



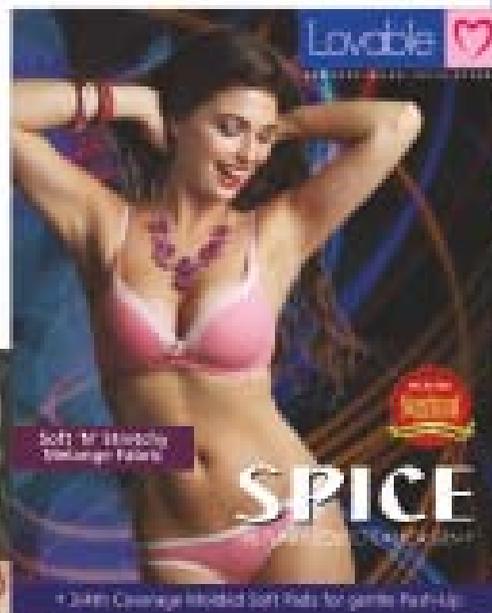
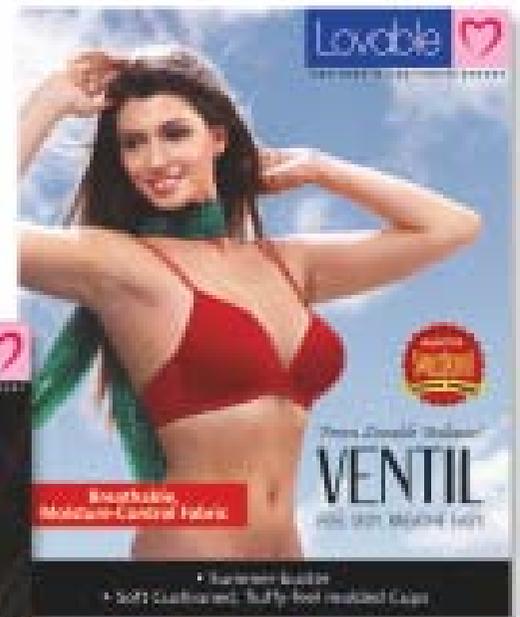
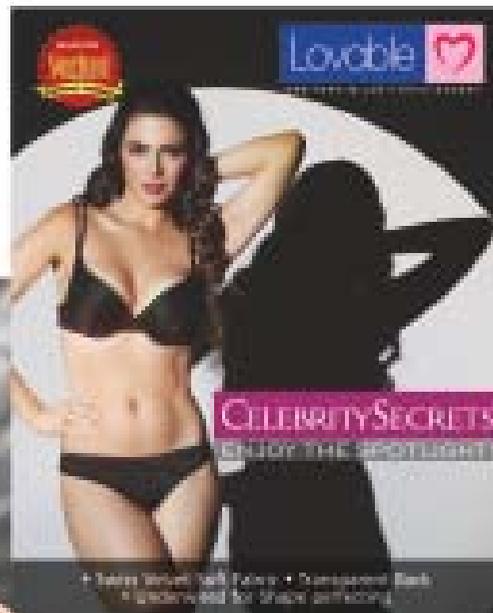
Lovable



NEW YORK • MILAN • TOKYO • SYDNEY

ANNUAL REPORT
2012-2013

NEW LAUNCHES



Chairman's Statement

Dear Shareholders,

It is a delight to address you on the completion of another eventful and successful year. The world economy has witnessed slowdown this year. The Indian economy in tandem is also experiencing a slowdown due to global and domestic economic slowdowns having a depressing impact on consumer discretionary spending. Matters have been further aggravated due to elevated crude prices, weakening rupee and the resulting inflationary stress on consumers.

After a difficult trading year, I am pleased to be able to tell you about the enhancements we have made in our business. Many of the initiatives we have taken are beginning to show interesting results and while it is still early days, we see good progress and feel that we are moving in the direction of growth.



The slowing retail market has been a major challenge for the industry, besides the difficulties posed by high cotton fabric prices. Our counter-strategies of distribution expansion and product range increase, coupled with margin protection have enabled us to deliver satisfactory results.

I am glad to report that your Company has been able to sustain operational stability, thanks to our strong market position, geographic spread of scale and low-cost but high quality products. Our ability to deliver in difficult times is attributable to our strategic positioning as a Branded consumer play. We are consolidating our position by focusing on higher value added products, developing newer products for need gaps and expanding market boundaries. Your Company has always focused on building strengths for the future and continued to invest in building capabilities. We will continue to invest our resources in taking these initiatives forward.

Customer focused product:

- Our product ranges are now being developed within a revised framework designed to meet the aspirations and value perceptions of our core customers more accurately;
- Our design team created new designs which are more customer focused and will provide great value;
- The new collection has been well received by our Wholesale customers and our renewed sales team is confident that we are going forward with the right product;

Given the scenario above, the Company's focus continues to be on growing the Business. Our position in terms of product quality and fashion content is at par with the best global benchmarks.

The Board had declared a final dividend of Rs. 2/- per equity share for the year 2011-2012. Considering the profitability of the Company during the year, as well as to be in line with best practices vis-a-vis dividend payout ratio, your Directors are pleased to declare a final dividend of Rs. 2/- per equity share of the face value of Rs. 10/-.

Your Company has always believed and practiced high standards of professionalism, maintaining the standards of corporate governance, integrity and transparency and would continue to do so. It is these values which have shaped the character of your organization and helped in building wealth for all stakeholders. We have further professionalized the organization, instituted better Appraisal mechanisms and improved systems and processes.

We are continuing to build our distribution network with additional store numbers enhancing significantly during the year.

We are managing the business cautiously in order to increase full-price sales volumes, limit discounting, manage inventory levels, control cash and build confidence with our customers.

I would like to record my appreciation to all my colleagues in the Company for their dedication and commitment to the Company in all difficult times. There is no doubt in my mind that the same spirit and commitment will enable the Company to take its rightful place in the industry as one of the most Top-of-mind branded, stylish, comfortable and cost-efficient lingerie manufacturers – as the supplier of choice in the market it serves – by differentiating itself, its products, its processes and its service to the customer.

My grateful thanks to our eminent Board of Directors for their valuable guidance and advice, which have steered the Company's progress and profitability over the decades, and helped sustain highest standards of Corporate Governance.

My deepest appreciation and thanks to our employees at all levels for their excellent performance, ethics, teamwork, solidarity and commitment to the Company at all times, which has contributed to our consistent profitability in challenging times. We assure you we remain as committed as ever to the Company's goals.

L Vinay Reddy
Chairman & Managing Director

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Important Communication For Members

28th MAY, 2013

Dear Sir(s)/Madam,

The Ministry of corporate Affairs (MCA) has issued Circulars on 21st April, 2011 & 29th April, 2011, stating that the service of documents by a Company may be made through electronic mode. The Circular has been issued in pursuance of "Green Initiative in the Corporate Governance" taken by MCA.

Lovable Lingerie Limited is concerned about the environment and utilizes natural resources in a sustainable way. Recognizing the spirit of the circulars issued by the MCA and to support the Green Initiative, we propose to send documents like Notice of the Annual General Meeting, Annual Reports, Postal Ballot papers etc., in electronic form. These documents will be sent to those Members, who have already provided their E-mail IDs, unless they exercise their option to receive them in physical form by visiting the following Website of our Registrar and Share Transfer Agent (RTA).

Further, the documents being sent to shareholders, from time-to-time, are also being posted on the Company's web site.

Those who are holding Shares in the Dematerialised mode but have not provided their E-mail address are requested to please provide the same to their respective Depository Participants immediately. Those who, however, intend to receive the above documents in physical form, are requested to please exercise their option immediately by visiting the following Web Page of our RTA:
www.lovablelingerieogreen@linkintime.co.in

Members, holding shares in physical mode are requested to visit the following Website and register their E-mail IDs and also exercise their option if you intend to receive the documents in physical form www.lovablelingerieogreen@linkintime.co.in

Thank you,

Yours faithfully,

For **Lovable Lingerie Limited**

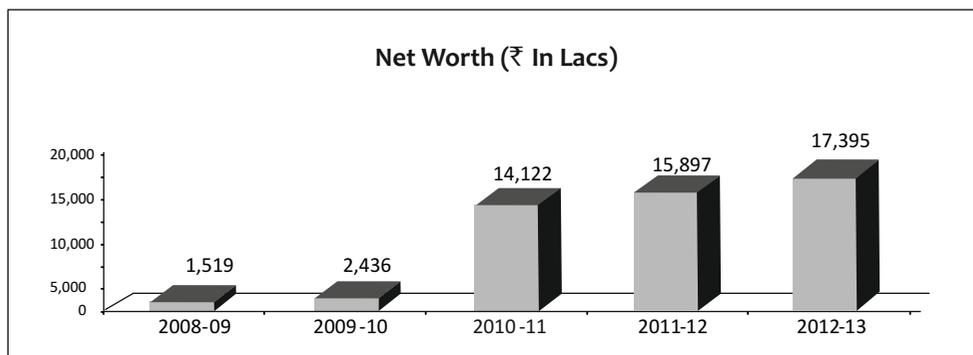
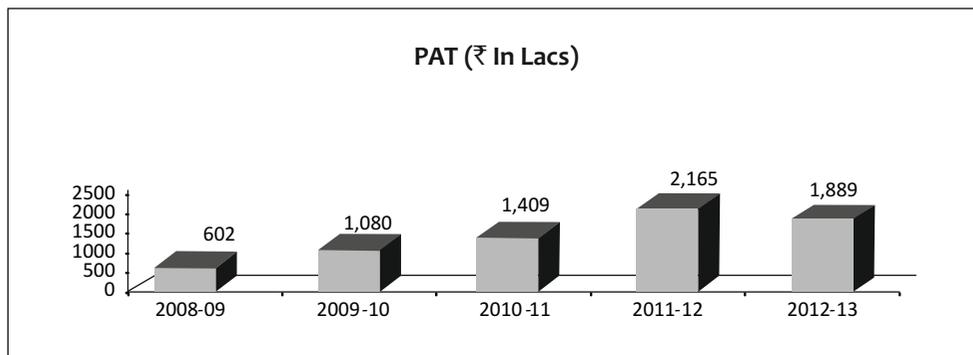
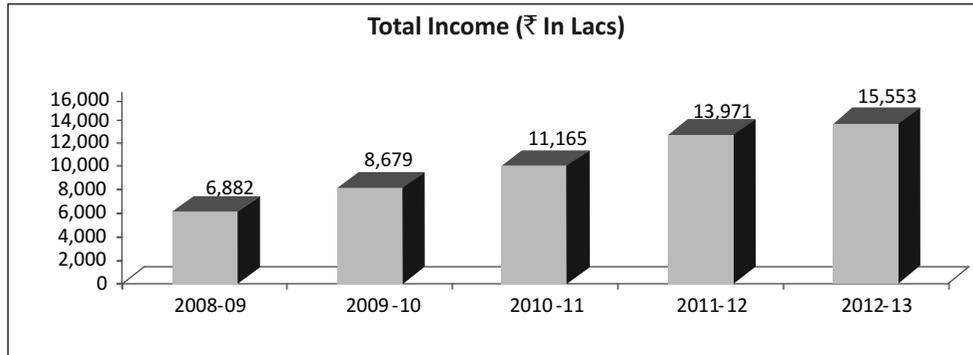
Darsha Sanghvi
Company Secretary

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			
Mr. L Vinay Reddy Chairman & Managing Director		BOARD OF DIRECTORS:	
Mr. G. Ashok Reddy Whole-time Director		Mr. Sivabalan Paul Pandian Independent Director	Mr. Gopal Sehjpal Independent Director
Mr. L. Jaipal Reddy Whole-time Director		Mr. Anantharaman Mahadevan Independent Director	Mr. V. T. Bharadwaj Nominee Director
Mr. L. Jaipal Reddy Whole-time Director		Mr. Dhanpat Kothari Independent Director	
COMPANY SECRETARY Ms. Darsha Sanghvi		CHIEF FINANCIAL OFFICER Mr. R. Govindarajan	
STATUTORY AUDITORS: M/s. Vinodkumar Jain & Co. Chartered Accountants		INTERNAL AUDITORS: S. H. Bathiya & Associates Chartered Accountants	
REGISTERED OFFICE & CORPORATE OFFICE: A-46, Road No. 2, MIDC, Andheri (East), Mumbai-400093 Phone : 022-2838 3581 Fax : 022-2838 3582 Email : corporate@lovableindia.in Website: www.lovableindia.in		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. Phone: +91 22 2594 6970 Fax : +91 22 25946969 Email : rnt.helpdesk@linkintime.co.in	
BANKERS: Bank of Baroda.		PRACTISING COMPANY SECRETARY: D M Zaveri & Co.	
FACTORIES:			
Daisy Dee: 46/2, Guruprasanna Industrial Area, Doddakallasandra, Konanakunte Cross Road, Bengaluru – 560 062	Lovable: Plot No. 9 & 10, Manipal County Cross, Singsandra, Hosur Road, Bengaluru - 560 068	Lovable: 18/2, Opp. Khodays Breweries, Behind L & T Concrete, Kanakapura Road, Bengaluru-560062	
BRANCHES:			
❖ Hyderabad	❖ Bengaluru	❖ New Delhi	❖ Kolkata
KEY MANAGEMENT PERSONNEL:			
Mr. Sharad Prasad Vice-President (Lovable)	Mr. Ashok Singh General Manager- Production	Mr. Giriraj All India Sales Manager (Daisy Dee)	
Mr. Prakash Ramanna GM – Sales & Marketing (Lovable)	Mr. Luv Kumar Production Manager		
Mr. L. R. Srinivasan Head Procurement & Planning			
COMPANY IDENTIFICATION NO. : CIN: L17110MH1987PLC044835			
26th ANNUAL GENERAL MEETING			
Date : 29 th July, 2013	Day : Monday	Time : 11.00 a.m.	
Venue: All India Plastics Manufacturers Association Auditorium, AIPMA House, A-52, Road No. 1, MIDC, Andheri (East), Mumbai- 400093			
BOOK CLOSURE DATES			
Thursday, 25 th July 2013 - Monday, 29 th July 2013			

FINANCIAL SNAPSHOTS					
(₹. In Lacs)					
Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
<u>FINANCIAL POSITION:</u>					
Net Fixed Assets	4081	2722	1293	1278	1319
Investments	7982	9612	9305	198	100
Current Assets, Loans & Advances	8771	5651	5100	3172	3336
Deferred Tax Assets	-	-	-	-	41
Other Non-Current Assets	292	564	-	-	-
Total Assets	21126	18549	15698	4648	4796
Long Term loans	941	22	-	33	724
Long Term Provisions	135	109	-	-	-
Current Liabilities & Provisions	2462	2417	1484	2092	2553
Deferred Tax Liabilities	193	104	92	87	-
Total Liabilities	3731	2652	1576	2212	3277
Net Worth	17395	15897	14122	2436	1519
<u>Represented by:</u>					
Share capital	1680	1680	1680	750	150
Reserves and Surplus	15715	14217	12442	1686	1369
Less: Misc. Expenditure not w/o	-	-	-	-	-
	17395	15897	14122	2436	1519
<u>OPERATING PERFORMANCE:</u>					
Total Income	15553	13971	11165	8679	6882
Excess Provision for Gratuity	-	-	-	25	-
Total Operating Expenditure	12781	10991	9119	7047	6019
Deferred Expenses			5	7	
Earnings Before Interest and Depreciation	2772	2980	2041	1650	862
Interest	39	59	54	93	137
Depreciation	185	150	137	131	39
Extra-Ordinary Items	-	-	-	-	254
Profit Before Tax	2548	2771	1851	1426	433
Taxation	659	605	438	346	85
Profit After Tax	1889	2165	1409	1080	348
Number of Equity Shares	16800000	16800000	16800000	7500000	150000
Face Value of Share (₹.)	10	10	10	10	100
Earnings Per Share (₹.)	11.24	12.89	12.26	9.61	401



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting of the Members of Lovable Lingerie Limited will be held at All India Plastics Manufacturers Association Auditorium, AIPMA House, A-52, Road No. 1, MIDC, Andheri (East), Mumbai- 400093, on Monday, 29th day of July, 2013 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, 2013 and the Statement of Profit and Loss for the year ended 31st March, 2013 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 Kothari, who retires by rotation, but being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Anantharaman Mahadevan, who retires by rotation, but being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration and for the purpose, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 224 and all other applicable provisions, if any, of the Companies Act, 1956, M/s. Vinod Kumar Jain & Co., Chartered Accountants having registration no.111513W, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and are hereby authorized to fix their remuneration for the said period in addition to the re-imbursment of actual out of pocket expenses as may be incurred by them in the performance of their duties.”

Mumbai
May 28, 2013

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

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

L Vinay Reddy
Chairman & Managing Director

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 25th day of July, 2013 to 29th day of July, 2013 (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, 2013 as recommended by the Board, if declared at the AGM, will be paid on or after 29th day of July, 2013 to those persons or their mandates:

a) Whose names appear as Beneficial Owners as at the end of the business hours on 24th day of July, 2013 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 24th day of July, 2013 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 on March 31, 2013, we have unclaimed dividend amount as ₹ 70,232/-. 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. 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 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.
9. Members are requested to opt for NECS (National Electronic Clearance Service) for receipt of dividend. Members may kindly 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.

10. 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) to 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., Mumbai to claim their dividend.
11. 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.
12. 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.
13. 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.
14. 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.
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.
16. The Company has implemented the " Green Initiative" as per circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/ documents and annual reports to shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be your registered email address for serving notices/documents including those covered under Section 219 of the Companies Act, 1956. The Notice of AGM and the copies of audited financial statements, directors' report, auditors' report etc. will also be displayed on the website www.lovableindia.in of the Company and the other requirements of the aforesaid MCA circular will be duly complied with. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer agent of the Company M/s. Link Intime India Pvt. Ltd.
17. Members are requested to fill in and send the Feedback Form provided in the Annual Report.

Mumbai
May 28, 2013

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

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

L Vinay Reddy
Chairman & Managing Director