

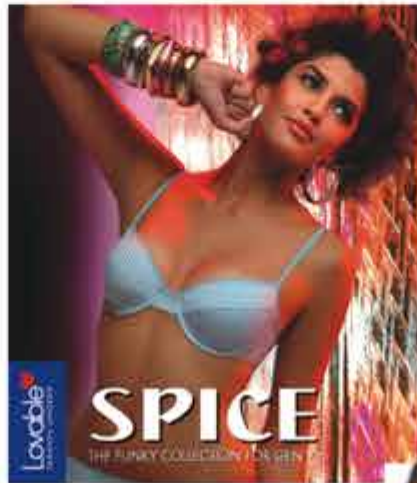
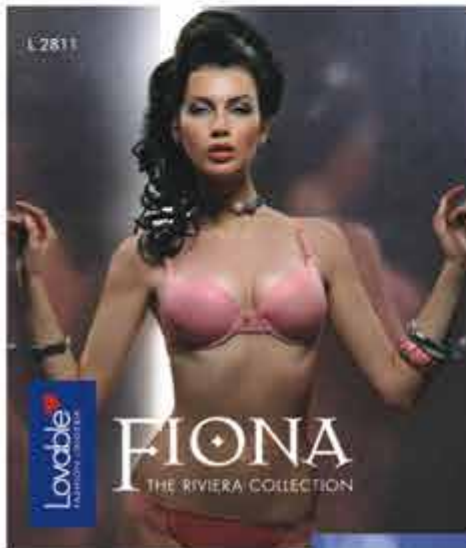
ANNUAL REPORT 2010-11



Lovable Lingerie Limited



NEW LAUNCHES



Chairman's Statement

Dear Fellow Shareholders,

First of all, I would like to thank all of you, and specially those of you who joined our family recently through our IPO, for reposing your confidence in us.

I am indeed happy to report that our performance in 2010-11 has been excellent both in terms of generating higher turnover and profit, and in creating strong foundations for accelerated growth in the future.

At the macro economic level, while inflation in our major cost heads continues to be a cause of concern, the robust GDP growth, accompanied by the rapid growth of the middle and upper class consumers, augurs well for the fortunes of your company in the years ahead.

The lingerie industry in particular has grown faster than most other product categories, and the outlook for the future is expected to be even more accelerated growth, with more and more Indian women perceiving innerwear to be as important a functional and fashion garment as their outerwear.

Having created major brands - Lovable, Daisy Dee and College Style – in each of the three key segments: premium, regular, and youth – your company is poised to exploit this enormous market potential, more than any of our competitors.

With your support, your company has consciously expanded its capital base, to enable further expansion of production facilities, increased distribution, investment in brand building, and launches of new brands and product categories.

We are indeed fortunate to have with us a highly dedicated team of professionals and skilled employees, along with advisors and associates, whose contribution has been invaluable in achieving your company's growth. Our trade partners have provided us unstinting support in expanding our outreach to our customers. We are indeed grateful to each one of them.

I would also like to take this opportunity to thank our Board of Directors, who have helped both in the development and implementation of strategic plans at every step of the way.

Finally, my thanks to all of you shareholders. Together, we will continue to look forward to an even brighter future ahead.

With my best wishes and warmest regards,

Vinay Reddy

Chairman & Managing Director

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CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. L Vinay Reddy

Chairman & Managing Director

Mr. G. Ashok Reddy

Whole-time Director

Mr. L. Jaipal Reddy

Whole-time Director

Mr. Gopal Sehjpal

Independent Director

Mr. Dhanpat Kothari

Independent Director

Mr. Sivabalan Paul Pandian

Independent Director

KEY MANAGEMENT PERSONNEL:

Mr. Sunil Shukla

Chief Financial Officer

Mr. Prakash Ramanna

GM – Sales & Marketing (Lovable)

Mr. Giriraj

All India Sales Manager (Daisy Dee)

Mr. L. R. Srinivasan

Purchase & Planning Manager

Mr. K. Srinivas

Production Manager

Mrs. Megha Maheshwari

Company Secretary

STATUTORY AUDITORS:

M/s. Attar & Associates

Chartered Accountants

INTERNAL AUDITORS:

S. H. Bathiya & Associates

Chartered Accountants

REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound,

L.B.S Marg, Bhandup (West),

Mumbai 400 078

BANKERS:

Bank of Baroda.

Corporation Bank

COMPANY IDENTIFICATION NO.

CIN: L17110MH1987PLC044835

BRANCHES:

- Mumbai
- Hyderabad
- Bangalore
- Chennai
- New Delhi
- Kolkata

FACTORY:

Lovable:
18/2, Opp. Khodays Breweries,
Behind L & T Concrete,
Kanakapura Road,
Bangalore-560062

Daisy Dee:

46/2, Guruprasanna Industrial Area,
Doddakallasandra, Konanakunte Cross,
Kanakapura Road, Bangalore – 560 062.

Uttarakhand:

Khasra No. 986M Industrial Area,
Village Saleempur Raiputan,
Roorkee, Dist. Haridwar,
Uttarakhand : 247667.

REGISTERED & CORPORATE OFFICE:

A-46, Street No.2, MIDC, Andheri (E),
Mumbai - 400 093.

Visit us at: www.lovableindia.in

Email: corporate@lovableindia.in

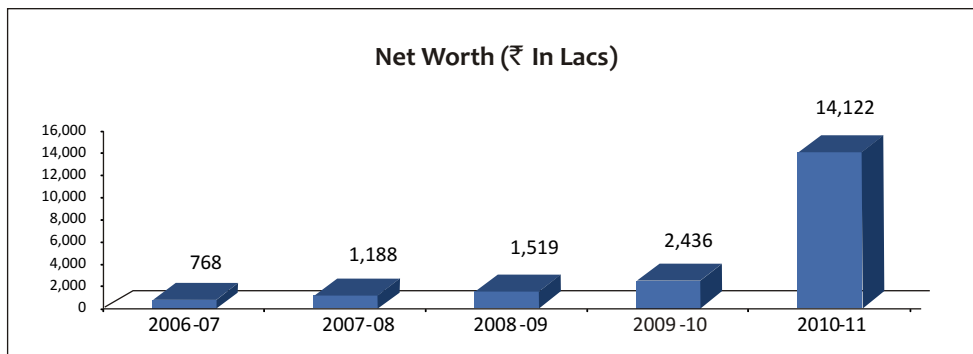
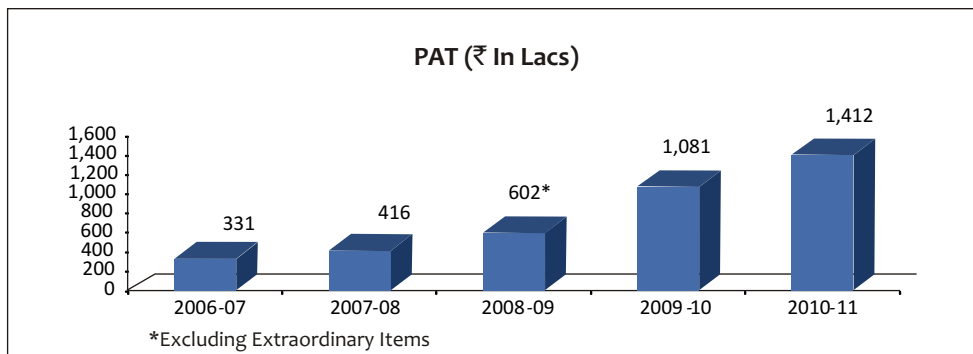
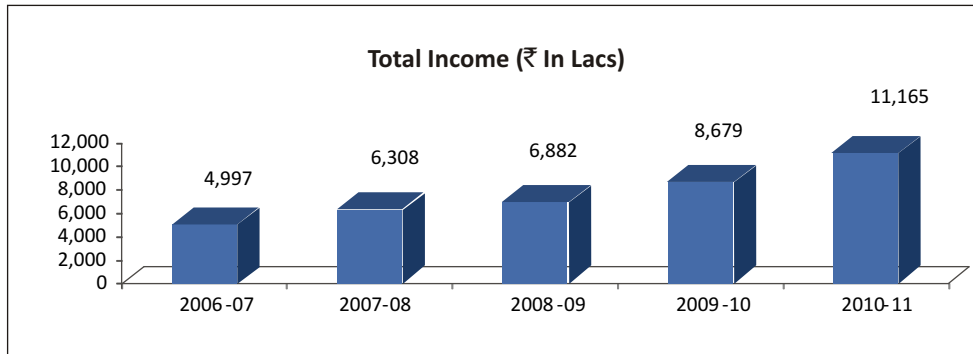
Important Communication to Members

The Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circulars stating that service of Notice/ documents including Annual Report can be made by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses as so far, are requested to register their e-mail Addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate column in the Feedback Form on Page No. 56 of the Annual Report and send the same to the Company’ RTA, M/s Link Intime India Pvt. Ltd. and also update the e-mail address as and when there is any change.

FINANCIAL SNAPSHOTS

(₹. In Lacs)					
Particulars	2010-11	2009-10	2008 - 09	2007 - 08	2006 - 07
FINANCIAL POSITION:					
Net Fixed Assets	1293	1278	1319	358	313
Investments	9305	198	100	100	-
Current Assets, Loans & Advances	5100	3172	3336	2948	2186
Deferred Tax Assets	-	-	41	4	4
Total Assets	15698	4648	4796	3410	2502
Long Term loans	-	33	724	791	696
Current Liabilities & Provisions	1484	2092	2553	1431	1038
Deferred Tax Liabilities	92	87	-	-	-
Total Liabilities	1576	2212	3277	2222	1734
Net Worth	14122	2436	1519	1188	768
Represented by:					
Share capital	1680	750	150	150	100
Reserves and Surplus	12442	1686	1369	1038	668
Less: Misc. Expenditure not w/o	-	-	-	-	-
	14122	2436	1519	1188	768
OPERATING PERFORMANCE:					
Total Income	11165	8679	6882	6308	4997
Excess Provision for Gratuity	-	25			
Total Operating Expenditure	9119	7047	6019	5562	4442
Deferred Expenses	5	7			
Earnings Before Interest and Depreciation	2041	1650	862	746	555
Interest	54	93	137	64	25
Depreciation	137	131	39	28	21
Extra-Ordinary Items	-	-	254	-	-
Profit Before Tax	1850	1426	433	654	509
Taxation	438	346	85	238	179
Profit After Tax	1412	1080	348	416	331
Number of Equity Shares	16800000	7500000	150,000	150,000	50,000
Face Value of Share (Rs.)	10	10	100	100	100
Earnings Per Share (Rs.)	12.26	9.61	401	394	329
Book Value Per Share (Rs.)	84.06	32.48	1013	792	1536

FINANCIAL SNAPSHOTS



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting of the Members of Lovable Lingerie Limited will be held at All India Plastics Manufacturers Association Auditorium, Plat No. A-52, Road No. 1, MIDC, Andheri (East), Mumbai-400093, on Thursday, the 25th day of August, 2011 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Dhanpat M Kothari, who retires by rotation, but being eligible, offers himself for re-appointment.
4. To re-appoint M/s Attar & Co., Chartered Accountants, Mumbai, having ICAI registration no. 112600W as the Auditors of the company and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 "RESOLVED THAT pursuant to Section 61 and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorised to amend/vary any or all terms and conditions of the agreements/contracts mentioned in the Prospectus dated 15th March, 2011.
 RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee(s) constituted by the Board to exercise its powers including the powers conferred by this resolution) be and is hereby authorised to do all such necessary acts and execute such deeds, documents and papers as may be necessary and deemed fit to give effect to this resolution."
6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 "RESOLVED THAT Mr. Sivabalan Paul Pandian, who was appointed by the Board of Directors as an Additional Director of the Company with effect from September 20th, 2010 and who holds office up to the date of the forthcoming Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice, in writing, from a Member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."
7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 "RESOLVED THAT Mr. Gopal G. Sehjpal, who was appointed by the Board of Directors as an Additional Director of the Company with effect from September 20th, 2010 and who holds office up to the date of the forthcoming Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice, in writing, from a Member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

Mumbai
May 30th, 2011

By Order of the Board of Directors
For **Lovable Lingerie Limited**

Registered Office:
A-46, Street No. 2, MIDC,
Andheri (East), Mumbai-400093

Megha Maheshwari
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON BEHALF OF HIM AND THE PROXY NEED NOT BE A MEMBER.

The enclosed proxy form should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the AGM.

2. The Register of Members and the Share Transfer Books of the Company will remain closed from 19th August, 2011 to 25th August 2011 (both days inclusive) in connection with the AGM and for the purpose of dividend.
3. Dividend of Rs. 1.5 per share (i.e., at the rate of 15% on face value of Rs. 10) for the year ended 31st March, 2011 as recommended by the Board, if declared at the AGM, will be paid on or after 25th August, 2011 to those persons or their mandates:
 - a) Whose names appear as Beneficial Owners as at the end of the business hours on August 18th, 2011 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
 - b) Whose names appear as Members in the Register of Members of the Company on August 18th, 2011 after giving effect to valid share transfers in physical form lodged with the Company / Registrar and Share Transfer Agents on or before the aforesaid date.
4. An Explanatory Statement pursuant to provisions of Section 173(2) of the Companies Act, 1956, is annexed hereto. The relevant details as required by Clause 49 of the Listing Agreements entered with the Stock Exchanges, in respect of item no. 6 and 7 set above are furnished as Annexure to the notice.
5. Members/Proxies are requested to bring their copies of the Annual Report to the AGM and the attendance slip duly filled in for attending the AGM. Copies of Annual Report will not be provided at the AGM.
6. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
7. Members holding shares in physical form may obtain the Nomination forms from the Company's Registrar and Share Transfer Agents and Members holding shares in electronic form may obtain the Nomination forms from their respective Depository Participants.
8. Members desirous of obtaining any information concerning the Accounts and Operations of the Company are requested to address their queries to the Registered Office of the Company at least seven days before the date of the AGM, so that the information requested by them may be made available.
9. Members holding shares in physical form may write to the Company/Company's share transfer agents for any change in their address and bank mandates; members having shares in electronic form may inform the same to their depository participants immediately so as to enable the Company to dispatch dividend warrants at their correct addresses.
10. Members are requested to opt for NECS (National Electronic Clearance Service) for receipt of dividend. Members may please update their bank account details with their Depository Participants for receiving the dividend in a hassle free manner. Opting for NECS is cost effective and also saves time.
11. Members holding shares in dematerialised form are requested to provide their latest bank account details (Core Banking Solutions enabled account numbers, 9 digit MICR and 11 digit IFS code) with their Depository Participants and Members holding shares in Physical Form are requested to provide their