	<b>2,446,880</b>	<b>317,207</b>	<b>2,764,087</b>	<b>2,427,916</b>	<b>-</b>	<b>84,922</b>	<b>251,249</b>	<b>18,964</b>
<b>Previous Year (Sub Total)</b>	<b>2,372,652</b>	<b>74,228</b>	<b>2,446,880</b>	<b>2,213,083</b>	<b>109,784</b>	<b>105,049</b>	<b>18,964</b>	<b>159,569</b>
<b>Grand Total</b>	<b>340,564,398</b>	<b>18,689,336</b>	<b>359,253,734</b>	<b>184,439,977</b>	<b>-</b>	<b>19,299,756</b>	<b>155,514,001</b>	<b>156,124,421</b>





## Accompanying notes to the financial statements for the Year Ended 31st March, 2016

### NOTE NO : 9

#### NON-CURRENT INVESTMENTS

Particulars	As at 31st March 2016	As at 31st March 2015
9,800 ( Pre. Yr : 9,800 ) Equity Shares of Rs 10 each in Arihantsidh Properties Pvt Ltd	2,400,000	2,400,000
<b>SUB - TOTAL</b>	<b>2,400,000</b>	<b>2,400,000</b>
<b>LESS :</b>		
Provision on Diminishing value on Investments	(1,800,000)	(1,800,000)
<b>SUB - TOTAL</b>	<b>(1,800,000)</b>	<b>(1,800,000)</b>
<b>GRAND TOTAL</b>	<b>600,000</b>	<b>600,000</b>

### NOTE NO : 10

#### OTHER NON-CURRENT ASSETS

Particulars	As at 31st March 2016	As at 31st March 2015
Security Deposit for Services	2,345,302	3,810,502
<b>TOTAL</b>	<b>2,345,302</b>	<b>3,810,502</b>

### NOTE NO : 11

#### INVENTORIES

Particulars	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014
a. Raw Materials	6,007,776	3,602,517	4,428,616
b. Fuel	68,680	421,866	-
c. Packing Material	8,267,613	10,539,144	13,618,929
d. Stores and spares	288,472	732,591	741,520
e. Work-in-progress	203,451	1,153,159	845,106
f. Finished goods	19,371,660	18,235,900	27,515,126
<b>TOTAL</b>	<b>34,207,652</b>	<b>34,685,177</b>	<b>47,149,297</b>

### NOTE NO : 12

#### TRADE RECEIVABLES

Particulars	As at 31st March 2016	As at 31st March 2015
<b>Trade receivables outstanding for a period less than six months</b> (Unsecured, considered good )	119,861,085	81,120,889
<b>SUB - TOTAL</b>	<b>119,861,085</b>	<b>81,120,889</b>
<b>Trade receivables outstanding for a period exceeding six months</b> (Unsecured, considered good )	12,877,423	633,829
<b>SUB - TOTAL</b>	<b>12,877,423</b>	<b>633,829</b>
<b>TOTAL</b>	<b>132,738,508</b>	<b>81,754,718</b>





## Accompanying notes to the financial statements for the Year Ended 31st March, 2016

### NOTE NO : 13 CASH AND CASH EQUIVALENT

Particulars	As at 31st March 2016	As at 31st March 2015
a. Balances with banks	6,968,265	1,794,517
b. Cash on hand	1,102,190	1,074,694
c. Bank Deposit #	83,842,857	29,112,574
<b>TOTAL</b>	<b>91,913,312</b>	<b>31,981,785</b>

# Include accrued interest on bank deposits. Also includes bank deposit of INR 250 lacs lien marked against credit facilities and INR 13.83 lacs for bank guarantees

### NOTE NO : 14 SHORT-TERM LOANS AND ADVANCES

Particulars	As at 31st March 2016	As at 31st March 2015
Advance to Suppliers	313,648	147,758
Advance for Capital Goods ( In Foreign Currency )	2,815,775	5,014,054
Advance for Capital Goods	550,000	405,061
Advance taxes paid	63,268,943	20,371,612
Advances recoverable in cash or in kind or for the value to be received	3,512,733	4,080,250
<b>TOTAL</b>	<b>70,461,099</b>	<b>30,018,735</b>

### NOTE NO : 15 OTHER CURRENT ASSETS

Particulars	As at 31st March 2016	As at 31st March 2015
Sales Tax / Excise Refund Claimable	15,790,572	9,469,776
Interest Receivable on deposit	159,703	159,703
Unpaid Dividend #	2,072,057	276,601
<b>TOTAL</b>	<b>18,022,332</b>	<b>9,906,080</b>

# Excludes unclaimed / unpaid amount of demand draft debited to Dividend bank account

### NOTE NO : 16 REVENUE FROM OPERATIONS

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
<b>Manufactured Goods</b>		
Domestic Sales	140,863,558	88,317,691
Export Sales	470,592,611	356,087,437
<b>TOTAL</b>	<b>611,456,169</b>	<b>444,405,128</b>







## Accompanying notes to the financial statements for the Year Ended 31st March, 2016

### NOTE NO : 17 OTHER INCOME

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
Balance Written Back / Sundry Receipts	34,010	561,618
Duty Draw back on export	5,760,186	3,089,747
Foreign Currency Fluctutaion	5,872,911	2,517,779
Interest Income	4,924,518	844,385
<b>TOTAL</b>	<b>16,591,625</b>	<b>7,013,529</b>

### NOTE NO : 18 COST OF MATERIAL CONSUMED

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
<b>RAW MATERIALS</b>		
Opening Stock of Raw Materials	3,602,517	4,428,616
Add: Purchases of Raw Materials	96,429,074	80,807,893
Less: Closing Stock of Raw Materials	6,007,776	3,602,517
<b>SUB - TOTAL</b>	<b>94,023,815</b>	<b>81,633,992</b>
<b>FURANCE OIL</b>		
Opening Stock of Furance Oil	421,866	-
Add: Purchases of Furance Oil	2,264,204	1,776,114
Less: Closing Stock of Furance Oil	68,680	421,866
<b>SUB - TOTAL</b>	<b>2,617,390</b>	<b>1,354,248</b>
<b>PACKING MATERIAL</b>		
Opening Stock of Packing Material	10,539,144	13,618,929
Add: Purchases of Packing Material	121,525,558	93,890,609
Less: Closing Stock of Packing Material	8,267,613	10,539,144
<b>SUB - TOTAL</b>	<b>123,797,089</b>	<b>96,970,394</b>
<b>STORE AND CONSUMABLES</b>		
Opening Stock of Store and Consumables	732,591	741,520
Add: Purchases of Store and Consumables	12,065,002	15,416,888
Less: Closing Stock of Store and Consumables	288,472	732,591
<b>SUB - TOTAL</b>	<b>12,509,121</b>	<b>15,425,817</b>
<b>ADD : MOT Charges Paid</b>	<b>-</b>	<b>13,320</b>
<b>LESS : Taxes and Duties receivable / received</b>	<b>12,590,776</b>	<b>10,531,293</b>
<b>GRAND TOTAL</b>	<b>220,356,639</b>	<b>184,866,478</b>

### NOTE NO : 19 CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
<b>OPENING INVENTORY</b>		
Finished Goods	18,235,900	27,515,126
Work-In-Progress	1,153,159	845,106
<b>SUB - TOTAL</b>	<b>19,389,059</b>	<b>28,360,232</b>
<b>CLOSING INVENTORY</b>		
Finished Goods	19,371,660	18,235,900
Work-In-Progress	203,451	1,153,159
<b>SUB - TOTAL</b>	<b>19,575,111</b>	<b>19,389,059</b>
<b>GRAND TOTAL</b>	<b>(186,052)</b>	<b>8,971,173</b>





## Accompanying notes to the financial statements for the Year Ended 31st March, 2016

### NOTE NO : 20

#### EMPLOYEE BENEFIT EXPENSES

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
Director Remuneration	3,604,955	-
Director Sitting fees	305,000	165,000
Salaries, Wages and Bonus	27,668,326	24,961,895
Contributions to -		
Provident fund	1,978,526	1,490,479
Other Contribution	4,480	-
Gratuity fund contributions	1,074,571	800,000
Provision for leave encashment	1,030,174	543,514
Staff welfare expenses / Other benefits	3,519,659	3,609,004
<b>TOTAL</b>	<b>39,185,691</b>	<b>31,569,892</b>

### NOTE NO : 21

#### OTHER EXPENSES

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
<b>MANUFACTURING EXPENSES</b>		
Power & Fuel	33,496,654	26,729,687
Water Charges	326,104	619,948
Clearing, Freight and Transportation	2,575,082	2,721,366
Packing and Material Handling Expenses	11,818,825	8,803,661
Testing, Certification & Inspection Charges	927,718	4,763,786
Repairs and Maintenance		
(i) Plant & Machinery	1,536,708	3,093,114
(ii) Factory Building	1,500,063	3,031,106
(iii) Others	1,237,950	2,019,862
<b>ADMINISTRATIVE, SELLING AND OTHER EXPENSES</b>		
Travelling and Conveyance	7,920,683	7,598,744
Rent, Rates, Taxes and Insurances	5,411,328	3,306,396
Printing and Stationary	988,561	884,368
Computer Maintenance and Software	483,887	214,369
Professional Charges	5,491,840	2,176,677
Bad Debts	-	2,115,075
Audit Fees	188,925	56,180
Postage And Telephone	2,100,316	1,741,699
Loss of goods by fire	-	568,500
Security Charges	925,943	1,142,335
Prior Period Taxes	-	87,128
Advertisement	843,806	89,776
Clearing, Freight & Transportation	13,445,069	10,372,569
Commission & Brokerage	2,560,441	5,729,098
Research and Development	542,001	37,020
Selling & Distribution Expenses	3,012,653	1,479,511
Misc Expenses	1,613,152	1,290,778
<b>TOTAL</b>	<b>98,947,709</b>	<b>90,672,753</b>





## Accompanying notes to the financial statements for the Year Ended 31st March, 2016

### NOTE NO : 22

#### FINANCE COST

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
Interest expense paid to Banks	649,995	1,219,064
Interest paid to others	22,268	29,571
Bank Charges and Commission	1,474,699	1,356,035
<b>TOTAL</b>	<b>2,146,962</b>	<b>2,604,670</b>

### NOTE NO : 23

#### EARNINGS PER EQUITY SHARES

Particulars		Year Ended 31st March 2016	Year Ended 31st March 2015
<b>BASIC EARNINGS PER SHARE</b>			
Profit/(Loss) attributable to Equity shareholders	A	159,328,931	77,081,173
Weighted average number of equity shares	B	11,115,000	11,115,000
<b>BASIC EARNINGS PER SHARE (In ₹)</b>	A/B	14.33	6.93
<b>Face value per Share</b>		10.00	10.00
<b>DILUTIVE EARNINGS PER SHARE</b>			
Profit/(Loss) attributable to Equity shareholders	C	159,328,931	77,081,173
Weighted average number of equity share after considering potential equity shares	D	11,115,000	11,115,000
<b>DILUTIVE EARNINGS PER SHARE (In ₹)</b>	C/D	14.33	6.93
<b>Face value per Share</b>		10.00	10.00



## Accompanying notes to the financial statements for the Year Ended 31st March, 2016

### NOTE NO : 24

#### OTHER NOTES FOR FINANCIAL STATEMENTS

##### Other Notes to the Balance Sheet : -

1. Company has no contingent liabilities as on 31<sup>st</sup> March 2016, except wherein bank guarantees (Performance security / bond) issued by Company Bankers' amounting to ₹ 57.18 Lacs. ( Previous year ₹ 21.60 Lacs ) as per terms of sales contract with Company Customers' at company request, Any claims / demand against said bank guarantees henceforth shall be payable by Company.
2. During the year Company has made out of court settlement in respect of Trademark dispute, which were pending at different Courts in India. The said Legal cases were filled by the Company and counter cases were also cases filled by the litigant. Withdrawal of cases from court are in process.
3. In view of the insufficient information from the suppliers regarding their status as SSI units, the amounts due to Small Scale Industrial undertaking cannot be ascertained.
4. **Capital and Other Commitments:** - Company had paid advance towards to purchase of plant & machinery and services the Company estimated cost still payable for conclusion of the ventures are ₹ 60 Lacs.
5. All of the assets other than fixed assets and non-current investments, have been are carried at cost of acquisition.
6. There was no impairment loss on Fixed Assets on the basis of review carried out but the Management in accordance with Accounting Standard 28 issued by the Institute of Chartered Accountants of India.

##### Other Notes to the Statement of Profit and Loss

1. Traveling expenses includes ₹ 40.88 Lacs ( previous year ₹ 32.60 Lacs ) spent on Foreign Travel.
2. Earnings & Outflow in foreign currency ( on accrual basis ) : -

Particulars	Year Ended 31 <sup>st</sup> March 2016	Year Ended 31 <sup>st</sup> March 2015
	Amt in ₹ Lacs	Amt in ₹ Lacs
<b>EARNINGS</b>		
Export on F. O. B basis	4,425.53	3240.96
<b>TOTAL EARNINGS</b>	<b>4,425.53</b>	<b>3240.96</b>
<b>OUTFLOW</b>		
Towards Machinery / Equipment	31.83	67.65
Others payments Expenses	29.12	59.74
<b>TOTAL OUTFLOW</b>	<b>60.95</b>	<b>127.39</b>

3. Auditor Remuneration

Particulars	Year Ended 31 <sup>st</sup> March, 2016 *	Year Ended 31 <sup>st</sup> March, 2015 *
	Amount in ₹	Amount in ₹
As Auditor	1,71,175	44,944
For taxation matter	17,175	11,236
For Other services	1,04,629	33,708
<b>TOTAL</b>	<b>2,92,979</b>	<b>89,888</b>

\* Inclusive of Service Tax.





## Accompanying notes to the financial statements for the Year Ended 31st March, 2016

### 4. Details regarding Imported and Indigenous Material Consumed

#### (a) Consumption of raw materials : -

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
	Amt in ₹ Lacs	Percentage	Amt in ₹ Lacs	Percentage
Imported	NIL	NIL	NIL	NIL
Indigenous	940.24	100 %	816.34	100 %
<b>TOTAL</b>	<b>940.24</b>	<b>100 %</b>	<b>816.34</b>	<b>100 %</b>

#### (b) Consumption of Furnace Oil : -

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
	Amt in ₹ Lacs	Percentage	Amt in ₹ Lacs	Percentage
Imported	NIL	NIL	NIL	NIL
Indigenous	26.17	100 %	13.54	100 %
<b>TOTAL</b>	<b>26.17</b>	<b>100 %</b>	<b>13.54</b>	<b>100 %</b>

#### (c) Consumption of Packing Material : -

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
	Amt in ₹ Lacs	Percentage	Amt in ₹ Lacs	Percentage
Imported	NIL	NIL	NIL	NIL
Indigenous	1,237.98	100 %	969.70	100 %
<b>TOTAL</b>	<b>1,237.98</b>	<b>100 %</b>	<b>969.70</b>	<b>100 %</b>

#### (d) Consumption of Stores & Consumable : -

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
	Amt in ₹ Lacs	Percentage	Amt in ₹ Lacs	Percentage
Imported	NIL	NIL	NIL	NIL
Indigenous	125.09	100 %	154.26	100 %
<b>TOTAL</b>	<b>125.09</b>	<b>100 %</b>	<b>154.26</b>	<b>100 %</b>

### 5. Raw Material Consumption, Installed Capacities & Turnover.

#### (a) Consumption of Raw Materials & Furnace Oil : -

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
	Qty	Amt in ₹	Qty	Amt in ₹
i. LATEX [ KGS ]				
Opening Stock	21,704	20,45,819	12,356	16,36,552
Purchase	7,23,426	7,18,22,165	5,64,863	5,96,21,482
Consumption	6,96,892	6,94,48,901	5,55,515	5,92,12,215
Closing Stock	48,238	44,19,083	21,704	20,45,819
ii. CHEMICALS				
Opening Stock	Not Applicable	15,56,698	Not Applicable	27,92,064
Purchase		2,46,06,909		2,11,86,411
Consumption		2,45,74,914		2,24,21,777
Closing Stock		15,88,693		15,56,698
iii. FURNACE OIL [ LITRE ]				
Opening Stock	6,438	4,21,866	NIL	NIL
Purchase	97,300	22,64,204	71,000	17,76,114
Consumption	100,304	26,17,390	64,562	13,54,248
Closing Stock	3,434	68,680	6,438	4,21,866





## Accompanying notes to the financial statements for the Year Ended 31st March, 2016

(b) Licensed / Installed Capacity & Production Quantities of manufactured product : -

PARTICULARS						
i) Production Capacity of Rubber prophylactics				503.51 Million pcs p. a.		
ii) Production, Turnover and Stock of Rubber Prophylactics (Quantity in Gross – Rounded off)						
Particulars	Year Ended 31 <sup>st</sup> March, 2016			Year Ended 31 <sup>st</sup> March, 2015		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Opening Stock	1,08,780	5,892	1,14,672	1,28,412	12,937	1,41,349
Production	12,37,438	91,940	13,29,378	9,97,827	47,181	10,45,008
Sales ( Net )	12,52,705	83,266	13,35,971	10,17,459	54,225	10,71,684
Closing Stock	93,513	14,566	1,08,079	1,08,780	5,892	1,14,672

### Other Notes to the Financial Statements

1. Related Party Disclosure for the year ended (AS - 18).

i) **Key Personnel & Relatives** : - Mr. Omprakash Garg –: Chairman

ii) **Transaction with Related Parties** : -

(Amt in ₹ Lacs)

No	Parties	Details	2015-16	2014-15
a.	Mr. Omprakash Garg	Loan Taken during the year	-	-
		Loan Repaid during the year	-	14.05
		Director Remuneration *	37.57	-

\* Includes gross salary and others

2. Previous years' figure have been regrouped and reclassified wherever necessary, to conform to current years' classification.

### As per our Report of even date attached

#### For Bhatte & Company

Chartered Accountants  
Firm Registration No. 131092W

#### DAULAL H. BHATTER

Proprietor  
Membership No. 16937

Place: Mumbai  
Date: 11th May 2016

### For and on behalf of the Board of Directors of Cupid Limited

**Omprakash Garg**  
Chairman & Managing Director  
(DIN No.: 00140756)

**Narendra M. Joshi**  
CFO

Place: Mumbai  
Date: 11th May 2016

**Pradeep Kumar Jain**  
Independent Director  
(DIN No.: 01852819)

**Saurabh V. Karmase**  
Company Secretary



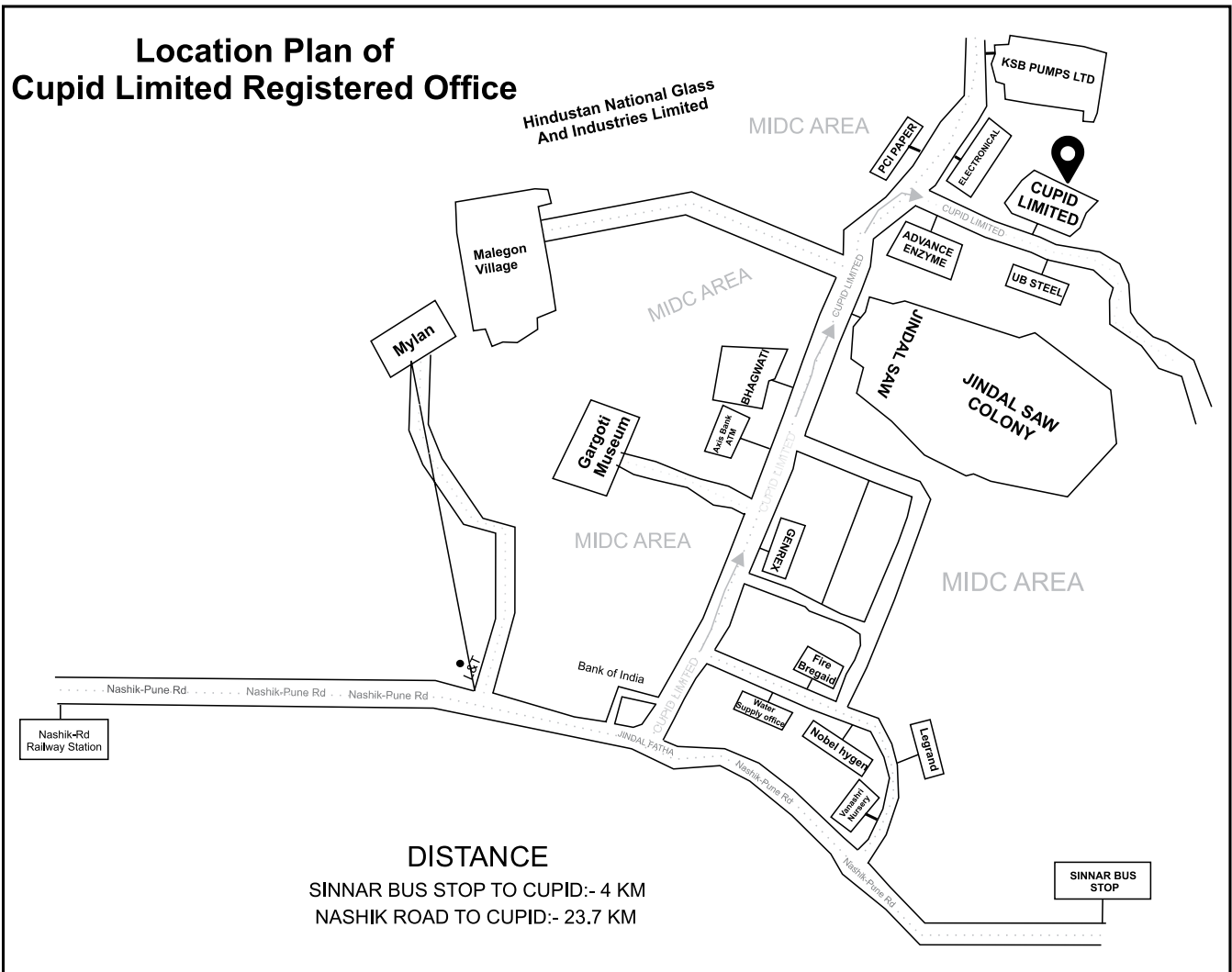


## VENUE MAP OF 23RD ANNUAL GENERAL MEETING

### AT REGISTERED OFFICE:

A – 68, M. I. D. C., (Malegaon), Sinnar, Nashik – 422113, Maharashtra, India Tel. 02551 – 230280, 230772

NEAR BY : SINNAR BUS STOP





**CUPID LIMITED**

CIN NO.: L25193MH1993PLC070846

Regd. Office: A – 68, M. I. D. C., (Malegaon), Sinnar, Nashik – 422113, Maharashtra, India

Email Id.: corporateaccounts@cupidltd.com Website: www.cupidltd.in, Tel. 02551 – 230280, 230772

**ATTENDANCE SLIP**

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id*	
Client Id*	

Folio No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER:


I hereby record my presence at the 23rd ANNUAL GENERAL MEETING of the Company held on Saturday, 17th September, 2016 at 12.00 noon at Regd. Office: A – 68, M. I. D. C. (Malegaon), Sinnar, Nashik, Maharashtra – 422113.

\*Applicable for investors holding shares in electronic form.

Signature of Shareholder / Proxy

**CUPID LIMITED**

CIN NO.: L25193MH1993PLC070846

Regd. Office: A – 68, M. I. D. C., (Malegaon), Sinnar, Nashik – 422113, Maharashtra, India

Email Id.: corporateaccounts@cupidltd.com Website: www.cupidltd.in, Tel. 02551 – 230280, 230772

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):		e-mail Id:	
Registered address:		Folio No / * Client Id:	
		* DP Id:	

I/We being the member(s) of \_\_\_\_\_ shares of Cupid Limited, hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him  
 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him  
 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **23<sup>rd</sup> Annual General Meeting** of the Company, to be held on Saturday, 17th September, 2016 at 12.00 noon at Regd. Office : A – 68, M. I. D. C., (Malegaon), Sinnar, Nashik – 422113, Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:





\*\* I wish my above Proxy to vote in the manner as indicated in the box below: -

Resolutions	For	Against
1. Consider and adopt Audited Financial Statement for the year ended 31 <sup>st</sup> March, 2016, Reports of the Board of Directors and Auditors.		
2. Reappointment of Mr. Omprakash Garg as Director of the Company liable to retire by rotation.		
3. Reappointment of Mrs. Veena Garg as Director of the Company liable to retire by rotation.		
4. Appointment of Auditors and fixing their remuneration.		
5. Appointment of Mr. Omprakash Garg as Chairman and Managing Director of the company.		
6. Adoption of new set of Articles of Association.		

\* Applicable for investors holding shares in electronic form.

Affix a 15  
paise  
Revenue  
Stamp

Signature of 1<sup>st</sup> proxy holder

Signature of 2<sup>nd</sup> proxy holder

Signature of 3<sup>rd</sup> proxy holder

Signature of Shareholder

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

## Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- \*\* (4) This is only optional. Please put a (✓) in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be Stated.

\*Applicable for investors holding shares in electronic form.



**Updation of Physical Shareholder Information**

To,

Bigshare Services Private Limited

Unit: **CUPID LIMITED**E-2/3, Ansa Industrial Estate, Sakivihar Road,  
Saki Naka, Andheri (East), Mumbai - 400 072

I / We request you to record the following information against my / our Folio No.:

**General Information:**

Folio No.:	
Name of the first named Shareholder:	
PAN: *	
CIN / Registration No.:* (applicable to Corporate Shareholders)	
Address of the First Shareholder*	
Tel No. with STD Code:	
Mobile No.:	
Email Id:	

\*Self attested photocopy of the authenticated document(s) to be enclosed

**Bank Details of any one Shareholder @**

IFSC: (11 digit)	
MICR: (9 digit)	
Bank A/c Type:	
Bank A/c No.: @	
Name of the Bank:	
Bank Branch Address:	

@ A blank original cancelled cheque is enclosed to enable verification of bank details with name of shareholder (s).

I / We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I / we would not hold the Company / RTA responsible. I / We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I / We understand that the above details shall be maintained till I / we hold the securities under the above mentioned Folio No.

\_\_\_\_\_  
Signature of First Shareholder\_\_\_\_\_  
Signature of Second Shareholder\_\_\_\_\_  
Signature of Third Shareholder

Place:\_\_\_\_\_

Date:\_\_\_\_\_

**Note**

- Signature (s) of all shareholder (s) are mandatory.
- Signature (s) must match as per records with RTA, else required to be attested from proper accepted authorities.





# Our Strengths







Regd Office :

**CUPID LIMITED**

A-68, M.I.D.C., (Malegaon) Sinnar, Nasik - 422 113, Maharashtra, (India)

Tel : 02551 230 280 / 230 772

Email : [cs@cupidlimited.com](mailto:cs@cupidlimited.com) • Website : [www.cupidltd.in](http://www.cupidltd.in)

CIN No.: L25193MH1993PLC070846