

LOVABLE LINGERIE LIMITED

CIN: L17110MH1987PLC044835; Regd. Office: A-46, Road No. 2, MIDC, Andheri (East), Mumbai-400093.
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Text of the Speech delivered by Mr. L Vinay Reddy, Chairman & Managing Director at the 31st AGM of Lovable Lingerie Limited, held on September 24, 2018 at Mumbai.

“Dear Members,

Welcome to Annual General Meeting 2018 of your Company.

I am very pleased to see so many familiar faces here today.

Thank you for joining us.

The evolution of innerwear market in India is majorly rooted in urban India. With attention towards western outfits and an increasing demand for occasion and outfit-based innerwear, the market has seen strong growth trends. Today, people look for innerwear with optimum functionality and comfort. Your Company is focusing on innovative product line that fulfills all the requirements of the new-age customer. Your Company's brands Lovable, Daisy Dee and Lovable Sports are performing well and competing strongly for the customer's preference.

Your Company in the year 2018 has invested heavily in new marketing initiatives, advertising and heightened media presence, besides launches of next generation products in Innerwear and Sportswear.

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, Successful launches and Repeat orders are improved.

One of your Company's factories suffered a devastating fire in November 2017 which reduced our production capacity by 40%. Your Company took quick measures to step up debottlenecking and production increases at its other units and salvage the supplies to the Sales channel to the best extent possible.

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. Your Company has achieved a significant growth and has been constantly following emerging market trends and has accordingly from time to time revamped its marketing strategies and product portfolios. Your Company is trying to come up with some new products and ranges of inner wears accordingly to changing customer needs and demand.

Due to increased business serving multiple sales channels, to prepare for higher volume sales expected going forward in 2018-19 and due to the fire at our old production plant as discussed earlier, the Company invested in additional production capacity with advanced systems, keeping long-term cost-efficiency in focus to increase the goods supply throughput, scale economies and to enhance our brands and products portfolio in the market. In order to augment production capacities going forward your company has setup new unit at Erode 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.

"Lovable" is geared for greater success and our people are inspired to build a brand that the stakeholders can rely upon. We will continue to invest in enhancing the skills of our people, so that we can continue to deliver products that are in line with international standards.

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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