



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 30th AGM of Lovable Lingerie Limited, held on August 30, 2017 at Mumbai.

“Dear Members,

A warm welcome to all of you!

It gives me great pleasure to present you the Annual Report for the year 2016-17.

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 due to the liquidity crunch faced by consumers in second half of the year and this was reflected in growth pattern across FMCG categories with consumer goods industries facing weak volume growth. Your company was able to stabilize the shock to November Sales and its sales returned to normalcy after 2 months.

During the last 24 months, the Company enhanced its customer recall through effective marketing, consolidated its business through an organization – wide exercise in enhancement of performance parameters in line global benchmarks.

In going to back to the drawing board, Lovable re-visited all systems and processes for their relevance in today’s dynamic environment. We strengthened every manufacturing process. We relooked all performance benchmarks and quality process. As a result, the performance parameters of our products such as sell-throughs and Repeat orders is improved.

In context of the aforesaid economic and market environment, your Company recorded a net turnover of Rs. 197.40 crores as against Rs. 196.40 crores for the financial year 2015-16, The Net Profit before Tax stood at Rs. 17.21 crores as against Rs. 32.37 crores over last year and Profit after Tax stood at Rs. 12.27 crores for the year as against Rs. 23.17 crores in the last year.

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 franchise and increasing their distribution spread, this has resulted in this newest vertical of your company becoming entrenched and a revenue contributor of your company.



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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.

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. Your Company has taken initiative to venture in on line marketing to penetrate the geographical regions unrepresented so far & provide customers with a friendly experience.

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.

The response to move to super premium segment with the Lovable Italia product Range has been encouraging. The Company intends to consolidate in the segment with more product ranges.

In order to augment production capacities going forward your company has setup new unit and increased its warehousing capabilities which was operational at the of the year end. Your Company has embarked on enhanced levels of automation and people productivity in its manufacturing plants, in order to offset the cost pressures and improve profitability.

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 teamwork 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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