

LOVE  
AND  
BE  
LOVABLE



ANNUAL REPORT 2011-2012

Lovable



NEW YORK • MILAN • TOKYO • SYDNEY

# NEW LAUNCHES



## Chairman's Message

Dear shareholders,

It gives me great pleasure to present you with Annual Report for the year 31st March 2012 and share with you a few thoughts on our strategic planning and implementation.

We have made considerable progress during the year by scaling up business and delivered profitable growth. We are well positioned to realise the increasing growth potential in the market. We will focus and continue to be confident about taking advantage of the long term opportunities.

Building strong capabilities in lingerie industry is the important agenda for lovable. Towards this end your company has invested in building world class manufacturing units. During the current year we have commissioned two manufacturing units and the workforce, production and Q.A. Systems were brought upto Lovable's internationally-benchmarked standards to produce world class quality and to produce new generation bras.

Taking into account the evolving lifestyle and appreciation of quality lingerie from middle india, we have initiated rapid growth in retail network with the help of a new set of distributors for our "Lovable" brand numbering 51 at present to reach 75 nos. by end of the year. Lovable brand's retail network will expand from 1400 last year to 5000 by expansion. Modern retail has grown and consumers are increasingly shopping at malls. Considering this your company has created a separate team to cater to the chain stores channel with heightened intensity & responsibility.

Your company's brand "Daisy Dee" has persisted with its wider and deeper distribution strategy and the important landmark of 10,000 retail outlets selling Daisy Dee was crossed this year. Its distributor numbers were expanded to 120 nos and the network strengthened to aid easier availability of our brand in all major markets of india.

Our world is changing fast and more so in india. And we clearly understand that change is a driver of new opportunities to be grabbed early, as also a presenter of risks to be combated. Accelerating the implementation of decisions, insisting on uncompromising quality in all products and processes everywhere, yet being flexible and open for new opportunities and innovations is a part of our job.

While your company's long-term strengths remain robust and the opportunities ahead are more exciting than ever before, yet the immediate outlook of the economy and of the indian consumer's consuming behavior are weak and expected to remain so through 2012-13. We are all aware of the ills that plague the economy and your company had the foresight to see the coming weakness. Tactics and marketing plans were modified to factor in these scenario. Your company is well placed to contend with the challenges of weak consumer spending, high inflation and poor financial health of the market. We look forward to a weak demand situation with well-placed confidence and commitment to the task ahead.

In conclusion we believe that our company is a strong, stable company and that our core business has good potential. We will remain true to our principles and we will continue to act with our usual sense of responsibility to our shareholders and to the company.

I would like to take the opportunity to explain my sincere gratitude to all the employees and our trade partners for their continued contribution for the past year.

Thank you for your confidence and i look forward to your continued support.

L Vinay Reddy

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### Go Green Today

As a responsible corporate citizen, the Company welcomes and supports the '**Green Initiative**' taken by the Ministry of Corporate Affairs, enabling the Company to effect electronic delivery of documents. The above initiative will go a long way in conserving paper which is a natural resource as also result in substantial savings on printing and posting of annual reports and other documents of your Company sent to Members. Members are requested to support this Green Initiative by updating their email addresses with their respective Depository Participants, in case of electronic shareholding; or registering their email addresses with the Company's Registrar and Transfer Agents, in case of physical shareholding. Join this cause and make the world a cleaner, greener and healthier place to live in.

### Note:

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS:

<b>Mr. L Vinay Reddy</b> Chairman & Managing Director	<b>Mr. G. Ashok Reddy</b> Whole-time Director
<b>Mr. L. Jaipal Reddy</b> Whole-time Director	<b>Mr. Sivabalan Paul Pandian</b> Independent Director
<b>Mr. Anantharaman Mahadevan</b> Independent Director	<b>Mr. Dhanpat Kothari</b> Independent Director
<b>Mr. V. T. Bharadwaj</b> Nominee Director	<b>Mr. Gopal Sehjpal</b> Independent Director

### COMPANY SECRETARY AND COMPLIANCE OFFICER

**Mrs. Megha Maheshwari**

#### STATUTORY AUDITORS:

**M/s. Attar & Company**  
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.

#### REGISTERED OFFICE & CORPORATE OFFICE:

A-46, Road No. 2, MIDC, Andheri (East),  
Mumbai - 400 093

#### FACTORY:

- 1)**  
46/2, Guruprasanna Industrial Area,  
Doddakallasandra, Konanakunte Cross Road,  
Bangalore – 560 062.
- 2)**  
No. 9 & 10, Manipal County Cross John Avenue  
Private Road, Singasandra hosur Road,  
Bangalore - 560 068
- 3)**  
18/2, Opp. Khodays Breweries,  
Behind L & T Concrete, Kanakapura Road,  
Bangalore-560062

#### BRANCHES:

Hyderabad	Bangalore	Chennai
New Delhi	Kolkata	Mumbai

### KEY MANAGEMENT PERSONNEL:

<b>Mr. Prakash Ramanna</b> GM – Sales & Marketing (Lovable)	<b>Mr. Giriraj</b> All India Sales Manager (Daisy Dee)
<b>Mr. L. R. Srinivasan</b> Purchase & Planning Manager	<b>Mr. Ashok Singh</b> General Manager - Operation

#### VISIT US AT:

**www.lovableindia.in**  
**Email: corporate@lovableindia.in**

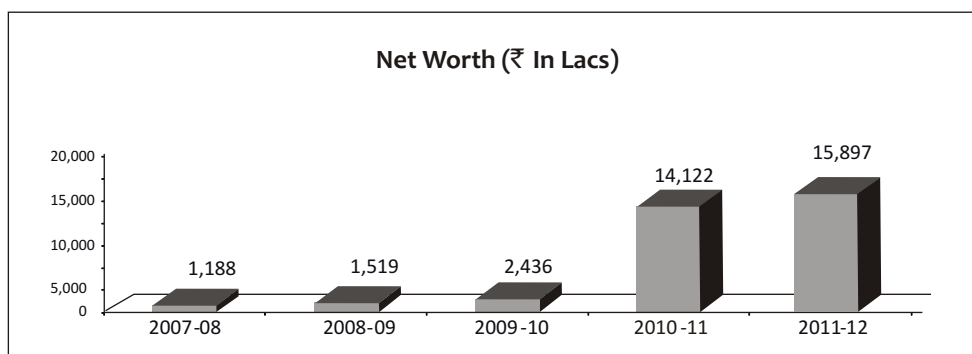
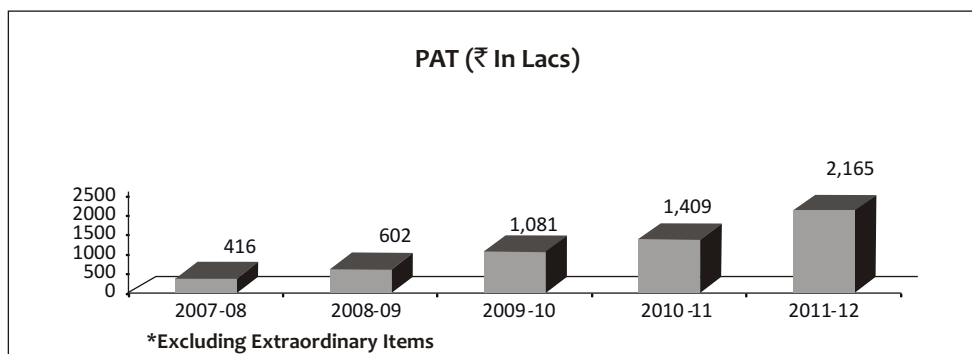
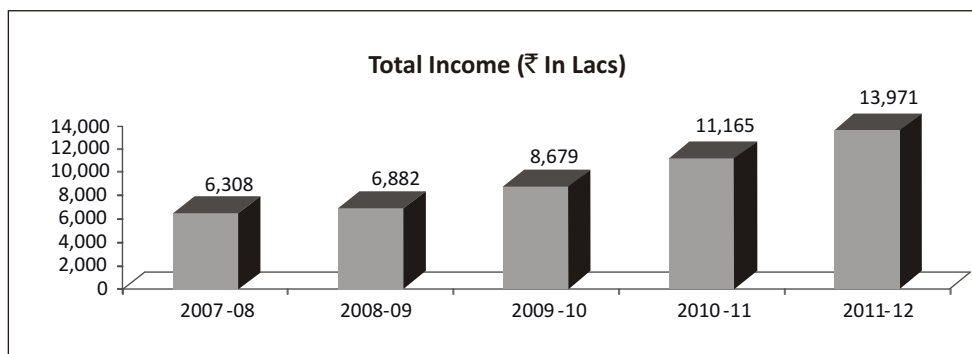
#### COMPANY IDENTIFICATION NO.

CIN: L17110MH1987PLC044835



FINANCIAL SNAPSHOTS						
(₹. In Lacs)						
Particulars	2011-12	2010-11	2009-10	2008 - 09	2007 - 08	2006 - 07
<b>FINANCIAL POSITION:</b>						
Net Fixed Assets	2722	1293	1278	1319	358	313
Investments	9612	9305	198	100	100	-
Current Assets, Loans & Advances	5651	5100	3172	3336	2948	2186
Deferred Tax Assets	-	-	-	41	4	4
Other Non-Current Assets	564	-	-	-	-	-
<b>Total Assets</b>	<b>18549</b>	<b>15698</b>	<b>4648</b>	<b>4796</b>	<b>3410</b>	<b>2502</b>
Long Term loans	22	-	33	724	791	696
Long Term Provisions	109	-	-	-	-	-
Current Liabilities & Provisions	2417	1484	2092	2553	1431	1038
Deferred Tax Liabilities	104	92	87	-	-	-
Total Liabilities	2652	1576	2212	3277	2222	1734
<b>Net Worth</b>	<b>15897</b>	<b>14122</b>	<b>2436</b>	<b>1519</b>	<b>1188</b>	<b>768</b>
<b>Represented by:</b>						
Share capital	1680	1680	750	150	150	100
Reserves and Surplus	14217	12442	1686	1369	1038	668
Less: Misc. Expenditure not w/o	-	-	-	-	-	-
	<b>15897</b>	<b>14122</b>	<b>2436</b>	<b>1519</b>	<b>1188</b>	<b>768</b>
<b>OPERATING PERFORMANCE:</b>						
Total Income	13971	11165	8679	6882	6308	4997
Excess Provision for Gratuity	-	-	25			
Total Operating Expenditure	10991	9119	7047	6019	5562	4442
Deferred Expenses	-	5	7			
<b>Earnings Before Interest and Depreciation</b>	<b>2980</b>	<b>2041</b>	<b>1650</b>	<b>862</b>	<b>746</b>	<b>555</b>
Interest	59	54	93	137	64	25
Depreciation	150	137	131	39	28	21
Extra-Ordinary Items	-	-	-	254	-	-
<b>Profit Before Tax</b>	<b>2771</b>	<b>1850</b>	<b>1426</b>	<b>433</b>	<b>654</b>	<b>509</b>
Taxation	606	438	346	85	238	179
Profit After Tax	2165	1412	1080	348	416	331
Number of Equity Shares	16800000	16800000	7500000	150,000	150,000	50,000
Face Value of Share (₹. )	10	10	10	100	100	100
Earnings Per Share (₹. )	12.89	12.26	9.61	401	394	329

## FINANCIAL SNAPSHOTS



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 25th 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 Wednesday, the 12th day of September, 2012 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, 2012 and the statement of 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. Sivabalan Paul Pandian, who retires by rotation, but being eligible, offers him for re-appointment.
4. To appoint a Director in place of Mr. Gopal Sehgal, who retires by rotation, but being eligible, offers him for re-appointment.

### SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification(s), if any, the following resolution as an ORDINARY RESOLUTION:

“RESOLVED that pursuant to the provisions of Sections 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, Messrs Vinod Kumar Jain & Company, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company, in place of the retiring auditors Messrs Attar & Co., Chartered Accountants, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be decided by the Board of Directors of the Company.”

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Anantharaman Mahadevan, who was appointed by the Board of Directors as an Additional Director of the Company with effect from September 22nd, 2011 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 14, 2012

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

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

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 September 5, 2012 to September 12, 2012 (both days inclusive) in connection with the AGM and for the purpose of dividend.
3. Dividend of ₹ 2 per share (i.e., at the rate of 20% on face value of ₹ 10) for the year ended 31st March, 2012 as recommended by the Board, if declared at the AGM, will be paid on or after 12th September, 2012 to those persons or their mandates:
  - a) Whose names appear as Beneficial Owners as at the end of the business hours on September 4, 2012 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 September 4, 2012 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. As of March 31, 2012, we have unclaimed amount is ₹ 24,837/-. The Shareholders who have not claimed their dividend, are requested to write to our Registrar and Share Transfer Agents M/s. Link Intime India Pvt. Ltd., Mumbai to claim the Amount.

Pursuant to section 205C of Companies Act, 1956, if the amount is not claimed within 7 years from the date they become due for payment; such unclaimed amount will be transferred to Investor Education and Protection Fund. Once the Unclaimed amount transferred, no further claim can be made.

5. An Explanatory Statement pursuant to provisions of Section 173(2) of the Companies Act, 1956, is annexed hereto.
6. 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.
7. 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.
8. 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.
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 latest bank account details (Core Banking Solutions enabled account numbers, 9 digit MICR and 11 digit IFS code) alongwith their Folio Number to the Company's Registrar and Share Transfer Agents, Link In Time India Pvt. Ltd.
12. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited, for assistance in this regard.
13. Members are informed that in case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
14. Members holding shares in multiple folios in the same name or in the same order of names are requested to consolidate their holding into a single Folio.
15. Please note that in terms of SEBI Circulars No.MRD/DoP/Cir-05/2009 dated May 20, 2009 and No.SEBI/MRD/DoP/SE/RTA/Cir-03/2010 dated 7th January, 2010, it is mandatory for the shareholders holding shares in physical form to submit self-attested copy of PAN card for transfer / transmission / deletion / transposition of securities. In compliance with the aforesaid circulars, requests without attaching copies of PAN card, for transfer/deletion/ transmission and transposition of shares of the Company in physical form will be returned under objection.

Mumbai  
May 14, 2012

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**