



LOVABLE LINGERIE LIMITED

CIN: L17110MH1987PLC044835; Regd. Office: A-46, Road No. 2, MIDC, Andheri (East), Mumbai-400093.
Tel: (91-22) 2838 3581 Fax: (91-22) 2838 3582; Website: www.lovableindia.in; Email: corporate@lovableindia.in

Text of the Speech delivered by Mr. L Vinay Reddy, Chairman & Managing Director at the 29th AGM of Lovable Lingerie Limited, held on September 24, 2016 at Mumbai.

“Dear Members,

A warm welcome to all of you!

It gives me great pleasure to present you the Annual Report of another successful financial year 2015-16.

In the Indian market, better macroeconomic conditions, coupled with improved sentiment helped India to be among the better performing emerging market economies. There was a steady increase in the GDP growth, while inflation and the Rupee remained relatively stable during the year. Consumer spending though has remained muted and this was reflected in a moderate growth across FMCG categories with consumer goods industries growing at 4% amid weak volume growth.

In context of the aforesaid economic and market environment, your Company recorded a net turnover of Rs. 196.77 crores as against Rs. 172.49 crores for the financial year 2014-15, registering an increase of 11.4%. The Net Profit before Tax stood at Rs. 32.37 crores as against Rs. 26.94 crores over last year and Profit after Tax stood at Rs. 23.18 crores for the year as against Rs. 19.72 crores in the last year, an increase of 17.5%. Overall the financial performance has been robust with improvement seen in key entries, incl. operating cash flows.

Future Outlook

Your Company has stayed tuned-in to the demanding consumer's tastes, preferences and brand-aspirations. And during the year has developed more value-added and differentiated ranges in women's innerwear. Our Brands Lovable and Daisy-Dee has deepened their distribution and reach across various regions and the same has helped and the same has helped your company to emerge with a higher revenue growth. Your Company's foray with the brand-extensions of Lovable-Sports and Athleisure have also been gaining consumer franchises and increasing their distribution spread, this has resulted in this newest vertical of your company becoming entrenched and a revenue contributor of your company. I am pleased that these new ranges launched in the ongoing year been very well appreciated in the market and are adding to our sales and Brand salience.

To keep pace with the dynamics of the evolving retail landscape, your company has structured its selling force to effectively service and generate demand from all channels: Modern Retail, Distribution to traditional retails and online merchants. The implementation of channel – focused teams has performed positively as a strategy for sales growth. Your company's focus on modern channels is increasing in line with the changing shopping destinations of younger customers.



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Innerwear is increasingly now a brand sensitive category. Our marketing team is working in tandem with Design & Development to constantly innovate on the designs and Production capabilities.

Your Company has strong business relations with leading modern retails, chain stores and online merchants to increase the reach of its Brands in tandem with their roll-out of more stores and reach.

In order to peg your company's "Lovable" Brand even higher in the Super-Premium segment, your company has entered into an Exclusive Distribution Agreement with Hanes S.r.L., a global innerwear company which operates the "Lovable" brand in Italy and European markets. Under this tie-up, you company has commenced the import of Lovable Italia product ranges and the establishment of SIS with 2 leading Departmental Store and one leading E-commerce portal in an exclusive alliance.

In order to augment production capacities going forward, your Company is considering New Capacity in new locations and will be embarking on higher levels of automations and people productivity in its new manufacturing plants.

Acknowledgment

I would like to record my appreciation to all my colleagues in the company for their dedication and commitment to the company at all times. There is no doubt in my mind that the same spirit and commitment will enable the Company to takes its rightful place in the industry as one of the most Top-of-mind branded, stylish, comfortable and cost-efficient lingerie manufactures-as the supplier of choice in the market it serves- by differentiating itself, its products, its processes and its service to the customer.

I would also like to thank you, all our shareholders, for your continued support in our journey."

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