



ASHAPURA INTIMATES FASHION LIMITED

Annual Report 2014-15



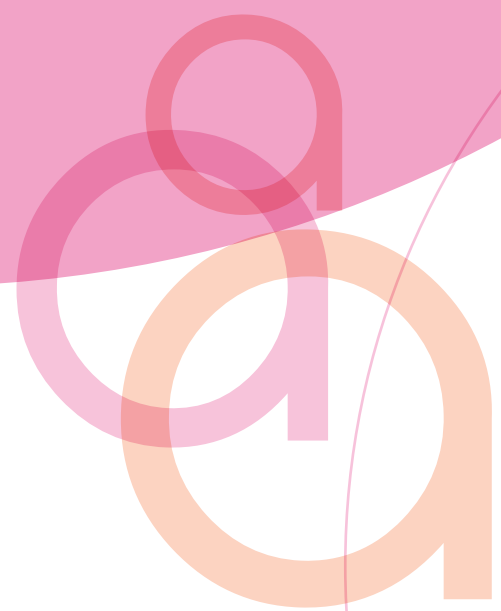
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ANNUAL REPORT 2014-15

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Three simple words.

These three words are the inspiration driving our vision and values, our philosophy and plans, our strategy and strength.

aspire. achieve. accelerate.

These words recount our eventful and exciting journey that started with small steps but big ASPIRATIONS in 2006 to become a fashion house for lounge wear and intimate wear categories.

These words reveal our resolve as we ACHIEVED remarkable success to emerge as market leaders and dominant players in the world with a market capitalization of ₹ 5 billion.

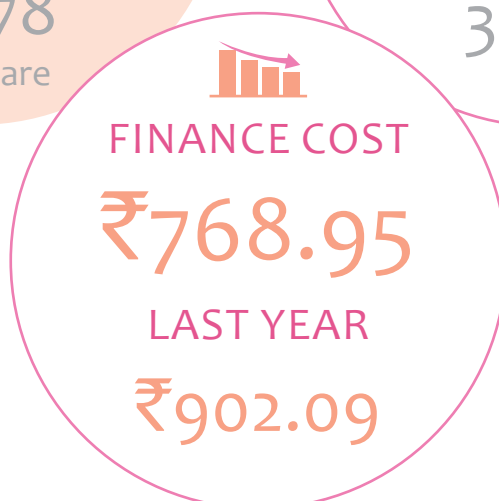
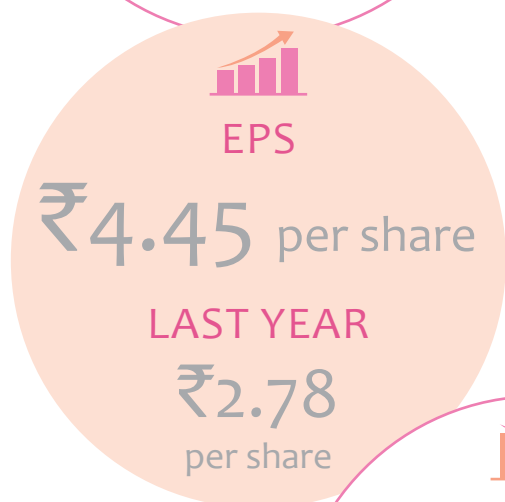
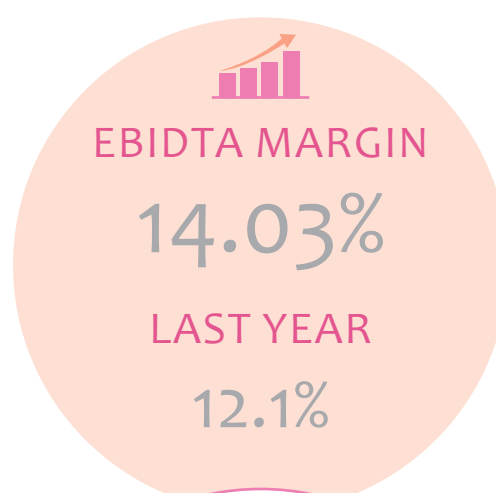
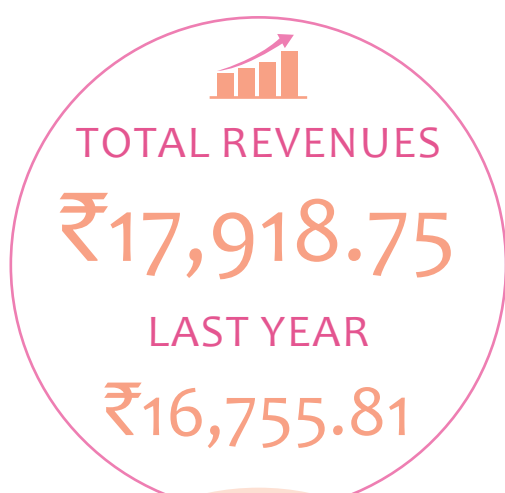
These words reflect our focus and firm ambition as we now prepare to ACCELERATE the momentum by leveraging our scale, skills and scope to enter into the next phase of growth.

At Ashapura Intimates Fashion Limited, these simple words inspire and encourage us to

aspire further
achieve bigger
accelerate faster

Highlights of the Year

In Lakhs





NEW VISUAL IDENTITY FOR VALENTINE WITH NEW
BRAND POSITIONING REVOLVING AROUND THE
STRONGEST HUMAN EMOTION - LOVE



6

BRANDS
CONSOLIDATED
UNDER VALENTINE

2,000+

NEW SKUs
INTRODUCED
DURING THE YEAR

1

NEW
CATEGORY
INTRODUCED

REACH

5

EBOs opened

3

New Modern Retailers added

MIGRATED TO BSE MAIN BOARD*

*(June 2015)

Corporate Snapshot

PROFILE

Ashapura Intimates Fashions Limited (AIFL) is a young company founded in 2006. In less than a decade, AIFL emerged as one of the leading fashion house in India in the intimate wear market. The Company has fully integrated operations from manufacturing to retail. The Company today has its presence across the entire intimate wear value chain.

What makes AIFL unique is its comprehensive range of products which cater to every member of a family: from lounge wear to sleep wear to women's intimate wear to sports wear and kids lounge wear – making AIFL the only player having an unmatched capability to offer a full range of products required for a retail outlet under one-roof.

The Company is headquartered in Mumbai and listed on the Bombay Stock Exchange in the BSE SME IPO segment in 2013. The Company migrated to BSE Main Board in June 2015.

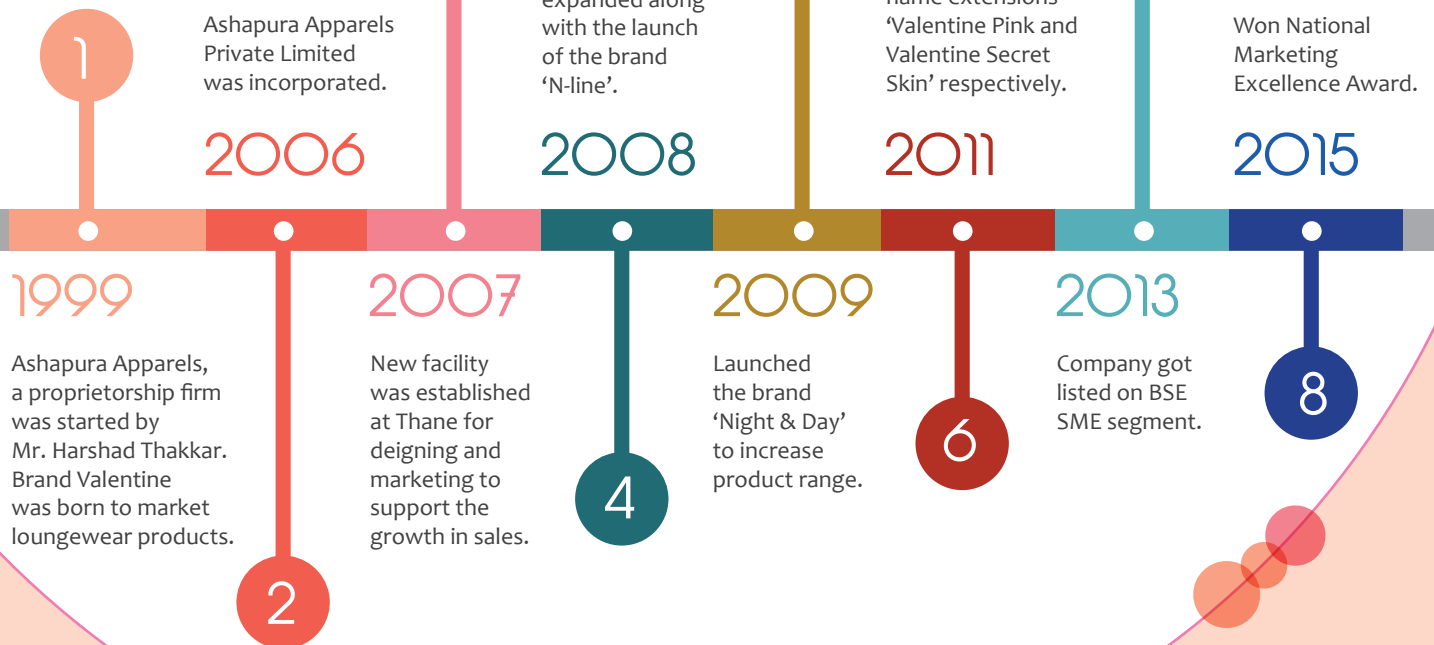
The Company currently trades under the code BSE: 535467.

VALUES

Embedded deep inside the core of AIFL's Aspirations and Achievements are its SEVEN Corporate Values. These values form the DNA, guiding every thought and action of the Company. They bond and bind every division and department into a powerful and a unified entity with shared vision and goal. These values create the crucial driving force that helps us Accelerate faster in our journey.



OUR JOURNEY



14,000
retail touch-points

115
Pan India presence with 115 Distributors and 15 C&F Agents

REACH AND PRESENCE

5
VALENTINE Exclusive Brand Outlets (EBO) owned by the Company

11
Franchise EBOs across India

Presence in all major Modern Retail Outlets like Central, Globus and others

Launched online store: www.valentineclothes.com

International presence in MENA countries

PRODUCT RANGE

-  Lounge Wear
-  Bridal Night Wear
-  Honeymoon Sets
-  Bathrobes
-  Night Wear
-  Women's Intimate Wear and Lingerie
-  Sports Wear
-  Kids Lounge Wear

Chairman's Message



There is a major shift happening in the intimate wear space: the aspirational youth is demanding fashion in intimate wear, which has hitherto a non-fashion, functional and utility product.

Dear Shareholders,

It is always a pleasure and privilege to share with you highlights of the year's performance and the outlook for the next year.

The year 2014-15 has been a year of positivity and optimism for the Indian economy. The bold and directional reforms in key sectors undertaken by the new government brought confidence and conviction back in the long-term India growth story that once again became the focus of the world. The country's GDP bounced back to 7.3 per cent in the fiscal year 2015, and crossed the threshold US\$ 2 trillion mark, as all the major sectors of the economy saw a marked revival and resurgence in industrial as well as consumer demand. The falling oil prices in the latter half of the year further contributed to the positive momentum as inflation fell to around 5 per cent levels, allowing the Reserve Bank of India (RBI) to lower interest rates. Foreign investors are flocking back as they foresee a period of stability and sustained high-growth for the near and mid-term as India marches ahead to become the fastest growing economy in the world.

IN A SPAN OF ONLY NINE YEARS,
WE HAVE BECOME A FORCE TO RECKON
WITH IN THE INTIMATE WEAR MARKET
PLACE. THE COMBINATION OF CATEGORIES,
PRODUCTS, RANGE AND DESIGNS FOR
THE ENTIRE FAMILY GIVES US A DISTINCT
COMPETITIVE ADVANTAGE THAT IS
HARD TO REPLICATE.

With almost 61 per cent of its population below the age of 35 years, India is growing younger, unlike many other countries. The young India is aspirational and aware, confident and conscious. And this is the single biggest factor in India's favour.

These are exciting and interesting times indeed!

At Ashapura Intimates Fashions Limited, we are a fashion house specializing in the intimate wear products for men, women and kids. The intimate wear market and the women's intimate wear market is expected to grow at a CAGR of 9 per cent and 15 per cent respectively between 2013-2023, and reach ₹ 595 billion and ₹ 440 billion by 2023. There is a major shift happening in the intimate wear space: the aspirational youth is demanding fashion in intimate wear, which has hitherto a non-fashion, functional and utility product. However, compared to countries like China and Thailand, India is still way behind in terms of consumer spend on fashionable intimate wear – a clear indication of the huge opportunity that lies ahead.

It was another year of excellent financial performance by your Company. The key financial highlights are:

📈 Our Total Revenues for the year were ₹ 1,792 million compared to ₹ 1,676 million in the previous year, an increase of 6.9 per cent.

📈 Our EBIDTA for the year was ₹ 249 million against ₹ 201 million in the previous year, an increase of 24.04 per cent

📈 Our Net Profit for the year was ₹ 87 million against ₹ 54 million in the previous year, an increase of 60.33 per cent

We are in the process of converting our distributors into super-distributors, which would help us reduce the credit period from 3 months to 15 days, significantly improving working capital cycle.

Branding is one of our key strengths, and as part of our strategic marketing

initiative, we have started the process of converging all our brands into a single consumer/retail brand – VALENTINE. We firmly believe that a single strong brand will help us consolidate our focus as well as ensure higher visibility and connect with customers and consumers alike. Our recent foray into kids lounge wear and sports wear categories have shown excellent traction during the year. We are also in the process of expanding our footprint in India with tie-ups with larger MBOs, more EBOs and a higher online sales. For accelerating our export business, we are planning to set up a sales office in Dubai.

In a span of only nine years, we have become a force to reckon with in the intimate wear market place. The combination of categories, products, range and designs for the entire family gives us a distinct competitive advantage that is hard to replicate. This short but eventful journey has seen your Company ASPIRE and ACHIEVE, and yet, we believe this is just the beginning. We are all set to ACCELERATE!

I thank all our stakeholders – our bankers, our investors, our vendors and partners, our distributors and agents and customers for their trust and faith. A special thank you to all the employees of the Company for their energy and efforts to make Ashapura Intimates Fashion Limited No. 1.

Yours sincerely,

Harshad Thakkar
Chairman & Managing Director

Business Overview

Ashapura Intimates Fashion Limited has redefined the lounge wear, intimate wear and sports wear spaces by making these fashionable and aspirational – a far cry from the functional and utility driven space. With a passion for design and a focus on quality, the Company constantly strives to create the best customer offering in each individual market and deliver the best value proposition for its customers.

OVER THE YEARS, THE COMPANY'S SUCCESSES AND GOOD PERFORMANCE HAVE PUT IT IN A STRONG FINANCIAL POSITION, WITH A PROMISING SCOPE TO CONTINUE ON THE GROWTH TRAJECTORY AS A VIBRANT AND ACCELERATING INDIA MARCHES RAPIDLY AHEAD OFFERING NEW BUSINESS OPPORTUNITIES.