

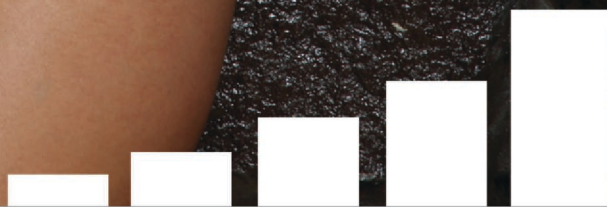


Lovable



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ANNUAL
REPORT
2016





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Annual General Meeting	24th September, 2016
Time	11.00 A.M.
Venue	CTC Banquets, Citi Point, Rajarshi Shahu Maharaj Road, Telli Galli, Andheri (East), Mumbai-400 069.

CORPORATE INFORMATION

BOARD OF DIRECTORS



Mr. L. Vinay Reddy, aged 47, is the Chairman and Managing Director of the Company. He has a bachelor's degree in commerce from the University of Mumbai. He has over 25 years of experience in the innerwear industry. He has been with the Company since its inception. He was instrumental in obtaining license of "Lovable" brand for your Company. Mr. L Vinay Reddy has vast experience in the areas of management, marketing strategies and overall administration control and supervision. The overall day to day affairs and management decisions of your Company are under the supervision of Mr. L. Vinay Reddy. He was previously a Director in Maxwell Industries.



Mr. L. Jaipal Reddy, aged 76, is the Whole-Time Director of the Company. He has a Diploma in Electrical Engineering from Osmania University, Hyderabad. He was the co-founder of Maxwell Industries Limited and was the Managing Director there for 14 years. He is a pioneer of the branded innerwear industry in India and he has conceptualized and established leading brands such as VIP, Frenchie etc. He is a visionary and guides our Company and its management at all the stages of its development and strategic decisions.



Mr. Gopal G. Sehjpal, aged 72, is the Independent Director of your Company. He has a bachelor's degree in Arts (with Commerce and Economics) and a Master's degree in arts (Philosophy) from the University of Delhi. He also has a diploma in personnel management from the University of Delhi. He has worked at Kodak (India) for over 3 decades in the areas of sales, administration, branch management, human resources (as the head) and also as the head of a profit centre. He is currently working as a Management Consultant and Trainer. He is also an Independent director in Maxwell Industries Limited. He is a fellow member of the Institute of Management Consultants of India, life member with the Bombay Management Association and Indian Institute of Quality Management and is an individual member with Consultancy Development Centre (Ministry of Science and Technology, GoI)



Mr. Sivabalan P. Pandian, aged 57, is the Independent Director of your Company. He has a Bachelor's degree in Science (Chemistry) from the University of Poona, a bachelor's and master's degree in science (Technology in Textile Chemistry) from the University of Bombay. He started his industrial career from Saraspur Mills (Lalbhai Concern) He has worked at Bombay Dyeing Manufacturing and Company Limited where he worked as a Deputy Manager in the dyeing department. He has also worked at Mafatlal Industries as a processing manager in the processing department. He is a regular contributor to trade journals specializing in new technologies in the textile and apparel industry. He is currently acting as consultant to companies engaged in the textile industry and its allied fields. He is also an Independent Director in E-Land Apparel Limited.



Mr. Dhanpat M. Kothari, aged 47, is the Independent Director of the Company. He has a Bachelor's degree in Commerce from the SPU College, Falna, Rajasthan. He is also a fellow member of the ICAI and is Practising Chartered Accountant. His area of expertise is in the fields of company formation, tax and statutory audits. Mr. Kothari also appears before various authorities such as Sales Tax and Income Tax authorities with respect to various matters.

Mr. Ananthraman Mahadevan, aged 69, is the Independent Director of our Company since 2011. He holds a Bachelor of Engineering (Mech) degree from University of Mumbai. He has done Master of Engineering (Mech) in Machine Tool Design, University of Mumbai and a Post Graduate Diploma in Industrial Management, Jamnalal Bajaj Institute of Management studies, University of Mumbai. He is a fellow of the Institution of Engineers. He has wide experience working with SICOM Ltd in the field of Development Banking. He has been a Management Consultant and Industrial, Technical and Financial Advisor to promoters of more than 40 companies. Apart from the above activities, he has been supporting various Social Causes through active involvement with a number of NGOs. Over the past 40 years, he has been exposed to all aspects of business development, production, finance, legal, Government Bodies, PSUs and so on.



Ms. Taruna Reddy, aged 43, is the Non-Executive Director of the Company. She has a Diploma in Mass Communication and has wide experience in Advertising and Direct Marketing Services in Creative and Service profiles. She has a keen understanding of design and aesthetics, besides being aware of contemporary trends and consumer psyche. Effective adaptation of evolving consumer preferences onto products and critical evaluation of advertising communication is her domain.

CHIEF FINANCIAL OFFICER

R. Govindarajan

COMPANY SECRETARY & COMPLIANCE OFFICER

Darsha Sanghvi

STATUTORY AUDITOR

Vinodkumar Jain & Co., Mumbai

REGISTERED OFFICE

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

Phone : 022-2838 3581,

Fax : 022-2838 3582,

Email : corporate@lovableindia.in

Website: www.lovableindia.in

CIN: L17110MH1987PLC044835

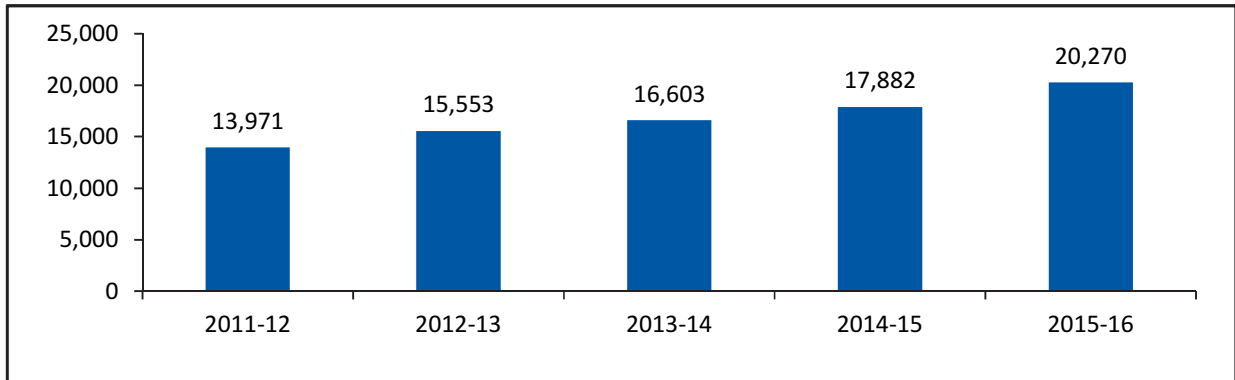
BANKERS

Bank of Baroda

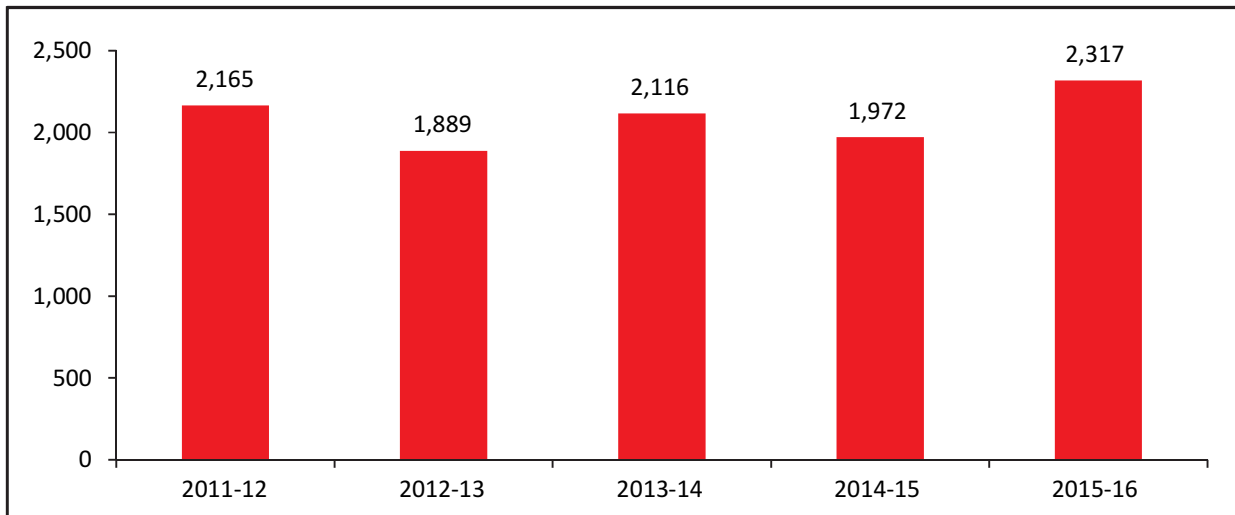
FINANCIAL SNAPSHOTS

	(₹. In Lacs)				
Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
FINANCIAL POSITION:					
Net Fixed Assets	4768	3968	3964	4081	2722
Investments	7075	7458	10462	7982	9612
Current Assets, Loans & Advances	11373	10835	8474	8771	5651
Deferred Tax Assets	-	-	-	-	-
Other Non-Current Assets	185	192	172	292	564
Total Assets	23401	22453	23073	21126	18549
Long Term loans	221	443	664	941	22
Long Term Provisions	108	102	141	135	109
Current Liabilities & Provisions	2145	3080	2978	2462	2417
Deferred Tax Liabilities	401	318	269	193	104
Total Liabilities	2876	3943	4053	3731	2652
Net Worth	20525	18510	19020	17395	15897
Represented by:					
Share capital	1680	1680	1680	1680	1680
Reserves and Surplus	18845	16830	17340	15715	14217
Less: Misc. Expenditure not w/o	-	-	-	-	-
	20525	18510	19020	17395	15897
OPERATING PERFORMANCE:					
Total Income	20270	17882	16603	15553	13971
Excess Provision for Gratuity	-	-	-	-	-
Total Operating Expenditure	16614	14828	13242	12781	10991
Deferred Expenses	-	-	-	-	-
Earnings Before Interest and Depreciation	3656	3054	3361	2772	2980
Interest	139	111	160	39	59
Depreciation	280	249	315	185	150
Extra-Ordinary Items	-	-	-	-	-
Profit Before Tax	3237	2694	2886	2548	2771
Taxation	920	722	770	659	605
Profit After Tax	2317	1972	2116	1889	2165
Number of Equity Shares	16800000	16800000	16800000	16800000	16800000
Face Value of Share (Rs.)	10	10	10	10	10
Earnings Per Share (Rs.)	13.79	11.74	12.59	11.24	12.89

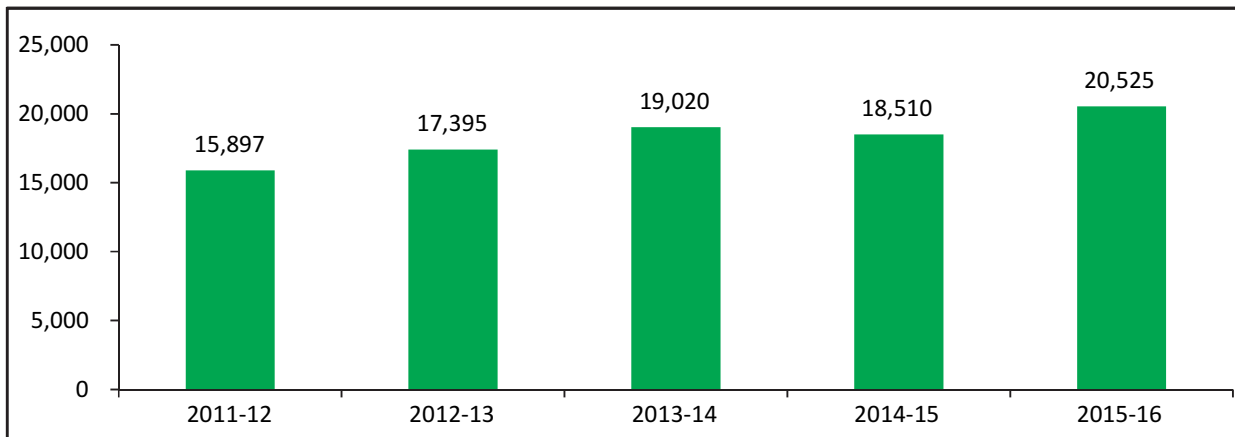
Total Income (₹ in Lacs)



PAT (₹ in Lacs)



Net Worth (₹ in Lacs)



Lovable Lingerie Limited

Corporate Identification No.(CIN): L17110MH1987PLC044835
Regd. Office: A-46, Street No. 2, MIDC, Andheri (East), Mumbai – 400 093.
Phone: (91-22) 2838 3581, Fax: (91-22) 2838 3582,
Email: corporate@lovableindia.in, Website: www.lovableindia.in

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 29th Annual General Meeting of the Members of Lovable Lingerie Limited (CIN: L17110MH987PLC044835) will be held on Saturday, 24th September, 2016 at 11.00 a.m. at CTC Banquets, Citi Point, Rajarshi Shahu Maharaj Road, Telli Galli, Andheri (East), Mumbai-400 069, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the Financial Year ended 31st March, 2016 and the reports of the Board of Directors and Auditors thereon.
2. To confirm the Interim Dividend paid of Rs. 1.50 per Equity Share (15%) as final dividend for the financial year ended 31st March, 2016.
3. To appoint a Director in place of Ms. Taruna Reddy (DIN: 02787135), who retires by rotation and being eligible, offers herself for re-appointment.
4. 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 Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time and pursuant to the resolution passed by the Members at the 27th Annual General Meeting held on September 25, 2014 in respect of appointment of the auditors M/s. Vinodkumar Jain & Co., Chartered Accountants (Firm Registration No.111513W) till the conclusion of the AGM to be held in year 2017, the Company hereby ratifies and confirms the appointment of M/s. Vinodkumar Jain & Co., Chartered Accountants (Firm Registration No.111513W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the company to be held in the year 2017 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

5. **Re-appointment of Mr. L Vinay Reddy (DIN: 00202619) as Managing Director of the Company.**

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 ("the Act") and such other applicable provisions, if any, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("the Rules") (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013; the Company hereby approves the re-appointment and terms of remuneration of Mr. L Vinay Reddy (DIN: 00202619) as the Managing Director of the Company, for a period of 2 (two) years with effect from 1st February, 2017 to 31st January, 2019 (both days inclusive), upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with liberty to the Board of Directors (hereinafter referred to the "Board" (which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration in such manner as may be agreed to between the Board of Directors and Mr. L

Vinay Reddy, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactments thereof.”

“**RESOLVED FURTHER THAT** the Board or a Committee thereof be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

6. Re-appointment of Mr. L Jaipal Reddy (DIN: 01539678) as Whole Time Director of the Company.

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Sections 196 and 197 of the Companies Act, 2013 (“the Act”) and such other applicable provisions, if any, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (“the Rules”) (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013; the Company hereby approves the re-appointment and terms of remuneration of Shri L Jaipal Reddy (DIN: 01539678) as the Whole-Time Director of the Company, for a period of 2 (two) years with effect from 1st February, 2017 to 31st January, 2019 (both days inclusive), upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with liberty to the Board of Directors (hereinafter referred to the “Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and /or remuneration as it may deem fit and as may be acceptable to Shri L Jaipal Reddy, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactments thereof.”

“**RESOLVED FURTHER THAT** the Board or a Committee thereof be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

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

Sd/-
L Vinay Reddy
Managing Director
DIN: 00202619

Mumbai, 12th August 2016

Registered Office:

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

Corporate Identification Number (CIN): L17110MH1987PLC044835

Tel: 91 22 2838 3581 Fax: 91 22 2838 3582

E-mail : corporate@lovableindia.in Website: www.lovableindia.in

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto. The relevant details as required under regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of SS-2 (Secretarial Standards – 2) on General meetings by the Institute of Company Secretaries of India, in respect of the person seeking appointment / re-appointment as Director is also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. A Proxy Form is annexed to this Report. Proxies, in order to be effective, must be received at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. Proxies

submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

4. Pursuant to Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty (50) members holding in aggregate not more than 10% of the total share capital of the Company. Members holding more than 10% of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. Proxy-holders are requested to carry an Identity Proof at the time of attending the meeting.
5. Corporate members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.
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. The Members please note that the copies of the Annual Report will not be distributed at the Annual General Meeting.
7. Members may avail themselves of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. 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 Participant(s).
8. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants (DPs) of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants. Changes intimated to the DPs will then be automatically reflected in the Company's records which will help the company and the Company's Registrars and Transfer Agents, M/s. Link Intime India Private Limited (LIPL) to provide efficient and better services.
9. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Link Intime India Private Limited immediately.
10. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
11. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email addresses are registered with the Company or the Depository Participant(s), unless any Member has requested for a physical copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). The members will be entitled to a physical copy of the annual report for the financial year 2015-16, free of cost, upon sending a request to the Company Secretary at A-46, Road No.2, MIDC, Andheri (E), Mumbai- 400 093; email: corporate@lovableindia.in.
12. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with LIPL / Depository Participant(s).
13. Members may also note that the Notice of the Twenty Ninth AGM and the Annual Report 2015-16 will be available on the website of the Company www.lovableindia.in and website of CDSL www.cdslindia.com. Members who require communication in physical form in addition to e-communication, may write to us at: corporate@lovableindia.in.

14. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip, which is enclosed with this Annual Report. Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.
15. Members desiring any information relating to the Accounts are requested to address their queries to the Registered Office of the Company at least seven days before the date of the AGM, so as to enable the management to keep the information ready.
16. Transfer of Unclaimed / Unpaid amounts to the Investor Education and Protection Fund (IEPF):

As on March 31, 2016, the Company has unclaimed dividend for the financial year ended 31st March 2011 and subsequent financial year(s). Shareholders who have not yet encashed their dividend warrant(s) pertaining to the Dividends for the financial year 2010-11 onwards for the Company, are requested to make their claims without any delay to the Registrar and Transfer Agents of the Company.

Pursuant to Sections 124(5) of the Companies Act, 2013 and Sections 205A(5) of the Companies Act, 1956, all unclaimed/unpaid dividends remaining unpaid or unclaimed for a period of seven years from the date they became due for payment, will be transferred to the Investor Education and Protection Fund (“IEPF”) established by the Central Government.

Members are requested to contact M/s. Link Intime India Private Limited / Investor Service Department of the Company for encashing the unclaimed dividends standing to the credit of their account. The detailed dividend history and due dates for transfer to IEPF are available on ‘Investor Centre’ page on the website of the Company www.lovableindia.in.

17. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Link Intime India Private Limited.
18. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 & the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013 will be available for inspection by the members at the Registered Office of the Company during normal business hours on all working days, except Saturdays, upto the date of the Meeting.
19. In compliance with the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 alongwith amendments thereto and the Secretarial Standards issued by the Institute of Company Secretaries of India, the Company is pleased to provide the facility to Members to exercise their right to vote on all the resolutions proposed to be passed at the 29th Annual General Meeting (AGM) by electronic means. The facility for voting through electronic voting system shall not be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote by ballot at the AGM.

The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Saturday, 17th September, 2016, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice.

Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

Procedure for Remote E-voting:

The Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating remote e-voting for AGM.

The instructions for shareholders voting electronically are as under:

- i) The remote e-voting period commences on Wednesday September 21, 2016 (9.00 a.m. IST) and ends on Friday September 23, 2016 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, 17th September, 2016 are entitled to vote electronically on the Resolutions set forth in this Notice. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
- ii) Open your web browser and log on to the e-voting website www.evotingindia.com.
- iii) Click on "Shareholders" to cast your vote(s).
- iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to enter the sequence number provided on the address label.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) First time user holding shares in Demat form will now reach 'Password Creation' menu herein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system, Members holding shares in physical form will then directly reach the Company selection screen.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Select the Electronic Voting Sequence Number (EVSN) for **LOVABLE LINGERIE LIMITED** from the drop down menu and click on "SUBMIT".
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii) M-Voting:

Shareholders can also cast their voting using CDSL’s mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. As informed by CDSL, the app will be available for Apple and Windows phone users on the App store and Windows phone store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

- xix) Non-Individual Shareholders (i.e. Other than individuals, HUF and NRI etc.) and Custodian are required to log on <https://www.evotingindia.com> and register themselves as Corporates. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

They should also upload a scanned copy of the Board Resolution/ Power of Attorney (POA) which they have issued in favour of the Custodian, if any in PDF format in the system for the scrutinizer to verify the vote.

- xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com. You may also contact Mr. Mehboob Lakhani, Assistant Manager or Mr. Wenceslaus Furtado, Deputy Manager, Central Depository Services(India) Limited (CDSL), 17th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400001; Tel: 022-22723333 Fax:022-22723199; Helpdesk: 18002005533.

- xxi) In case of members who are attending the Annual General Meeting and are entitled to vote but have not exercised their right to vote by electronic means, the Chairman of the Company will order a poll on his own motion for all businesses specified in the accompanying Notice.

Ballot papers will be distributed at the meeting to enable such shareholders to cast their vote. For clarity, please note that the members who have exercised their right to vote by electronic means shall not vote by way of poll at the Meeting. The voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off/ record date i.e. September 17, 2016. The poll process shall be conducted and scrutinised and a report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

- xxii) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@cdsl.co.in. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using “Forgot User Details / Password” option available on www.evoting.cdsl.com.

- xxiii) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- xxiv) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- xxv) The Company has appointed M/s. D.M, Zaveri & Co., Practising Company Secretaries, to act as the Scrutinizer to scrutinize the entire e-voting process (including the ballot cast by the Members at the AGM) in a fair and transparent manner.
- xxvi) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- xxvii) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the company and make within a period not exceeding two (2) days from the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any and submit forth with to the Chairman of the Company or a person authorized by him in writing who shall countersign the same.
- xxviii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.lovableindia.in and on the website of CDSL www.evotingindia.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.
- xxix) Members have the option to request for physical copy of the Assent/Dissent Form by sending an email to corporate@lovableindia.in by mentioning their Folio / DP ID and Client ID No. However, the duly completed Assent/Dissent Form should reach the Registered Office of the Company not later than Friday September 23, 2016 (5:00 PM IST)
- xxx) The Resolution shall be deemed to be passed on 24th September, 2016 subject to receipt of sufficient votes.

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

Sd/-
L Vinay Reddy
Managing Director
DIN: 00202619

Mumbai, 12th August 2016

Registered Office:

A-46, Street No.2, MIDC, Andheri (East), Mumbai 400 093.
Corporate Identification Number (CIN): L17110MH1987PLC044835
Tel: 91 22 2838 3581 Fax: 91 22 2838 3582
E-mail : corporate@lovableindia.in
Website: www.lovableindia.in

**INFORMATION PURSUANT TO THE LISTING REGULATIONS AND SECRETARIAL STANDARDS
IN RESPECT OF APPOINTMENT/ RE-APPOINTMENT OF DIRECTORS**

Particulars	Taruna Reddy	L Vinay Reddy	L Jaipal Reddy
DIN	02787135	00202619	01539678
Date of Birth	January 27, 1973	May 29, 1968	October 09, 1939
Date of Appointment	March 30, 2015	December 24, 1999	January 06, 2009
Qualifications	Diploma in Mass Communication	Bachelor of Commerce	Diploma in Electrical Engineering
Work Experience	Ms. Taruna Reddy is a Director of the Company since March 30, 2015. She has attended various meetings of the Board and provided significant marketing inputs to the Company.	Mr. L. Vinay Reddy is the Chairman and Managing Director of our Company since February 1, 2010 and served as its Head Finance & Accounts Department since October 03, 2011. He is a resident Indian national and has a bachelor's degree in commerce from the University of Bombay. Having experience of over 25 years in the innerwear industry, he has been with our Company since its inception. He was instrumental in obtaining license of "Lovable" brand for our Company. He has vast experience in the areas of management, marketing strategies and overall administration control and supervision. The overall day to day affairs and management decisions of our Company are under the supervision of Mr. L. Vinay Reddy. He was previously a director in Maxwell Industries Limited.	Mr. L. Jaipal Reddy, aged 76, is the Whole Time Director of our Company since February 1, 2010. He has a diploma in electrical engineering from Osmania University, Hyderabad. He was the co-founder of Maxwell Industries Limited and was the Managing Director for 14 years. He is a pioneer of the branded innerwear industry in India and he has conceptualized and established leading brands such as VIP, Frenchie etc. He is a visionary and guides our Company and its management at all the stages of its development and strategic decisions. He is having a vast knowledge and varied experience in the industry and is fairly conversant with all the aspects of the management and the affairs of the Company.
Directorships in other Companies	Lovable Lifestyles Pvt. Ltd. Aarthik No-middleman Online Welfare Foundation Juvenca Online Pvt. Ltd. Federal Brands Limited	Federal Brands Limited Vinay Hosiery Pvt. Ltd. Bellini Fashions Pvt. Ltd. La Reine Fashions Pvt. Ltd. Reddy & Pathare Elastics Pvt. Ltd. Holstein Ecofoods Pvt. Ltd. Hype Integracomm Pvt. Ltd. Lovable Lifestyles Pvt. Ltd. Aarthik No-middleman Online Welfare Foundation Juvenca Online Pvt. Ltd. Microtex Clothing Pvt. Ltd.	Federal Brands Limited Vinay Hosiery Pvt. Ltd. Bellini Fashions Pvt. Ltd. La Reine Fashions Pvt. Ltd. Reddy & Pathare Elastics Pvt. Ltd. Holstein Ecofoods Pvt. Ltd. Hype Integracomm Pvt. Ltd. Microtex Clothing Pvt. Ltd.
Expertise in specific functional areas	Advertising and Marketing services in creative and service profiles.	Wide business experience across a variety of industries	Wide business experience across a variety of industries
Membership of Committees in other Public Limited Companies (includes only Audit & Stakeholders' Relationship Committee)	Nil	Nil	Nil
No. of Shares Held in the Company as on 31st March, 2016	52,326	56,24,250	Nil
Relationship with Other Directors	Wife of L Vinay Reddy Daughter-in-law of L Jaipal Reddy	Husband of Taruna Reddy Son of L Jaipal Reddy	Father of L Vinay Reddy Father-in-law of Taruna Reddy

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

Item No. 4

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

M/s. Vinodkumar Jain & Co., Chartered Accountants (Firm Registration No.111513W), Chartered Accountants, Mumbai were appointed as the Statutory Auditors of the Company for a period of three years at the Annual General Meeting (AGM) of the Company held on September 25, 2014.

As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM.

Accordingly, ratification of the members is being sought for the proposal contained in the Resolution set out at Item No. 4 of the Notice.

The Board commends the Resolution set out at Item No. 4 for approval by the Members by way of Ordinary resolution.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

Item No. 5

At the 28th Annual General Meeting of the Company held on September 26, 2015, the Members had approved the appointment and terms of remuneration of Mr. L Vinay Reddy as Managing Director (MD) for a period of two years from February 01, 2015. His term of office will expire on January 31, 2017. In view of commendable performance of Mr. L Vinay Reddy as the Managing Director of the Company, the Board of Directors is of the opinion that it is in the interest of the Company to re-appoint Mr. L Vinay Reddy as Managing Director for a further period of two years, with effect from February 01, 2017, subject to the approval of the Members to manage the day to day affairs of the Company.

A brief profile of Mr. L Vinay Reddy is given in the table above on "Information pursuant to the Listing Regulations and Secretarial Standards in respect of Appointment/ Re-appointment of Directors".

Mr. L. Vinay Reddy is the son of Mr. L. Jaipal Reddy, who is the original promoter of our Company and husband of Ms. Taruna Reddy, Director of the Company.

Mr. L. Vinay Reddy attended the Board meetings held during the year on May 29, 2015, August 12, 2015, November 7, 2015 and February 10, 2016.

Further details of Mr. L Vinay Reddy have been given in the Annexure to this Notice.

The main terms and conditions of appointment of Mr. L Vinay Reddy (hereinafter referred to as "MD") are given below:

A. Tenure of Appointment:

The appointment of the MD is for a period of two years with effect from February 01, 2017.

B. Remuneration:

a) Salary:

Salary including dearness, house-rent and all other allowances upto Rs.1,86,300/- (Rupees One Lakh Eighty-Six Thousand Three Hundred only) per month as may be decided by Board of Directors from time to time.

b) Commission:

Commission computed in the manner laid down in Section 197 of the Companies Act, 2013 and subject to a maximum as may be fixed by the Board from time to time on the basis of the performance of the Company but within the limit prescribed by the Companies Act, 2013.

- c) **Perquisites:** Perquisites shall be restricted to an amount equal to the annual salary.
- d) The Salary and perquisites as mentioned under a, b and c above shall be exclusive of:
- i. Contribution to Provident Fund, Superannuation fund or Annuity fund to the extent these either singly or put together are not taxable under the Income Tax, 1961;
 - ii. Gratuity as per rules of the Company,
 - iii. Leave as per the rules of the Company including encashment of leave at the end of the tenure.
- e) Apart from above mentioned remuneration, he shall be entitled to:
- i. Medical Expenses actually and properly incurred for him and his family.
 - ii. Entertainment expenses actually and properly incurred by him in the course of legitimate business of the Company.
 - iii. Club Membership fees subject to a maximum of two clubs. No admission and life membership fees shall be paid.
 - iv. Personal Accident Insurance Policy.
 - v. Provision for use of car and telephone for both official and personal use.
 - vi. Group Insurance Policy as per the rules of the Company.
 - vii. Telephone expenses as per the rules of the Company.
- f) **Other Terms:** The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit within the remuneration payable in accordance with the provisions of the said Act or any amendments made hereinafter in this regard.

In the opinion of the Board, the appointment of Mr. L Vinay Reddy as the Managing Director cum KMP of the Company shall be in the best interest of the Company. Accordingly, the Board commends the Resolution set out at Item No. 5 for approval by the Members by way of Ordinary resolution.

Mr. L Vinay Reddy, Managing Director of the Company, Mrs. Taruna Vinay Reddy, Director of the Company and Mr. L Jaipal Reddy, Director of the Company being relatives of Mr. L Vinay Reddy are interested or concerned in this resolution (to the extent of shares held by them in the Company, if any).

No other Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution.

Item No. 6

At the 28th Annual General Meeting of the Company held on September 26, 2015, the Members had approved the appointment and terms of remuneration of Mr. L Jaipal Reddy as Whole-Time Director (WTD) for a period of two years from February 01, 2015. His term of office will expire on January 31, 2017. In view of commendable performance of Mr. L Jaipal Reddy as the Whole-time Director of the Company, the Board of Directors is of the opinion that this it is in the interest of the Company to re-appoint Mr. L Jaipal Reddy as WTD for a further period of two years, with effect from February 01, 2017, subject to the approval of the Members.

A brief profile of Mr. L Jaipal Reddy is given in the table above on "Information pursuant to the Listing Regulations and Secretarial Standards in respect of Appointment/ Re-appointment of Directors".

Mr. L. Jaipal Reddy is the father of Mr. L. Vinay Reddy and father-in-law of Ms. Taruna Reddy, Director of the Company.

Further details of Mr. L Jaipal Reddy have been given in the Annexure to this Notice.

Mr. L. Jaipal Reddy attended the Board meetings held during the year on May 29, 2015, August 12, 2015, November 7, 2015, February 10, 2015 and March 10, 2016.

The main terms and conditions of appointment of Mr. L Jaipal Reddy (hereinafter referred to as “WTD”) are given below:

A. Tenure of Appointment:

The appointment of the WTD is for a period of two years with effect from February 01, 2017.

B. Remuneration:

1. Salary: Salary including dearness, house-rent and all other allowances upto Rs.1,50,000/- (Rupees One Lakh Fifty thousand only) per month.
2. Perquisites: Perquisites shall be restricted to an amount equal to the annual salary.
3. Apart from above mentioned remuneration, he shall be entitled to Medical Expenses actually and properly incurred for him and his family.
4. Other Terms: The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit within the remuneration payable in accordance with the provisions of the said Act or any amendments made hereinafter in this regard.

In view of the increasing activities and the future expansion programs of the Company, the Board commends the Resolution set out at Item No. 6 for approval by the Members by way of a Special Resolution.

Mr. L Jaipal Reddy, Director of the Company, Mrs. Taruna Vinay Reddy, Director of the Company and Mr. L Vinay Reddy, Managing Director of the Company being relatives of Mr. L Jaipal Reddy are interested or concerned in this resolution (to the extent of shares held by them in the Company, if any).

No other Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution.

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

Sd/-
L Vinay Reddy
Managing Director
DIN: 00202619

Mumbai, 12th August 2016

Registered Office:

A-46, Street No.2, MIDC, Andheri (East), Mumbai 400 093.
Corporate Identification Number (CIN): L17110MH1987PLC044835
Tel: 91 22 2838 3581 Fax: 91 22 2838 3582
E-mail : corporate@lovableindia.in Website: www.lovableindia.in

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

To,
The Members of Lovable Lingerie Limited.

Your Company's Directors are pleased to present the 29th Annual Report of the Company, along with the audited financial statements for the Financial Year ended on 31st March, 2016.

FINANCIAL SUMMARY

(₹ in Lakhs)

Particulars	2015-16	2014-15
Revenue from operations	19,676.84	17,249.39
Operating Expenditure	16,613.90	14,828.06
Profit Before Interest, Tax & Depreciation	3,062.94	2,421.33
Other Income (net)	593.16	633.24
Finance Costs	138.77	111.40
Profit before Tax and Depreciation	3,517.33	2,943.17
Depreciation and amortization expense	280.09	249.09
Profit before Tax (PBT)	3,237.24	2,694.08
Provision for Taxation	919.70	722.49
Profit for the year (PAT)	2,317.54	1,971.59
Surplus brought forward from previous year	6,078.16	6,784.80
Amount available for appropriation	8,395.71	8,756.40
Appropriations:		
Transferred to General Reserve	115.90	196.50
Interim Dividend (excluding tax)	252.00	2,100.02
Tax on Interim Dividend	51.30	356.90
Proposed Dividend on Equity Share Capital	-	-
Corporate Dividend Tax on Proposed Dividend	-	-
Adj for Depreciation of prior years pursuant to change in useful life	-	24.11
Balance Carried to Balance Sheet	7,976.51	6,078.87
EPS Basic & Diluted- Before Extraordinary Items (in ₹)	13.79	11.74
EPS Basic & Diluted- After Extraordinary Items (in ₹)	13.79	11.74

OPERATIONS

For the financial year 2015-16, the Company recorded a net turnover of ₹19,676.83 lakhs as against ₹ 17,249.38 lakhs for the financial year 2014-15, registering an increase of 14.07%. The Net Profit Before Tax stood at ₹ 3,237.24 lakhs as against ₹ 2,694.08 lakhs over last year and Profit After Tax stood at ₹ 2,317.54 lakhs for the year as against ₹ 1,971.59 lakhs in the last year.

SEGMENT-WISE RESULTS

The Company is engaged in the business of manufacturing garments. Therefore, there is no separate reportable segment.

DIVIDEND

On March 10, 2016, the Board of Directors announced an Interim dividend of ₹ 1.50/- (15%) per equity share for FY 2015-16, which involved a cash outflow of ₹ 303.30 lakhs including Dividend Distribution Tax (DDT). The Interim dividend has been subsequently paid to all eligible shareholders and no further dividends are proposed/ recommended by the Board.

TRANSFER TO RESERVES

The Company proposes to transfer ₹ 115.90 lakhs to the general reserve out of the amount available for appropriation and an amount of ₹ 7976.50 lakhs is proposed to be retained in the profit and loss account.

SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANY

Your Company does not have any subsidiary, joint venture or associate Company.

MATERIAL CHANGES AND COMMITMENT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as provided under sub-section (3) of section 92 of the Companies Act, 2013 ('the Act') in prescribed form MGT-9 is enclosed as "Annexure A" to this report.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Ms. Taruna V. Reddy (DIN: 02787135), retires by rotation at the ensuing Annual General Meeting, and being eligible has offered herself for re-appointment.

Pursuant to the resolution passed by the members in their 28th Annual General Meeting held on 26th September, 2015, Mr. L Vinay Reddy (DIN: 00202619), holds office as Managing Director of the Company upto January 31, 2017. The Board of Directors at its Meeting held on May 30, 2016, approved the proposal for re-appointment of Mr. L Vinay Reddy as the Managing Director of the Company for a further period of two years from February 1, 2017, subject to the approval of the members by passing an ordinary resolution at the ensuing AGM. Terms and conditions for his re-appointment are contained in the Explanatory Statement forming part of the notice of the ensuing Annual General Meeting.

Pursuant to the special resolution passed by the members in their 28th Annual General Meeting held on 26th September, 2015, Mr. L. Jaipal Reddy (DIN: 01539678), holds office as Whole-time Director of the Company upto January 31, 2017. The Board of the Directors at its meeting held on May 30, 2016, approved the proposal for re-appointment of Mr. L. Jaipal Reddy as the Whole-time Director of the Company for a further period of two years from February 1, 2017, subject to approval of the members by passing Special resolution at the AGM. Terms and conditions for his appointment are contained in the Explanatory Statement forming part of the notice of the ensuing Annual General Meeting.

The resolutions seeking approval of the Members for the appointment/re-appointment of Mr. L Jaipal Reddy, Mr. L Vinay Reddy and Ms. Taruna Reddy have been incorporated in the notice of the forthcoming annual general meeting of the Company along with brief details about them as required pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards – 2 on General Meetings issued by Institute of Company Secretaries of India. The Company has received a notice under Section 160 of the Act along with the requisite deposit proposing the appointment of Mr. L Vinay Reddy and Mr. L Jaipal Reddy.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

For the purpose of selection of any Director, the Nomination and Remuneration Committee identifies the person of integrity who possess relevant expertise, experience and leadership qualities required for the position and also takes into consideration recommendation, if any, receives from any members of the Board. The Committee also ensures that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of the directors' report.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

COMMITTEES OF THE BOARD OF DIRECTORS

The Company has constituted the following committees in compliance with the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015:

1. Audit Committee,
2. Nomination and Remuneration Committee,
3. Stakeholders Relationship Committee, and
4. Corporate Social Responsibility Committee.

The Board has accepted all the recommendations of the above committee. The brief description, composition and other required details of the above committees are provided in Corporate Governance Section to this Annual Report.

FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of erstwhile Listing Agreement with the stock exchanges ("Listing Agreement") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations"), the Company has put in place a Familiarisation Programme for the Independent & Non-Executive Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model etc. The details of such programme is available on the website of the company www.lovableindia.in and may be accessed through the web link http://lovableindia.in/index.php?route=information/information&information_id=69.

NUMBER OF MEETINGS OF THE BOARD

Five meetings of the board were held during the year on 29th May, 2015; 12th August, 2015; 7th November, 2015; 10th February, 2016 and 10th March, 2016. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report. The intervening gap between the Meetings were within the period prescribed under the Companies Act, 2013, erstwhile Listing agreement and SEBI (LODR) Regulations.

EVALUATION OF PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors have carried out an annual evaluation of its own performance, its various committees and individual directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed under regulation 17(10), 25(4) and other applicable provisions of the SEBI (LODR) Regulations.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of various criteria such as Board Composition, process, dynamics, quality of deliberations, strategic discussions, effective reviews, committee participation, governance reviews etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as Committee composition, process, dynamics, deliberation, strategic discussions, effective reviews etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as Transparency, Analytical Capabilities, Performance, Leadership, Ethics and ability to take balanced decisions regarding stakeholders.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a

whole and performance of the Chairman was evaluated, taking into account the views of the executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of independent directors, at which the performance of the Board, its committee and individual Directors was also discussed.

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

RISK MANAGEMENT

Your Company has an elaborate Risk Management procedure. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Audit Committee reviews the status of key risks and steps taken by the Company to mitigate such risks at regular intervals.

RELATED PARTY TRANSACTIONS

In line with the requirements of the Companies Act, 2013 and SEBI (LODR) Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website; web link at http://lovableindia.in/index.php?route=information/information&information_id=69. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a yearly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transactions were entered during the year by the Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

WHISTLE BLOWER MECHANISM / VIGIL MECHANISM

To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behaviour in all its operations, the company has formulated a Vigil Mechanism in addition to the existing code of conduct that governs the actions of its employees. This Whistleblower Policy aspires to encourage all employees to report suspected or actual occurrence(s) of illegal, unethical or inappropriate events (behaviors or practices) that affect Company's interest / image.

A copy of the Policy is available on the website of the Company and may be accessed through the web link http://lovableindia.in/index.php?route=information/information&information_id=69.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In order to prevent sexual harassment of women at work place a new act, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013.

The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, to provide protection to women (including outsiders) at the workplace and for prevention and redressal of complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee to consider and to redress complaints of sexual harassment. The Committee has not received any complaint of sexual harassment during the year under review.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirements of Section 135 of Companies Act, 2013, your Company has constituted a Corporate

Social Responsibility Committee. The composition and terms of reference of the Corporate Social Responsibility Committee is provided in the Corporate Governance Report.

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in “Annexure B” of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company; weblink http://lovableindia.in/index.php?route=information/information&information_id=69.

PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as “Annexure C” to this Report.

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable, since during the year under review none of the employees of the Company was in receipt of remuneration in excess of the limits specified, whether employed for the whole year or part thereof.

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

DEPOSITS FROM PUBLIC

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013. Accordingly, no disclosure or reporting is required in respect of details relating to deposits covered under this Chapter.

LISTING

Your Company’s shares are listed in the BSE Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE) and the annual listing fees have been duly paid.

CASH FLOW ANALYSIS

In conformity with the provisions of Regulation 34(2) of SEBI (LODR) Regulations, the Cash Flow Statement for the year ended 31.03.2016 is enclosed as a part of this Annual Report.

AUDIT COMMITTEE

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

AUDITORS

Statutory Auditors

M/s Vinod Kumar Jain & Co., Chartered Accountants (FRN: 111513W) were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 25th September, 2014 for a period of three consecutive years, up to the conclusion of 30th Annual General meeting of the Company, subject to ratification by members at every Annual General Meeting of the Company. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company. As required under regulation 33(1)(d) of SEBI (LODR) Regulations, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s.D. M. Zaveri & Co., Practicing Company Secretaries, Mumbai to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure D".

The auditors' report and secretarial auditors' report does not contain any qualifications, reservations or adverse remarks. Report of the secretarial auditor is given as an annexure which forms part of this report. The Report given by the Auditors on the financial statements of the Company is part of the Annual Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

No significant or material Orders were passed by the Regulators or Courts or Tribunals during the previous year which may impact the Going Concern Status of the Company's Operation in the future.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last Annual General Meeting (i.e. September 26, 2015), with the Ministry of Corporate Affairs.

CORPORATE GOVERNANCE

Your Company continues to lay a strong emphasis on transparency, accountability and integrity.

The Companies Act, 2013 and the Listing Regulations have strengthened the governance regime in the country. Your Company is in compliance with the governance requirements provided under the new law.

Your Company has in place all the statutory Committees required under the law. Details of Board Committees along with their terms of reference, composition and meetings of the Board and Board Committees held during the year, are provided in the Corporate Governance Report enclosed as "Annexure E" to this report.

The Policy on Related Party Transactions, Remuneration Policy, CSR Policy and Whistle Blower Policy are available on the website of the Company. The Company has established a vigil mechanism for Directors and employees to report their genuine

concerns, details of which have been given in the Corporate Governance Report annexed to this Report. A separate report on Corporate Governance is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under the Listing Regulations. A Certificate of the CEO and CFO of the Company in terms of sub-Regulation 17(8) of the Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

MANAGEMENT DISCUSSION AND ANALYSIS

To avoid duplication between the Directors' Report and the Management Discussion and Analysis, we present below a composite summary of performance and functions of the Company.

OVERALL REVIEW

The trend of slowdown in global growth continued during the year. Against this global backdrop, the growth in India stayed fairly resilient. India was the fastest growing large economy with a stable currency that performed better than most other emerging market currencies. The domestic macro-economic conditions also remained stable.

Growth in agriculture has slackened due to two successive years of less than-normal monsoon rains. Saving and investment rates are showing hardly any signs of revival. The rupee has depreciated vis-à-vis the US dollar, like most other currencies in the world.

Despite global headwinds and a truant monsoon, India registered robust growth of 7.2 per cent in 2014-15 and 7.6 per cent in 2015-16, thus becoming the fastest growing major economy in the world.

Source: Ministry of Finance

Consumer spending remained muted and this was reflected in a moderate growth across FMCG categories in the context of tight monetary policy followed by the Reserve Bank of India through most of the financial year, political & policy stability related concerns. Given the backdrop of a market slowdown coupled with a volatile input cost environment and heightened competitive intensity, the operating environment for the year continued to be challenging.

Your Company's performance for the year 2015-16 has to be viewed in the context of aforesaid economic and market environment.

Among the core apparel categories, innerwear appears to be a potential growth category across all segments. Currently, the Indian innerwear market is worth Rs. 19,960 crore (2014) and is estimated to grow at 13 percent to reach Rs. 68,270 crore by 2024.

The innerwear industry in India holds immense growth potential and it is evident from the entry of large international brands in the Indian market in the last few years. The Indian innerwear market continues to be underpenetrated and thereby holds immense business opportunities. Provided the positive macro and demographic fundamentals, the innerwear market has a favorable demand growth outlook over the medium-to-long term. The Indian innerwear market is expected to witness expansion in the near future. However, lesser product portfolio and high costs of brand building are expected to be the challenges for this sector. Brand sensitivity is the major trend in the Indian innerwear industry.

The textiles industry has made a major contribution to the national economy in terms of employment generation and foreign exchange earnings. The sector contributes about 14 per cent to industrial production.

Looking ahead, we expect growth in the innerwear market to be driven by broad based consumer trends in the form of rising discretionary spend, growing number of mid-high income house hold and rising urbanization.

Since the last few years, Indian brands showcased new designs and styles to woo the new age Indian women. The focus was mainly on the width of the product range. Men's and women's innerwear began to be sold through a variety of retail formats such as Exclusive Brand Outlets (EBO), Large Format Stores (LFS) and departmental stores. LFS, with shop-in-shop concept,

have carved a niche by showcasing the entire product range. Innerwear has graduated from being just a functional category to a category that offers additional fashion quotient. It is shifting from a price sensitive category to a brand sensitive category. The women’s innerwear market, which is driven by value added innerwear products, contributes around 60 percent to the total innerwear market. This market is worth INR 12,510 crore, and is growing at a promising CAGR of 15 percent. The growing number of working women and the increased share of western wear in their wardrobe have propelled this growth. Western wear usually encompasses specialized innerwear, which the branded players can provide, for the most part. Brand consciousness is no more restricted to external apparel. Among women’s innerwear brands, strong single brands emerge for bottoms and heritage innerwear brands are preferred for bras. Women are increasingly conscious about even the brands and styles for their intimate wear. In fact, this changing preference is no longer restricted to just the metros, but has CAGR 9% spread to mini metros, tier-I, -II and -III cities. This openness to indulge in branded lingerie has led to a growth in the number of international and domestic innerwear brands present in India.

In women’s innerwear, the mid-premium segment makes up 52 percent of the market and is expected to grow the fastest, at a CAGR of 22 percent over the next 5 years.

Exclusive brand stores are explored when looking for depth in styles and variety in colors.

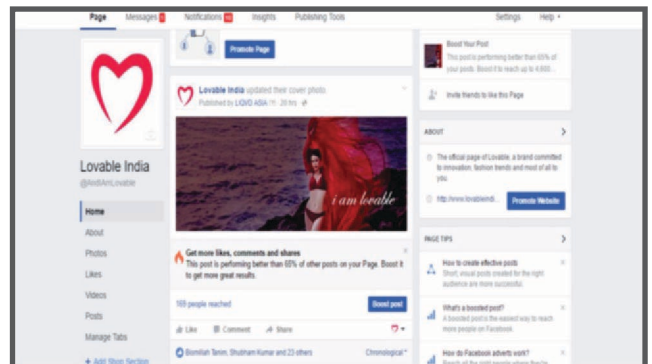
On the basis of product pricing, the innerwear market is further divided into super-premium, premium, medium, and economy segments. Due to increased awareness, the increase in number of brands, and rising discretionary spending, all segments have registered growth. Foreign brands have brought in variety through international styles and fabrics. Indian women are also willing to spend higher-than-before amounts on innerwear. This has provided an exponential boost to premium and super-premium innerwear brands.

Source: *Images Business of Fashion*

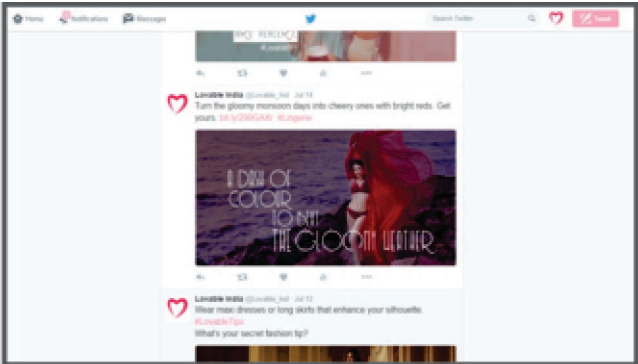
In this direction, your Company too entered into a Distributorship Agreement with Hanes Italy S.r.L (an Overseas Company of Hanes Brands group) & acquired non-exclusive third-party right to import, distribute, promote and sell certain of its products under the "Lovable" trademark within the territory of India for a period of 3 years. These products belong to the super-premium segment of innerwear.

Your Company delivered yet another year of consistent, competitive and profitable growth aided by strong marketing and trade investments and stepped up market development. The investment in non-television and digital media was significantly stepped up during the year.

CAMPAIGNS IN 2015-16
Social media handles on Facebook



Social media handles on Twitter



Your Company has put in place robust action for 'Building Brands in Stores' in the Modern Trade environment and intends to scale up the initiative based on the learnings. This initiative has helped in growth in the Modern Trade retail.

Exclusive Brand Outlets (EBO's)



Large Format Stores (LFS)



E-commerce is an emerging and fast growing channel in the country and your Company is well placed to lead category growth in this channel. As per Global retail development Index, 2014, with the rapid growth in smart phones, E-commerce has uplifted India's place among top 20 developing countries in the global forum. Consumer behavior has changed swiftly, with the shifting trends projected towards buying online from offline shopping. Your Company has developed a comprehensive e-commerce strategy and execution roadmap, and has a team in place to drive disproportionate growth in this channel in the coming years. It has further tied up with various leading online retailers to increase the reach of the product to entire country.

ENVIROMENT, HEALTH AND SAFETY

Your Company places utmost importance on ensuring safety of its employees, visitors to our premises and the communities we operate in.

Your Directors are committed to strict compliance of not just statutory requirements but even more stern internal policies and best practices related to environment, health and safety in all our units. In the year under review, your Company has further strengthened its commitment to workplace compliance by increasing the strength of the workplace Compliance Department to enhance monitoring and control in all these areas.

Environment: Your Company is an environment friendly organization as it is a non-polluting and non-effluent generating manufacturing set-up.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO

A. Conservation of Energy

Your Company has a vision of being a 'Zero Injury' organisation. The Compass, your Company's strategic framework, integrates Safety as a non-negotiable value. Information on conservation of energy, technology absorption, foreign exchange earnings and outgo, pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are furnished below:

a. Conservation of Energy:

The Company continually takes steps to absorb and adopt the latest technologies and innovations in the Garment Industry. These initiatives should enable the facilities to become more efficient and productive as the company expands, thus helping conserve energy. All machinery and equipment are continuously serviced, updated and overhauled in order to maintain them in good condition. This resulted in consumption of lesser energy consumption.

Additional Investments and Proposals for Reduction of Consumption of Energy: Nil

Total Energy Consumption and Energy Consumption per Unit of Production (Form-A Enclosed).

Conservation of Energy continues to receive increased emphasis at all the units of the Company.

Form – A

Form for Disclosure of particulars with respect of conservation of energy

Particulars	2015-16	2014-15
Power & Fuel Consumption		
1. Electricity		
a) Purchased Units (Lacs)	6.98	6.55
Total Cost (Rs. In Lacs)	52.61	52.60
Rate/Unit (Rs.)	7.53	8.03
b) Own Generation		
1)Through Diesel Generator		
Units (Lacs)	0.49	0.41
KWH per unit of fuel	4.67	4.67
Fuel Cost/Unit (Rs.)	12.48	12.62

b. Technology Absorption:

Absorbing technologies with state of art machineries like automated cutting machine, automated fabric inspection machines, etc., the quality of the products and efficiency of the systems have been substantially improved. By applying those technologies, the cost of production was under control.

The products manufactured and sold by the Company are not power intensive; hence the impact on overall cost is marginal. However, steps have been taken to ensure energy conservation in the processing unit where an energy efficient boiler is installed and condensate is being re-utilised.

Efforts made in Technology absorption as per Form B: Nil

B. Consumption per unit of Production

Product	Electricity	
	2015-16	2014-15
Consumption per Unit	0.06	0.06

C. Foreign Exchange Earning and Outgoing

The Company had foreign exchange earnings from Exports during the year amounting to ₹ 1.49 lakhs (Previous year ₹23.69 lakhs). The total amount of outgo on account of foreign exchange utilized by the Company amounted to ₹ 122.84 lakhs (Previous year ₹156.78 lakhs) mainly on account of import of raw materials, finished goods, Capital Goods, foreign travel.

Foreign exchange earned and outgo during the year ended March 31, 2016:

₹In Lakhs

Particulars	2015-2016	2014-2015
Foreign Exchange Earned		
Exports (FOB)	1.49	23.69
Technical Assistance	-	-
Total	1.49	23.69
Foreign Exchange Outgo		
CIF Value of Imports	115.77	132.09
Travelling Expenses	0.82	0.30
Others	6.24	24.39
Total	122.84	156.78

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of operations. These systems are routinely tested and certified by Statutory as well as Internal Auditor and cover all offices, factories and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee is headed by an Independent Director and this ensures independence of function and transparency of the process of supervision and oversight. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems. The Company conducts its business with integrity and high standard of ethical behaviour and in compliance with the laws and regulations that govern its business.

OPPORTUNITIES AND THREATS

Opportunities:

For the apparel industry in general and our market in particular:

- More organized retail. Better consumer retail experience
- Increasing fashion consciousness and consumers becoming more aspirational, discerning and brand savvy
- The factors that determine consumption, education, occupation, urbanization, rise in nuclear families moving in a positive direction
- Increasing urban women population and women corporate workforce
- Increasing brand consciousness and spending on kids
- Higher disposable income
- Increasing online retail

Threats:

Many major international apparel brands have commenced operations in India realizing that Indian markets are likely to emerge as one of the largest market in the world in the next few decades. Competitive intensity is expected to sustain high.

RISKS AND CONCERNS

The Company has robust risk management procedures to identify and evaluate risks on an ongoing basis. The identified risks are integrated into the business plan and a detailed action plan to mitigate the identified business risk and concerns is put in place.

The key risks and concern identified by the company and its mitigation plans are:

Availability and rising cost of Labour:

The industry is growing at a fast pace, in a highly labour intensive sector and demand for experienced and trained manpower is outstripping supply. The ability to retain existing talent and attract new talent assumes crucial importance. The Company has created long term plans with the objective of motivating employees to create a sense of “belonging” and a ‘feel good’ environment. The Company has set up robust training centers at various units where newcomers to the labour force receive structured training.

Increase in input and brand - building costs:

The availability of raw materials at reasonable rates is one of the main concerns of the company. However the company is confident that increases in raw material cost, if and when they occur, can be passed on to consumers because of the strong pricing power of its brands. The company is also aggressively taking steps to monitor and improve productivity, which will mitigate the impact of material cost increases to some extent.

The Company is also conscious that in the media environment of exploding Media vehicles and fragmented audiences, the challenges for achieving Brand Reach and delivering effective communication are rising disproportionately . The Company is taking steps to plan and execute media campaigns with higher efficiency and continue to achieve brand salience

HUMAN RESOURCES

Your Company fully values the Human capital; it deploys and credits its success to them. It has been the consistent endeavor of the Company to create a congenial and challenging working atmosphere wherein every employee can develop his own strength and deliver to his full potential.

The relations with Company’s work force continue to be very cordial and their unstinted co-operation has enabled the unit to achieve continuous growth, both quantitatively and qualitatively. Your Company continued to maintain excellent industrial

relations with all its employees and independent job work firms. Adequate safety and welfare measures are in place and your Company will continue to improve the same on ongoing basis.

As of 31st March, 2016, the Company had 1,401 employees on its roll.

FUTURE OUTLOOK

The global economic climate continues to be volatile, uncertain and prone to geo-political risks. Weak consumer sentiment and low commodity prices are expected to affect global growth adversely.

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. The Company is trying to come up with some new products and ranges of inner wears according to changing consumer needs and demand.

Your Company has taken a step to evolve in the super-premium segment of innerwear. India is expected to perform better, aided by improving macroeconomic fundamentals. While currently inflation is benign, upside pressures on inflation from the vagaries of monsoon or sudden changes in the rupee, could have a significant bearing on inflation.

FMCG markets are expected to grow. While consumer confidence has increased, this has not yet translated into significant improvement in FMCG market conditions. There are a few green shoots in market growths; however, uncertain global economic environment, inflation and competitive intensity continue to pose challenges. Your Company, with its brands, talent and investment in capabilities, is well placed to benefit disproportionately from this opportunity.

CAUTIONARY STATEMENT

Statements in the management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be considered as "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. The factors that might influence the operations of the Company are economic conditions, government regulations and natural calamities over which the Company has no control.

The Company assumes no responsibility in respect of the forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

APPRECIATIONS AND ACKNOWLEDGMENTS

Your Directors place on record their sincere appreciation for the significant contribution made by our employees through their dedication, hard work and commitment.

The Board places on record its appreciation for the support and co-operation your Company has been receiving from its customers, suppliers, distributors stockists, retailers, business partners and others associated with the Company as its trading partners. Your Company looks upon them as partners in its progress. It will be the Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and co-operation with each other, consistent with consumer interests.

The Directors also take this opportunity to thank all Shareholders, Investors, Clients, Vendors, Bankers, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

**On behalf of the Board of Directors
Lovable Lingerie Limited**

Place: Mumbai
Date: August 12, 2016

L Vinay Reddy
Chairman & Managing Director
(DIN: 00202619)

ANNEXURE “A” TO THE DIRECTORS' REPORT

Form MGT-9

EXTRACT OF ANNUAL RETURN

(as on the financial year ended on 31st March, 2016)

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i. CIN : **L17110MH1987PLC044835**
- ii. Registration Date : 29/09/1987
- iii. Name of the Company : Lovable Lingerie Limited
- iv. Category / Sub-Category of the Company : Company Limited by shares
- v. Address of the Registered office and contact details : A-46, Street No.2, Midc, Andheri (E), Mumbai - 400 093.
Tel: 022-028383581 Fax: 28383582
E-mail: corporate@lovableindia.in
Website: www.lovableindia.in
- vi. Whether listed company : Yes
- vii. Name, Address and Contact details of Registrar and Transfer Agent : M/s. Link Intime India Private Limited,
L.B.S. Marg, Opp. Pannalal Silk Mills Compound,
Bhandup (West), Mumbai-400 078.
Phone: 022-25946970; Fax: 022-25946969;
E-mail: rnt.helpdesk@linkintime.co.in;
Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product /Service	% to total turnover of the Company
1	Readymade Garments	14101	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NOT APPLICABLE					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01/04/2015				No. of Shares held at the end of the year i.e. 31/03/2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters*									
1. Indian	11141826	0	11141826	66.32	11141826	0	11141826	66.32	0.00
a. Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b. Central Govt/State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
c. Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d. Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e. Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1)	11141826	0	11141826	66.32	11141826	0	11141826	66.32	0.00
2. Foreign									
a. NRIs - Individuals / Foreign Individuals	153000	0	153000	0.91	153000	0	153000	0.91	0.00
b. Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c. Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d. Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e. Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2)	153000	0	153000	0.91	153000	0	153000	0.91	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	11294826	0	11294826	67.23	11294826	0	11294826	67.23	0.00
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	451606	0	451606	2.69	674305	0	674305	4.01	1.33
b. Banks / FI	21710	0	21710	0.13	26086	0	26086	0.16	0.03
c. Central Govt. / State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d. Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e. Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
f. FII's / FPIs	2164163	0	2164163	12.88	103900	0	103900	0.62	(12.26)
g. Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
h. Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	2637479	0	2637479	15.70	804291	0	804291	4.79	(10.90)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01/04/2015				No. of Shares held at the end of the year i.e. 31/03/2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a. Bodies Corp.									
i. Indian	687741	0	687741	4.09	583369	0	583369	3.47	(0.62)
ii. Overseas	19818	0	19818	0.12	0	0	0	0.00	(0.12)
b. Individuals									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	1847690	10	1847700	11.00	2887507	10	2887517	17.19	6.19
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	108554	0	108554	0.65	435105	0	435105	2.59	1.94
c. Others									
i. Non Resident Indians	106664	0	106664	0.63	482982	0	482982	2.87	2.24
ii. Clearing Members	97118	0	97118	0.58	121004	0	121004	0.72	0.14
iii. Trust	100	0	100	0.00	0	0	0	0.00	(0.00)
iv. Hindu Undivided Family	0	0	0	0.00	190906	0	190906	1.14	1.14
Sub-total (B)(2)	2867685	10	2867695	17.07	4700873	10	4700883	27.98	10.91
Total Public Shareholding (B) = (B)(1) + (B)(2)	5505164	10	5505174	32.77	5505164	10	5505174	32.77	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	16799990	10	16800000	100.00	16799990	10	16800000	100.00	0.00

* includes Promoter group

(ii) Shareholding of Promoters (including Promoter group)

SI No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01/04/2015			Share holding at the end of the year i.e. 31/03/2016			% change in share holding during
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Vinay Reddy	56,24,250	33.48	0.00	56,24,250	33.48	0.00	0.00
2	ShobhaJaipal Reddy	39,15,000	23.30	0.00	39,15,000	23.30	0.00	0.00
3	PrashantJaipal Reddy	15,35,250	9.14	0.00	15,35,250	9.14	0.00	0.00
4	LattupalliVeena Reddy	1,53,000	0.91	0.00	1,53,000	0.91	0.00	0.00
5	L Jaipal Reddy	7,500	0.04	0.00	7,500	0.04	0.00	0.00
6	Taruna Vinay Reddy	52,326	0.31	0.00	52,326	0.31	0.00	0.00
7	Lattupalli Vinay Reddy	7,500	0.04	0.00	7,500	0.04	0.00	0.00
	Total	11294826	67.22	0.00	11294826	67.22	0.00	0.00

(iii) Change in Promoters' Shareholding

There were no changes in the Promoter's shareholding during the Financial Year 2015-16.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on 31st March, 2016:

Sr. No.	Name	Shareholding		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)			Cumulative Shareholding during the year	
		No. of shares at the beginning (01/04/2015)	% of total shares of the company	Date	Increase/ (Decrease) in shareholding	Reason	No. of Shares	% of total shares of the company
1.	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCESMALL CAP FUND	0	0	01.04.2015	-	Opening Balance	-	-
				27.11.2015	674305	Transfer	674305	4.01
				31.03.2016	-	Closing Balance	674305	4.01
2.	MUKUL MAHAVIR AGRAWAL	0	0	01.04.2015	-	Opening Balance	-	-
				17.07.2015	215000	Transfer	215000	1.28
				27.11.2015	10000	Transfer	225000	1.34
				31.03.2016	-	Closing Balance	225000	1.34
3.	HYPNOS FUND LIMITED	84500	0.50	01.04.2015	-	Opening Balance	-	-
				25.09.2015	(20000)	Transfer	64500	0.38
				31.03.2016	-	Closing Balance	64500	0.38
4.	ZAKI ABBAS NASSER	60000	0.36	01.04.2015	-	Opening Balance	-	-
				17.04.2015	(10000)	Transfer	50000	0.30
				29.05.2015	10000	Transfer	60000	0.36
				31.03.2016	-	Closing Balance	60000	0.36
5.	GANESH SRINIVASAN	0	0	01.04.2015	-	Opening Balance	-	-
				27.11.2015	50000	Transfer	50000	0.30
				22.01.2016	7000	Transfer	57000	0.34
				31.03.2016	-	Closing Balance	57000	0.34
6.	VENTURA SECURITIES LIMITED	2435	0.01	01.04.2015	-	Opening Balance	-	-
				03.04.2015	(4)	Transfer	2431	0.01
				10.04.2015	909	Transfer	3340	0.02
				17.04.2015	22	Transfer	3362	0.02
				24.04.2015	(502)	Transfer	2860	0.02
				01.05.2015	(425)	Transfer	2435	0.01
				08.05.2015	(516)	Transfer	1919	0.01
				15.05.2015	(126)	Transfer	1793	0.01
				22.05.2015	679	Transfer	2472	0.01
				29.05.2015	586	Transfer	3058	0.02
				05.06.2015	1193	Transfer	4251	0.03
				12.06.2015	(1063)	Transfer	3188	0.02
				19.06.2015	2876	Transfer	6064	0.04
				26.06.2015	(2980)	Transfer	3084	0.02
		30.06.2015	(469)	Transfer	2615	0.02		
		03.07.2015	(270)	Transfer	2345	0.01		

Sr. No.	Name	Shareholding		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)			Cumulative Shareholding during the year	
		No. of shares at the beginning (01/04/2015)	% of total shares of the company	Date	Increase/ (Decrease) in shareholding	Reason	No. of Shares	% of total shares of the company
				10.07.2015	2001	Transfer	4346	0.03
				17.07.2015	3234	Transfer	7580	0.05
				24.07.2015	(1664)	Transfer	5916	0.04
				31.07.2015	(3397)	Transfer	2519	0.02
				07.08.2015	(372)	Transfer	2147	0.01
				14.08.2015	506	Transfer	2653	0.02
				21.08.2015	13	Transfer	2666	0.02
				28.08.2015	(331)	Transfer	2335	0.01
				04.09.2015	369	Transfer	2704	0.02
				11.09.2015	(1805)	Transfer	899	0.01
				18.09.2015	1454	Transfer	2353	0.01
				25.09.2015	(1348)	Transfer	1005	0.01
				30.09.2015	11	Transfer	1016	0.01
				09.10.2015	971	Transfer	1987	0.01
				16.10.2015	(831)	Transfer	1156	0.01
				23.10.2015	103	Transfer	1259	0.01
				30.10.2015	225	Transfer	1484	0.01
				06.11.2015	(349)	Transfer	1135	0.01
				13.11.2015	145	Transfer	1280	0.01
				20.11.2015	665	Transfer	1945	0.01
				27.11.2015	5398	Transfer	7343	0.04
				04.12.2015	(665)	Transfer	6678	0.04
				11.12.2015	(4165)	Transfer	2513	0.02
				18.12.2015	48385	Transfer	50898	0.30
				25.12.2015	3494	Transfer	54392	0.32
				31.12.2013	799	Transfer	55191	0.33
				01.01.2016	(223)	Transfer	54968	0.33
				08.01.2016	(2852)	Transfer	52116	0.31
				15.01.2016	624	Transfer	52740	0.31
				22.01.2016	(1343)	Transfer	51397	0.31
				29.01.2016	(276)	Transfer	51121	0.30
				05.02.2016	(426)	Transfer	50695	0.30
				12.02.2016	20	Transfer	50715	0.30
				19.02.2016	155	Transfer	50870	0.30
				26.02.2016	(125)	Transfer	50745	0.30

Sr. No.	Name	Shareholding		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)			Cumulative Shareholding during the year	
		No. of shares at the beginning (01/04/2015)	% of total shares of the company	Date	Increase/ (Decrease) in shareholding	Reason	No. of Shares	% of total shares of the company
				04.03.2016	(505)	Transfer	50240	0.30
				11.03.2016	951	Transfer	51191	0.30
				18.03.2016	1297	Transfer	52488	0.31
				25.03.2016	(1835)	Transfer	50653	0.30
				31.03.2016	1059	Transfer	51712	0.31
				31.03.2016	-	Closing Balance	51712	0.31
7.	ELSAMMA JOSEPH	0	0.00	01.04.2015	-	Opening Balance	-	-
				04.12.2015	45000	Transfer	45000	0.27
				31.03.2016	-	Closing Balance	45000	0.27
8.	ABNER INDIA DIVERSIFIED GROWTH FUND	37400	0.22	01.04.2015	-	Opening Balance	-	-
				31.03.2016	-	Closing Balance	37400	0.22
9.	PRABHUDAS LILLADHER PRIVATE LIMITED	0.00	0	1.04.2015	-	Opening Balance	-	-
		225		10.04.2015	308	Transfer	533	0.00
				17.04.2015	19875	Transfer	20408	0.12
				24.04.2015	(119)	Transfer	20289	0.12
				01.05.2015	(200)	Transfer	20089	0.12
				08.05.2015	(9)	Transfer	20080	0.12
				15.05.2015	(52)	Transfer	20028	0.12
				22.05.2015	(28)	Transfer	20000	0.12
				05.06.2015	1506	Transfer	21506	0.13
				12.06.2015	(1403)	Transfer	20103	0.12
				19.06.2015	32	Transfer	20135	0.12
				26.06.2015	347	Transfer	20482	0.12
				30.06.2015	(102)	Transfer	20380	0.12
				03.07.2015	345	Transfer	20725	0.12
				10.07.2015	(575)	Transfer	20150	0.12
				17.07.2015	161	Transfer	20311	0.12
				24.07.2015	(12)	Transfer	20299	0.12
				31.07.2015	84	Transfer	20383	0.12
				07.08.2015	806	Transfer	21189	0.13
				14.08.2015	(529)	Transfer	20660	0.12
				21.08.2015	1006	Transfer	21666	0.13
				28.08.2015	464	Transfer	22130	0.13
				04.09.2015	(801)	Transfer	21329	0.13
				11.09.2015	(120)	Transfer	21209	0.13
				18.09.2015	33	Transfer	21242	0.13
				25.09.2015	12	Transfer	21254	0.13
				30.09.2015	550	Transfer	21804	0.13
				09.10.2015	(1705)	Transfer	20099	0.12
				30.10.2015	260	Transfer	20359	0.12
				06.11.2015	(169)	Transfer	20190	0.12

Sr. No.	Name	Shareholding		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)			Cumulative Shareholding during the year	
		No. of shares at the beginning (01/04/2015)	% of total shares of the company	Date	Increase/ (Decrease) in shareholding	Reason	No. of Shares	% of total shares of the company
				13.11.2015	1050	Transfer	21240	0.13
				20.11.2015	(1021)	Transfer	20219	0.12
				27.11.2015	15551	Transfer	35770	0.21
				04.12.2015	661	Transfer	36431	0.22
				11.12.2015	(1316)	Transfer	35115	0.21
				18.12.2015	120	Transfer	35235	0.21
				25.12.2015	(50)	Transfer	35185	0.21
				31.12.2015	(16)	Transfer	35169	0.21
				01.01.2016	50	Transfer	35219	0.21
				08.01.2016	280	Transfer	35499	0.21
				15.01.2016	(144)	Transfer	35355	0.21
				22.01.2016	1180	Transfer	36535	0.22
				29.01.2016	(1269)	Transfer	35266	0.21
				05.02.2016	(97)	Transfer	35169	0.21
				12.02.2016	76	Transfer	35245	0.21
				19.02.2016	(150)	Transfer	35095	0.21
				11.03.2016	50	Transfer	35145	0.21
				18.03.2016	71	Transfer	35216	0.21
				25.03.2016	123	Transfer	35339	0.21
				31.03.2016	31	Transfer	35370	0.21
				31.03.2016	-	Closing Balance	35370	0.21
10.	KARVY STOCK BROKING LTD (BSE)	17465	0.10	01.04.2015	-	Opening Balance	-	-
				03.04.2015	10	Transfer	17475	0.10
				10.04.2015	4746	Transfer	22221	0.13
				17.04.2015	(2159)	Transfer	20062	0.12
				24.04.2015	1670	Transfer	21732	0.13
				01.05.2015	(256)	Transfer	21476	0.13
				08.05.2015	2471	Transfer	23947	0.14
				15.05.2015	(1758)	Transfer	22189	0.13
				22.05.2015	(1201)	Transfer	20988	0.12
				29.05.2015	386	Transfer	21374	0.13
				05.06.2016	5183	Transfer	26557	0.16
				12.06.2016	1951	Transfer	28508	0.17
				19.06.2016	(531)	Transfer	27977	0.17
				26.06.2015	(744)	Transfer	27233	0.16
				30.06.2015	2717	Transfer	29950	0.18
				03.07.2015	(3683)	Transfer	26267	0.16
				10.07.2015	(1232)	Transfer	25035	0.15
				17.07.2015	7684	Transfer	32719	0.19
				24.07.2015	(2200)	Transfer	30519	0.18
				31.07.2015	4	Transfer	30523	0.18

Sr. No.	Name	Shareholding		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)			Cumulative Shareholding during the year	
		No. of shares at the beginning (01/04/2015)	% of total shares of the company	Date	Increase/ (Decrease) in shareholding	Reason	No. of Shares	% of total shares of the company
				07.08.2015	39068	Transfer	69591	0.41
				14.08.2015	1215	Transfer	70806	0.42
				21.08.2015	(10297)	Transfer	60509	0.36
				28.08.2015	(5773)	Transfer	54736	0.33
				04.09.2015	(3118)	Transfer	51618	0.31
				11.09.2015	(1048)	Transfer	50570	0.30
				18.09.2015	(19)	Transfer	50551	0.30
				25.09.2015	(1466)	Transfer	49085	0.29
				30.09.2015	(2635)	Transfer	46450	0.28
				09.10.2015	(1435)	Transfer	45015	0.27
				16.10.2015	(4876)	Transfer	40139	0.24
				23.10.2015	60	Transfer	40199	0.24
				30.10.2015	787	Transfer	40986	0.24
				06.11.2015	859	Transfer	41845	0.25
				13.11.2015	24	Transfer	41869	0.25
				20.11.2015	5300	Transfer	47169	0.28
				27.11.2015	2286	Transfer	49455	0.29
				04.12.2015	(7073)	Transfer	42382	0.25
				11.12.2015	277	Transfer	42659	0.25
				18.12.2015	(1633)	Transfer	41026	0.24
				25.12.2015	(771)	Transfer	40255	0.24
				31.12.2015	592	Transfer	40847	0.24
				01.01.2016	(390)	Transfer	40457	0.24
				08.01.2016	(1700)	Transfer	38757	0.23
				15.01.2016	403	Transfer	39160	0.23
				22.01.2016	(1239)	Transfer	37921	0.23
				29.01.2016	(613)	Transfer	37308	0.22
				05.02.2016	122	Transfer	37430	0.22
				12.02.2016	(246)	Transfer	37184	0.22
				19.02.2016	(1005)	Transfer	36179	0.22
				26.02.2016	(243)	Transfer	35936	0.21
				04.03.2016	(730)	Transfer	35206	0.21
				11.03.2016	59	Transfer	35265	0.21
				18.03.2016	1578	Transfer	36843	0.22
				25.03.2016	720	Transfer	37563	0.22
				31.03.2016	(3306)	Transfer	34257	0.20
				31.03.2016	-	Closing Balance	34257	0.20
11.	IRONWOOD INVETMENT HOLDINGS	483409	2.88	01.04.2015	-	Opening Balance	-	-
				03.04.2015	-	Transfer	483409	2.88
				10.04.2015	(483409)	Transfer	00	0.00
				31.03.2016	-	Closing Balance	00	0.00

Sr. No.	Name	Shareholding		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)			Cumulative Shareholding during the year	
		No. of shares at the beginning (01/04/2015)	% of total shares of the company	Date	Increase/ (Decrease) in shareholding	Reason	No. of Shares	% of total shares of the company
12.	HYPNOS FUND LIMITED	84500	0.50	01.04.2015	-	Opening Balance	-	-
				25.09.2015	(20000)	Transfer	64500	0.38
				31.03.2016	-	Closing Balance	64500	0.38
13.	KOTAK MAHINDRA INVESTNETS LTD	202750	1.21	01.04.2015	-	Opening Balance	-	-
				10.04.2015	15000	Transfer	217750	1.30
				24.04.2015	500	Transfer	218250	1.30
				15.05.2015	(650)	Transfer	217600	1.30
				31.03.2016	-	Closing Balance	217600	1.30
14.	SWISS FINANCE CORPORATION (MAURITIUS) LIMITED	44797	0.27	01.04.2015	-	Opening Balance	-	-
				21.08.2015	9620	Transfer	54417	0.32
				11.09.2015	19532	Transfer	34885	0.21
				09.10.2015	7643	Transfer	41528	0.25
				06.11.2015	12714	Transfer	54242	0.32
				27.11.2015	(54242)	Transfer	0	0.00
15.	NALANDA INDIA EQUITY FUND LIMITED	1492057	8.88	01.04.2015	-	Opening Balance	-	-
				16.10.2015	(527)	Transfer	1491530	8.88
				23.10.2015	(84516)	Transfer	1407014	8.38
				30.10.2015	20431	Transfer	1386583	8.25
				06.11.2015	(117308)	Transfer	1269275	7.56
				20.11.2015	(134506)	Transfer	1134769	6.75
				27.11.2015	(1134769)	Transfer	0	0.00
				31.03.2016	-	Closing Balance	0	0.00
16.	SBI MAGNUM MIDCAP FUND	183306	1.09	01.04.2015	-	Opening Balance	-	-
				05.06.2015	(39412)	Transfer	143894	0.83
				26.06.2015	(143894)	Transfer	0	0.86
17.	TATA BALANCED FUND	268300	1.60	01.04.2015	-	Opening Balance	-	-
				26.06.2015	(268300)	Transfer	0	0
				31.03.2016	-	Closing Balance	0	0.00
18.	SCI GROWTH INVESTMENTS II	19818	0.12	01.04.2015	-	Opening Balance	-	-
				10.04.2015	(19818)	Transfer	0	0.00
				31.03.2016	-	Closing Balance	0	0.00

Notes:

- The above information is based on the weekly beneficiary position received from Depositories.
- Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 16800000 Shares.
- The details of holding has been clubbed based on PAN.
- % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name	Shareholding		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)			Cumulative Shareholding during the year			
		No. of shares at the beginning (01/04/2015)	% of total shares of the company	Date	Increase/ (Decrease) in shareholding	Reason	No. of Shares	% of total shares of the company		
1.	VINAY JAIPAL REDDY	5624250	33.48	01.04.2015	-	Opening Balance	-	-		
		NO CHANGES DURING THE YEAR								
				31.03.2016	-	Closing Balance	5624250	33.48		
2.	TARUNA VINAY REDDY	52326	0.31	01.04.2015	-	Opening Balance	-	-		
		NO CHANGES DURING THE YEAR								
				31.03.2016	-	Closing Balance	52326	0.31		
3.	LATTUPALLI JAIPAL REDDY	0	0.00	01.04.2015	-	Opening Balance	-	-		
		NO CHANGES DURING THE YEAR								
				31.03.2016	-	Closing Balance	0	0.00		
4.	ANANTHARAMAN MAHADEVAN	0	0.00	01.04.2015	-	Opening Balance	-	-		
		NO CHANGES DURING THE YEAR								
				31.03.2016	-	Closing Balance	0	0.00		
5.	GOPAL KRISHAN SEHJPAL	0	0.00	01.04.2015	-	Opening Balance	-	-		
		NO CHANGES DURING THE YEAR								
				31.03.2016	-	Closing Balance	0	0.00		
6.	SIVABALAN PAUL PANDIAN	0	0.00	01.04.2015	-	Opening Balance	-	-		
		NO CHANGES DURING THE YEAR								
				31.03.2016	-	Closing Balance	0	0.00		
7.	DHANPAT MISHRIMAL KOTHARI	0	0.00	01.04.2015	-	Opening Balance	-	-		
		NO CHANGES DURING THE YEAR								
				31.03.2016	-	Closing Balance	0	0.00		
8.	RAGHUNATHAN GOVINDARAJAN	0	0.00	01.04.2015	-	Opening Balance	-	-		
		NO CHANGES DURING THE YEAR								
				31.03.2016	-	Closing Balance	0	0.00		
9.	DARSHA MAHESH SANGHVI	0	0.00	01.04.2015	-	Opening Balance	-	-		
		NO CHANGES DURING THE YEAR								
				31.03.2016	-	Closing Balance	0	0.00		

V. INDEBTEDNESS

Indebtedness of the Company including interest Outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	664.17	NIL	NIL	664.17
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	664.17	NIL	NIL	664.17
Change in Indebtedness during the financial year				
- Addition	NIL	NIL	NIL	NIL
- Reduction	(221.39)	NIL	NIL	(221.39)
Net Change	(221.39)	NIL	NIL	(221.39)
Indebtedness at the end of the financial year				
i) Principal Amount	442.78	NIL	NIL	442.78
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	442.78	NIL	NIL	442.78

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Names of MD/ WTD/ Manager		Total Amount
		L. Vinay Reddy (Chairman & Managing Director)	L. Jaipal Reddy (Whole Time - Director)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	23,51,704	20,35,136	43,86,840
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	Total (A)	23,51,704	20,35,136	43,86,840
	Ceiling as per the Act (10% of the net profit as per Section 198)			3,23,72,402

B. Remuneration to other directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors					Total amount
		Anantharaman Mahadevan	Gopal Sehgal	Sivabalan P. Pandian	Dhanpat Kothari	Taruna Reddy	
1.	Independent Directors						
	Fee for attending board / committee meetings	59,000	76,500	84,000	69,000	-	2,88,500
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	59,000	76,500	84,000	69,000	-	2,88,500
2.	Other Non-Executive Directors						
	Fee for attending board / committee meetings	-	-	-	-	33,000	33,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	33,000	33,000
	Total (B)= (1) + (2)	59,000	76,500	84,000	69,000	33,000	3,21,500
	Total Managerial Remuneration (A+B)						47,08,340
	Overall Ceiling as per the Act (11% of the net profit as per Section 198)						3,56,09,643

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Raghunathan Govindarajan (CFO)	Darsha Sanghvi (CS)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	11,08,823	4,30,220	15,39,043
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission			
	- as % of profit			
	- others, specify...	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	Total	11,08,823	4,30,220	15,39,043

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

ANNEXURE “B”

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

(1) Brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes

Your Company is committed to operate and grow its business in a socially responsible way. The Company's vision is to grow its business, whilst reducing the environmental impact of its operations and increasing its positive social impact.

Your Company has embraced some of the activities listed in the Schedule VII of Section 135 of the Companies Act, 2013.

The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of the Directors, is available on the Company's website; weblink: [http://lovableindia.in/index.php?route=information/information & information_id=69](http://lovableindia.in/index.php?route=information/information&information_id=69).

A brief overview of your Company's projects is as given below:

LLL's CSR policy is aimed at demonstrating care for the community through its focus on education, vocational training & skill development. The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013.

(2) Composition of the CSR Committee

The Company has a CSR committee of directors comprising of Mr. Anantharaman Mahadevan, Chairman of the Committee, Mr. Gopal Sehgal and Mr. L Vinay Reddy.

(3) Average Net Profit of the Company for last 3 financial years : Rs. 27.09 Cr

(4) Prescribed CSR Expenditure (two per cent. Of the amount as in item 3 above) : Rs. 54.18 lakhs

(5) Details of CSR spent during the financial year 2015-16:

(a) Total amount to be spent for the financial year: Rs. 54.18 lakhs

(b) Total amount spent during the year: Rs. 1.67 lakhs

During the year under review, considerable amount of time was spent in the community need assessment and CSR plan execution strategy. Hence, during the year, the Company was not able to spend prescribed amount in the CSR projects. In the subsequent years, the Company would increase its contribution towards the CSR projects.

(c) Amount unspent, if any: Rs. 52.51 lakhs

For reason, please refer to item no. 5(b) above.

(d) Manner in which the amount was spent during the financial year 2015-16 is detailed below:

(Rs. in lakhs)

Sr. No.	CSR Project	Relevant Section of Schedule VII in which the Project is covered (Refer Note)	Projects/ Programmes covered	Amount outlay (budget)	Amount spent on the project/ programs		Cumulative expenditure upto 31 st March, 2016	Amount spent Direct/ through implementing agency
					Direct Expenditure	Overheads as given		
1.	promoting science education through Interschool Science Quiz Competition	promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Mumbai	1.67	1.67	-	1.67	Through implementing agency : Society for Service to Voluntary Agencies (SOSVA)
Total					1.67	-	1.67	

(6) CSR Committee Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

On behalf of the Board

Mumbai
Date: May 30, 2016

L Vinay Reddy
Managing Director
(DIN: 00202619)

Anantharaman Mahadevan
Chairman, CSR Committee
(DIN: 00165226)

ANNEXURE “C”

STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197 OF COMPANIES ACT, 2013 AND RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND AMENDMENTS THERETO:

- i. Ratio of the remuneration* of each Director to the median remuneration of the employees of the Company for the financial year 2015-16:

Sr. No.	Name of Director	Designation	Ratio to median remuneration of employees
1	L Vinay Reddy	Chairman & Managing Director	18.76:1
2	L Jaipal Reddy	Whole-Time Director	16.24:1
3	Anantharaman Mahadevan	Non-Executive Independent Director	0.47:1
4	Gopal Sehjpal	Non-Executive Independent Director	0.61:1
5	Sivabalan P. Pandian	Non-Executive Independent Director	0.67:1
6	Dhanpat Kothari	Non-Executive Independent Director	0.55:1
7	Taruna Reddy	Non-Executive Director	0.26:1

* Remuneration includes sitting fees paid

- ii. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2015-16:

Sr. No.	Name of Director/KMP	Designation	% increase in Remuneration
1	L Vinay Reddy	Chairman & Managing Director	5.00
2	L Jaipal Reddy	Whole-Time Director	36.00
3	Anantharaman Mahadevan	Non-Executive Independent Director	13.46
4	Gopal Sehjpal	Non-Executive Independent Director	(12.07)
5	Sivabalan P. Pandian	Non-Executive Independent Director	32.28
6	Dhanpat Kothari	Non-Executive Independent Director	(4.17)
7	Taruna Reddy	Non-Executive Director	100.00
8	R Govindarajan	Chief Financial Officer	2.57
9	Darsha Sanghvi	Company Secretary	19.51

- iii. The percentage increase in the median remuneration of Employees in the financial year (Median 2016/ Median 2015): 0.38%
- iv. The Company has 1,401 permanent Employees on the rolls of Company as on 31st March, 2016.
- v. Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 3% whereas the increase in the managerial remuneration was [34]%.
- vi. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

On behalf of the Board

L Vinay Reddy
Chairman & Managing Director
(DIN: 00202619)

Mumbai, 12th August, 2016

ANNEXURE “D”

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Lovable Lingerie Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Lovable Lingerie Limited** (hereinafter called '**the Company**'). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Lovable Lingerie Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013(the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('The SEBI'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not relevant / applicable during the year under review)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not relevant / applicable during the year under review)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not relevant / applicable during the year under review)

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that based on the explanation given by the management of the Company, there are no other laws that are specifically applicable to the Company.

I have also examined compliance with the applicable clauses to the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and uniform listing agreements entered with BSE/ NSE in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015;

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. including other specific laws to the extent applicable to the Company as represented by management. Mentioned above subject to the following observation:

The Company has complied with the provisions of Section 135 of the Companies Act, 2013 pertaining to Corporate Social Responsibility except section 135(5). *The Company has informed that the shortfall in the amount spent during the year under report is due to time was spent in the community need assessment and CSR plan execution strategy.*

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive, Non – Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has:-

1. Passed special resolution relating to Re-appointment of Mr. L Jaipal Reddy as Whole Time Director of the Company in 28th Annual General Meeting held on 26th September, 2015.

For D. M. Zaveri & Co
Company Secretaries

Dharmesh Zaveri
(Proprietor)

FCS. No.: 5418
CP No.: 4363

Place: Mumbai
Date: 12th August, 2016

ANNEXURE “E”

CORPORATE GOVERNANCE

Corporate governance refers to the framework of rules and practices by which the Board of Directors ensure accountability, fairness, and transparency in a company’s relationship with all its stakeholders. Lovable Lingerie Limited (‘Lovable’, ‘LLL’ or ‘the Company’) believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in maintaining good corporate governance, preserving shareholders’ trust and maximizing long-term corporate value.

The Securities and Exchange Board of India (SEBI) regulates corporate governance for listed companies through Clause 49 of the Listing Agreement (effective up to 30th November, 2015) and through SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (with effect from 1st December, 2015).

This chapter of the annual report together with information given under the chapter entitled Management Discussion and Analysis constitute the compliance report of the Company on Corporate Governance during FY 2015-16.

1. THE BOARD OF DIRECTORS

The Board of Directors (‘the Board’) is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board.

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties.

(i) Composition:

As on 31st March, 2016, the Board of Directors had 7 (Seven) Directors, comprising (i) 2 (Two) Executive Directors, including the Chairman, and (ii) 5 (Five) Non-Executive Directors out of which 4(Four) were Independent and 1(One) Woman Director. Detailed profiles of the Directors seeking appointment/ re-appointment have been given in the Notice of AGM.

The composition of the Board represents an optimal mix of professionalism, knowledge, strategy and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The Chairman of the Board is an Executive Director.

The Board continuously reviews the Company’s governance, risk and compliance framework, business plans, and organization structure to align with the global standards and competitive benchmark.

Each Director informs the Company on an annual basis about the Board and Board Committee positions he/she occupies in other companies including Chairmanships and notifies any changes during the term of their Directorship in the Company. None of the Directors on the board hold Directorships in more than 10 (Ten) public companies. Further, none of them is a member of more than 10(Ten) committees or chairman of more than 5 (Five) committees across all the public companies in which he/she is a Director. In addition, the Independent Directors provide a confirmation to the effect that they meet the criteria of independence as defined under the Companies Act, 2013.

The Board meets at least once in a quarter to review the Company’s quarterly performance and financial results. Board meetings are governed with a structured agenda. The Board periodically reviews the compliance reports with respect to laws and regulations applicable to the Company.

(ii) Term of Board Membership

The Board, on the recommendations of the Nomination and Remuneration Committee, considers the appointment and re-appointment of Directors.

Section 149 of the Companies Act, 2013, provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company and shall be eligible for re-appointment on passing of a special resolution by the shareholders of the Company. However, the Independent Directors shall not retire by rotation.

Accordingly, all the Independent Directors of the Company were appointed as Independent Directors under Section 149 of the Companies Act, 2013, for a term of 3 years at the 27th Annual General Meeting. Consequently, their term will end at the 30th Annual General Meeting to be held in FY 2017-18.

Section 152 of the Companies Act, 2013, states that one-third of the Board members other than Independent Directors who are subject to retire by rotation, shall retire every year and shall be eligible for re-appointment, if approved by the shareholders at their meeting.

In view of the above, Ms. Taruna Reddy (DIN: 02787135), Director, retires by rotation at the forthcoming Annual General Meeting, and being eligible, seeks re-appointment.

The Board of Directors at their meeting held on May 30, 2016, had re-appointed Mr. L Vinay Reddy (DIN: 00202619) as Managing Director and Mr. L Jaipal Reddy (DIN: 01539678) as Whole-time Director of the Company.

In view of the above, approval of the shareholders is being sought for:

- i. Re-appointment of Mr. L Vinay Reddy, as Managing Director for a period of two years with effect from 1st February, 2017.
- ii. Re-appointment of Mr. L Jaipal Reddy, as Whole-Time Director for a period of two years with effect from 1st February, 2017.

The names and categories of the Directors on the Board, their attendance at Board meetings held during the year and the number of Directorships and committee chairmanships / memberships held by them in other public companies as on March 31, 2016 are given herein below. Other Directorships does not include Directorships in private limited companies, Section 8 Companies and of Companies incorporated outside India. Chairmanships / memberships of Board committees shall include only audit committee and stakeholders' relationship committee.

(iii) Composition of Lovable's Board and Other Directorships(s) and their attendance in Board Meetings and AGM held during FY2016

Name of the Director, Designation & DIN	Category	Number of board meetings during the year 2015-16		Whether Attended last AGM held on September 26, 2015	Number of directorships in other Public Companies	Number of committee positions held in other public companies		Inter-se Relationship
		Held	Attended			Chairman	Member	
L Vinay Reddy (Chairman & Managing Director) DIN: 00202619	Non-Independent, Executive	5	4*	Yes	1	0	0	Son of Shri L Jaipal Reddy Husband of Smt. Taruna Reddy
L Jaipal Reddy (Director) DIN: 01539678	Non-Independent, Executive	5	5	Yes	1	0	0	Father of Shri L Vinay Reddy Father-in-law of Smt. Taruna Reddy
Anantharaman Mahadevan DIN: 00165226	Independent, Non-Executive	5	4*	Yes	1	0	0	-

Name of the Director, Designation & DIN	Category	Number of board meetings during the year 2015-16		Whether Attended last AGM held on September 26, 2015	Number of directorships in other Public Companies	Number of committee positions held in other public companies		Inter-se Relationship
		Held	Attended			Chairman	Member	
Gopal Sehjpal DIN: 00175975	Independent, Non-Executive	5	4*	Yes	1	1	1	-
Sivabalan Paul Pandian DIN: 01573458	Independent, Non-Executive	5	4*	No	1	0	0	-
Dhanpat Kothari DIN: 03032242	Independent, Non-Executive	5	4*	Yes	0	0	0	-
Taruna Reddy DIN: 02787135	Non-Independent, Non-Executive	5	3*	No	0	0	0	Wife of Shri L Vinay Reddy Daughter-in-law of Shri L Jaipal Reddy

* Were given leave of absence on request.

2. MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business.

The Company plans and prepares the schedule of the Board and Board Committee meetings in advance to assist the Directors in scheduling their program. The schedule of meetings and their agenda are set by the Company Secretary in consultation with the Chairman-cum-Managing Director of the Company. The Agenda for the Board and Committee meetings covers items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The agenda of the Board and Committee meetings are pre-circulated in advance with detailed notes and supporting documents. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting.

Under the Companies Act, 2013, the Board of Directors must meet at least four times a year, with a maximum gap of 120 days between two Board meetings. Lovable's Board met five times during the financial year under review on: 29th May, 2015, 12th August, 2015, 7th November, 2015, 10th February, 2016 and 10th March, 2016.

Details of Directors and their attendance at Board meetings and Annual General Meeting (AGM) are given in the table below:

Name of the Director	Whether present in Board Meetings / AGM* held on					
	May 29, 2015	August 12, 2015	November 7, 2015	February 10, 2016	March 10, 2016	September 26, 2015*
L Vinay Reddy	Yes	Yes	Yes	Yes	No	Yes
L Jaipal Reddy	Yes	Yes	Yes	Yes	Yes	Yes
Sivabalan Pandian	Yes	Yes	Yes	Yes	No	No
Anantharaman Mahadevan	No	Yes	Yes	Yes	Yes	Yes
Gopal Sehjpal	Yes	Yes	Yes	No	Yes	Yes
Dhanpat Kothari	No	Yes	Yes	Yes	Yes	Yes
Taruna Reddy	No	Yes	Yes	Yes	No	No

3. MEETING OF INDEPENDENT DIRECTORS

The terms and conditions of appointment of the independent directors are disclosed on the website of the Company.

During FY 2015-16, the Independent Directors of Lovable met one time on February 10, 2016 without the presence of Executive Directors and other members of the management inter-alia to review:

- the performance of non-Independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

4. CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct for all Board members and employees of the Company.

The code of conduct may be accessed through the web link: http://lovableindia.in/index.php?route=information/information&information_id=22.

It is the responsibility of all Directors and employees to familiarize themselves with this Code and comply with its standards. The Board and the senior management of the Company annually affirm compliance with the Code. A certificate of the Chairman-cum-Managing Director to this effect is enclosed as **Exhibit 1** to this chapter.

The Company has formulated a Whistle-Blower Policy or Vigil Mechanism under this Code to report concerns on actual or suspected violations of the Code, which:

- takes into account procedures for investigation and communication of any report on any violation or suspected violation of the Code;
- accepts appeal against any decision; and
- encourages the submission of complaint against any retaliation.

The Whistle-blower policy is available on the Company's website http://lovableindia.in/index.php?route=information/information&information_id=69.

The complaints and reports submitted to the Company and their resolution status are reported through the Chairman to the Audit Committee and, where applicable, to the Board. During FY 2015-16, there were no complaints received under the Whistle Blower mechanism.

5. RELATED PARTY TRANSACTIONS

All transactions entered into with related parties during the financial year were in the ordinary course of business and on arm's length pricing basis. There were no transactions with related parties during the financial year which were in conflict with the interest of the Company.

All related party transactions are periodically placed before the Audit Committee and the Board for review and approval, as appropriate. The details of related party transactions are discussed in detail in note 24.11 to the standalone financial statements.

The Company has formulated a policy on materiality of related party transactions and dealing with related party transactions which is available on the Company's website http://lovableindia.in/index.php?route=information/information&information_id=69.

Members of the Board and Management Committee also submit, on an annual basis, the details of individuals to whom they are related and entities in which they hold interest and such disclosures are placed before the Board.

6. FAMILIARIZATION PROCESS FOR INDEPENDENT DIRECTORS

The Company believes that the Board should be continuously empowered with the knowledge of latest developments affecting the Company and the industry as a whole. Updates on relevant statutory changes and judicial pronouncements around important industry related laws are regularly circulated to the Directors. Each Director of the Company has complete access to any Company's information and freedom to interact with the senior management.

The details of the familiarization programmes imparted to Independent Directors is available on the website of the company http://lovableindia.in/index.php?route=information/information&information_id=69

7. BOARD EVALUATION

The Board has carried out an annual evaluation of its own performance, as well as the working of its Committees. The Nomination and Remuneration Committee laid down the criteria for such performance evaluation.

The evaluation process was carried out internally in FY 2015-16. Each Board member completed a questionnaire on other Board members for peer evaluation and a questionnaire to provide feedback on Board, its Committees and their functioning. The contribution and impact of individual members was evaluated on parameters such as level of engagement, independence of judgment, conflicts resolution and their contribution in enhancing the Board's overall effectiveness. The peer ratings on certain parameters, positive attributes and improvement areas for each Board member were also provided to them in a confidential manner.

8. DISCLOSURE ON ACCOUNTING TREATMENT

In the preparation of financial statements for FY2016, there is no treatment of any transaction different from that prescribed in the Accounting Standards notified by the Government of India under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014; guidelines issued by the Securities and Exchange Board of India and other accounting principles generally accepted in India.

9. COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

The Board has currently established the following Committees.

A. Audit Committee:

i. Constitution & Composition:

The Audit Committee of the Company is constituted in line with Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') entered into with the stock exchanges read with Section 177 of the Companies Act, 2013.

During the year under review, Audit Committee Meetings were held Four times on 29th May, 2015, 12th August, 2015, 7th November, 2015 & 10th February, 2016. The intervening gap between the meetings was within the period prescribed under Regulation 18 of the Listing Regulations, as amended.

The Composition of the Audit Committee and details of attendance of the members at the committee meetings during the year are given below:

Name of the Member	Category	No. of Meetings during the financial year 2015-16	
		Held	Attended
Mr. Dhanpat M. Kothari	Chairman	4	3*
Mr. L Vinay Reddy	Member	4	4
Mr. Sivabalan Paul Pandian	Member	4	4
Mr. Gopal G. Sehjpal	Member	4	3*

*Leave of absence was granted to the Directors whenever they could not be physically present for the Committee meeting.

The Chief Financial Officer, representatives of Statutory Auditors, Internal Audit and Finance & Accounts department are invited to the meetings of the Audit Committee, whenever required.

Ms. Darsha Sanghvi, Company Secretary and Compliance Officer acted as the Secretary of the Committee. She is also the Compliance Officer of the Company and responsible for redressing investor grievances.

The Chairman of the Committee was present at the last Annual General Meeting held on 26th September, 2015.

The Committee discharges such duties and functions as indicated in Clause 49 of the Listing Agreement (up to 30th November, 2015), Regulation 18 (from 1st December, 2015) and Section 177 of the Companies Act, 2013 and such other functions as may be specifically delegated to the Committee by the Board from time to time.

ii. Brief Terms of reference:

The terms of reference of the Audit Committee covers the areas as contemplated under the Listing Agreement, Listing Regulations and Section 177 of the Companies Act, 2013 and inter alia, include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to;
- Reviewing the adequacy of internal audit function;
- Reviewing the significant internal audit findings / related party transactions, reviewing the Management Discussion and Analysis of financial condition and result of operations and also statutory compliance issues relating to financial statements;
- To review the functioning of the Whistle Blower mechanism / Vigil Mechanism;
- Review of matters to be included in the Directors Responsibility Statement, to be included in the Board report.

B. NOMINATION & REMUNERATION COMMITTEE

i. Constitution & Composition:

The Nomination & Remuneration Committee of the Company is duly constituted.

During the year under review, one Nomination and Remuneration Committee Meeting was held on 7th November, 2015.

The Composition of the Nomination and Remuneration Committee and details of attendance of the members at the committee meetings during the year are given below:

Name	Status	No. of Meetings during the financial year 2015-16	
		Held	Attended
Mr. Dhanpat M. Kothari	Chairman	1	1
Mr. L Vinay Reddy	Member	1	1
Mr. Sivabalan Paul Pandian	Member	1	1
Mr. Gopal G. Sehjpal	Member	1	1

ii. Brief Terms of reference:

The brief terms of reference of Nomination & Remuneration Committee are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
5. To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s)/Executive Director(s) based on their performance and defined assessment criteria;
6. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable;

iii. Remuneration policy:

Remuneration policy of the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations. The remuneration structure is tailored to the regulations, practices and benchmarks prevalent in the industry.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its managing director and the executive directors.

NRC decides on the commission payable to the managing director and the executive directors out of the profits for the financial year and within the ceilings prescribed under the Act based on the performance of the Company as well as that of the managing director and each executive director.

The Remuneration policy of the Company is available on the website of the Company at http://lovableindia.in/index.php?route=information/information&information_id=69.

iv. Details of Remuneration:

a) Executive Directors:

(₹ in lakhs)

Name	Salary	Bonus	Contribution to PF	Perquisites	Total
L Vinay Reddy	20.70	-	1.66	1.16	23.52
L Jaipal Reddy	18.00	-	-	2.35	20.35

* Perquisites include Leave Travel Assistance and Medical Allowance.

The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available for the managing director and executive director.

b) Non-Executive Directors:

During the year 2015-16, the criteria for making payment of Sitting fees to Non-Executive Directors of the Company is Rs. 11,000/- per Board meeting; Rs. 5,000/- per meeting of the Audit Committee, Nomination and Remuneration Committee & CSR committee and Rs. 2,500/- per Stakeholders' Relationship Committee meeting, were paid to the Non-Executive Directors attending respective meetings.

(₹ in lakhs)

Name	Sitting Fees*	Commission	Total
Anantharaman Mahadevan	0.59	-	0.59
Gopal Sehjpal	0.77	-	0.77
Sivabalan P. Pandian	0.84	-	0.84
Dhanpat Kothari	0.69	-	0.69
Taruna Reddy	0.33	-	0.33

* Includes sitting fees for Board and Board Committee meetings

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors apart from sitting fees.

c) Details of equity shares of the Company held, if any by the Non-Executive Directors as on March 31, 2016 are given below:

Name	Number of equity shares
Taruna Reddy	52,326

The Company has no outstanding convertible instruments.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

i. Constitution & Composition:

The Stakeholders' Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of the Listing Regulations read with Section 178 of the Companies Act, 2013.

The Stakeholders Relationship Committee is empowered to perform the functions of the Board relating to handling of security holders' queries and grievances. It primarily focuses on:

- Investor complaints and their redressal.
- Review of queries received from investors.
- Review of work done by the share transfer agent.
- Review of corporate actions related to security holders.

During the year under review, Stakeholders' Relationship Committee Meetings were held 4 times on 29th May, 2015, 12th August, 2015, 7th November, 2015 & 10th February, 2016.

The Composition of the Stakeholders' Relationship Committee and details of attendance of the members at the committee meetings during the year are given below:

Name	Category	No. of Meetings during the financial year 2015-16	
		Held	Attended
Mr. Gopal G. Sehjpal	Chairman	4	3*
L Vinay Reddy	Member	4	4
Sivabalan Paul Pandian	Member	4	4

*Was given leave of absence on request

ii. Brief terms of reference of the Committee inter alia include the following:

- To look into redressal of grievances of shareholders, debenture holders and other security holders of the Company;
- To consider and resolve grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc.;
- To approve issue of duplicate share certificates and to oversee and review all matters connected with the transfer, transmission and issue of securities;
- To oversee the performance of the Registrar and Transfer Agents and recommend measures for overall improvement in the quality of investor services;
- To investigate any activity within its terms of reference;
- To seek information from share transfer agents;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise, if it considers necessary and have full access to the information contained in the records of the Company.

iii. Procedure laid down for Stakeholders' Relationship Committee:

The Company has appointed M/s. Link Intime India Private Limited (formerly Intime Spectrum Registry Limited) as the Registrar and Share Transfer Agent to handle the investor grievances in co-ordination with the Compliance Officer. All grievances can be addressed to the Registrar and Share Transfer Agent. The Company monitors the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

iv. Details of Stakeholder Complaints

Sr. No.	Nature of Complaint	Total complaints pending at the beginning of the year	Total complaints received during the year	Total complaints replied during the year	Total complaints pending at the end of the year	Complaints not resolved to the satisfaction of shareholders
1.	Non-receipt of Dividend	Nil	4	4	Nil	Nil
2.	Non-receipt of shares lodged for transfer / exchange	Nil	Nil	Nil	Nil	Nil
3.	Non-receipt of Annual Report	Nil	6	6	Nil	Nil
4.	Others	Nil	Nil	Nil	Nil	Nil
	Total	Nil	10	10	Nil	Nil

v. Compliance officer:

Darsha Sanghvi,

Company Secretary

Lovable Lingerie Limited

A-46, Road No. 2, MIDC,

Andheri (East),

Mumbai-400 093.

Contact Number: +91-22-2838 3581

Fax: +91-22-2838 3582

Email ID: darshasanghvi@lovableindia.in

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

i. Constitution & Composition:

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013 read with rules made there under.

During the year under review, 2 (two) CSR Committee Meetings were held on 7th November, 2015 and 10th February, 2016.

The Composition of the CSR Committee and details of attendance of the members at the committee meetings during the year are given below:

Name	Category	No. of Meetings during the financial year 2015-16	
		Held	Attended
Anantharaman Mahadevan	Chairman	2	2
L Vinay Reddy	Member	2	2
Gopal G. Sehjpal	Member	2	1*

*Was given leave of absence on request.

ii. The terms of reference of the Corporate Social Responsibility Committee inter alia include the following:

- a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- b. To monitor the Corporate Social Responsibility Policy (CSR Policy) of the Company from time to time.
- c. To recommend the amount of expenditure to be incurred on the activities referred above.
- d. To monitor amount spent on the CSR initiatives of the Company as per the CSR policy.

iii. CSR Policy:

The CSR Committee formulated and recommended the CSR policy to the Board, during FY 2014-15. The CSR Policy of the Company may be accessed through the web link: http://lovableindia.in/index.php?route=information/information&information_id=69

10. SUBSIDIARY COMPANIES

The Company does not have any subsidiary Company.

11. PROHIBITION OF INSIDER TRADING

The Company has framed a Fair Code of Disclosure to avoid Insider Trading in the Company. This Code of the Company prohibits the Directors of the Company and other specified employees to deal in the securities of the Company on the basis of any unpublished price sensitive information, available to them by virtue of their position in the Company. The objective of this Code is to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the shareholders at large. The Board of Directors of the Company has adopted this Code, in line with new SEBI (Prohibition of Insider Trading) Regulations, 2015.

Necessary procedures have been laid down for Directors, officers and employees for trading in the securities of the Company. The policy, procedures and their obligations are periodically communicated to the employees who are considered as insiders of the Company.

Trading window closure, when the Directors and employees are not permitted to trade in the securities of the Company, are intimated to all Directors and employees, in advance, whenever required.

The Fair Code of Disclosure and the Code for Insider Trading is available on the website of the Company at http://lovableindia.in/index.php?route=information/information&information_id=23.

12. MANAGEMENT DISCLOSURES

Senior management of the Company (Senior Director level and above, as well as certain identified key employees) make annual disclosures to the Board relating to all material financial and commercial transactions in which they may have personal interest, if any, and which may have a potential conflict with the interest of the Company.

Transactions with Key Managerial Personnel are listed in the financial section of this annual report under Related Party Transactions.

13. INTERNAL CONTROL SYSTEMS

Lovable has both external and internal audit systems in place. Auditors have access to all records and information of the Company. The Board recognizes the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company. The Board and the management periodically review the findings and recommendations of the statutory and internal auditors and takes corrective actions, whenever necessary.

INTERNAL CONTROLS

The Company maintains a system of internal controls designed to provide reasonable assurance regarding:

- Effectiveness and efficiency of operations.
- Adequacy of safeguards for assets.
- Reliability of financial controls.
- Compliance with applicable laws and regulations.

14. CEO AND CFO CERTIFICATION

A certificate availed from Chairman & Managing Director and the Chief Financial Officer of the Company on financial statements and applicable internal controls as stipulated under Regulation 17(8) of the Listing Regulations is enclosed as **Exhibit 2** to this chapter.

15. STATUTORY AUDIT

For FY2016, M/s. Vinodkumar Jain & Co., Chartered Accountants, audited the financial statements prepared under the Indian GAAP.

The independent statutory auditor renders an opinion regarding the fair presentation in the financial statements of the Company's financial condition and operating results. Their audits are made in accordance with generally accepted auditing standards and include a review of the internal controls, to the extent necessary, to determine the audit procedures required to support their opinion.

16. GENERAL BODY MEETINGS

(i) **Location and time, where last three Annual General Meetings (AGM) were held, are as follows:**

Financial Year	Day & Date	Time	Location	Special Resolutions Passed at the AGM
2012-13	Monday, 29 th July, 2013	11.00 A.M.	A-52, All India Plastic Manufacturers Asso., Road No. 1, MIDC, Andheri (East), Mumbai-400093	No Special Resolution Passed
2013-14	Thursday, 25 th September, 2014	03.00 P.M.	A-52, All India Plastic Manufacturers Asso., Road No. 1, MIDC, Andheri (East), Mumbai-400093	No Special Resolution Passed
2014-15	Saturday, 26 th September, 2015	03.00 P.M.	A-52, All India Plastic Manufacturers Asso., Road No. 1, MIDC, Andheri (East), Mumbai-400093	Re-appointment of L Jaipal Reddy as Whole-Time Director

(ii) **Extraordinary general meeting:**

No extraordinary general meeting of the members was held during the year 2015-16.

(iii) **Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern:**

During the year under review, no special resolution has been passed through the exercise of postal ballot. None of the items to be transacted at the ensuing meeting is required to be passed by postal ballot.

17. UTILIZATION OF IPO PROCEEDS

The details pertaining to the utilization of the proceeds of the fresh issue of equity shares under the Initial Public Offering of the Company in the Financial Year 2015-16 are specified herein below.

(Rs. In lacs)

Particulars	Object as per Prospectus	Actual Utilization as on 31.03.2016
Amount received from Pre-IPO	2,000.00	
Amount received from IPO	9,327.50	
Utilisation of funds upto March 31, 2016		
Setting up manufacturing facility to create additional capacity as Bengaluru	2,284.93	2,284.93
Expenses to be incurred for Brand Building	1,800.00	1,800.00
Brand Development Expenses	600.00	600.00
Investment in Joint Venture	2,500.00	-
Setting up of Exclusive Brand Outlets ("EBO's")	1,412.18	1,412.18
Setting up of Retail Store Modules for "Shop-in-Shop"	361.00	361.00
Upgradation of Design Studios	759.52	271.34
General Corporate Purpose	2,396.16	2,396.16
Public Issue Expenses	846.26	755.67
Total	12,960.05	9,881.28

18. MEANS OF COMMUNICATION

- **Website:** The Company's website www.lovableindia.in contains a separate dedicated section 'Investor Relations' where shareholders information is available. Full Annual Report is also available on the website in a user friendly and downloadable form.
- **Financial Results:** The annual, half-yearly and quarterly results are posted by the Company on its website www.lovableindia.in. These are also submitted to the Stock Exchange(s) in accordance with the Listing Regulations and published in widely circulated national newspapers such as The Business Standard (all English & Hindi Editions) and the local vernacular daily Marathi of 'Navshakti' (Mumbai Edition).
- **Annual Report:** Annual Report containing inter alia Audited Annual Accounts, Boards' Report, Auditors' Report, and other important information is circulated to Members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report. The annual report is also available on the website in a user-friendly and downloadable form.
- **Corporate filing:** Announcements, Quarterly Results, Shareholding Pattern etc. of the Company are regularly filed by the Company with the Stock Exchanges and are available on the website of BSE Ltd. - www.bseindia.com and National Stock Exchange of India Ltd. - www.nseindia.com.

19. COMPLIANCES WITH STOCK EXCHANGES

National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) maintain separate online portals for electronic submission of information by listed companies.

Various communications such as notices, press releases and the regular quarterly, half-yearly and annual compliances and disclosures are filed electronically on these online portals.

20. GENERAL SHAREHOLDER INFORMATION

i. Registered and Corporate Office

Lovable Lingerie Limited
 A-46, Road No.2, MIDC, Andheri (East), Mumbai 400 093, Maharashtra, India.
 Tel: 022 2838 3581 Fax: 022 2838 3582
 Website: www.lovableindia.in
 CIN: L17110MH1987PLC044835
 E-mail Id: corporate@lovableindia.in

ii. Annual General Meeting

Date : Saturday, 24th September, 2016
 Time: 11.00 A.M.

Venue : CTC Banquets, Citi Point, Rajarshi Shahu Maharaj Road, Telli Galli, Andheri (East), Mumbai-400 069.

Last date for receipt of proxy forms: Thursday, 22 September 2016 before 11.00 A.M. at Registered Office of the Company

iii. Calendar of Financial Year ending 31st March, 2016

The Company follows April-March as the financial year. The meetings of Board of Directors for approval of quarterly financial results during the financial year ended 31st March, 2016 were held on the following dates:

First Quarter Results	12th August, 2015
Second Quarter and Half yearly Results	7th November, 2015
Third Quarter Results	10th February, 2016
Fourth Quarter and Annual Results	30th May, 2016

iv. Tentative Calendar of Financial Year ending 31st March, 2017

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending 31st March, 2017 are as follows:

For the quarter ended 30 June 2016	Already declared on 12th August, 2016
For the quarter and half-year ending 30 September 2016	1st or 2nd week of November, 2016
For the quarter and nine months ending 31 December 2016	1st or 2nd week of February, 2017
For the year ending 31 March 2017	Last week of May, 2017
AGM for the year ending 31 March 2017	Second fortnight of August 2017

v. Details of Book Closure for Equity Shareholders : Not Applicable

vi. Dividend Payment Date: 23rd March, 2016 (Interim Dividend)

vii. Registrar and Transfer Agent

M/s Link Intime India Private Limited
 (formerly Intime Spectrum Registry Limited)
 C-13, Pannalal Silk Mills Compound
 L.B.S Marg, Bhandup (West)
 Mumbai 400 078, India
 Tel. No. 022-25963838, Fax No. 022-25946969
 Email : rnt.helpdesk@linkintime.co.in

viii. **Description Of Voting Rights :** All shares issued by the Company carry equal voting rights.

ix. **Listing Details**

The Bombay Stock Exchange Limited, (BSE) : 533343
 The National Stock Exchange of India Limited (NSEIL) : LOVABLE
 ISIN : INE597L01014

Listing Fees for the FY 2016-17 have been paid, within the stipulated time, to BSE Limited and National Stock Exchange of India Ltd, where the Company's Equity Shares continue to be listed.

x. **Market Price Data**

The monthly high and low prices of the Company at BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the year ended 31st March, 2016 are as under:

(In Rs.)

Month	BSE		NSE	
	High Price (in ₹)	Low Price (In ₹)	High Price (in ₹)	Low Price (In ₹)
2015				
April	358.00	290.90	358.00	290.00
May	321.00	282.00	321.00	282.00
June	306.80	240.00	306.90	226.00
July	313.80	255.00	314.00	253.95
August	324.30	225.00	324.20	225.00
September	278.00	236.60	278.30	236.15
October	293.60	261.50	293.35	262.20
November	269.00	205.00	268.45	208.05
December	282.20	245.00	282.50	244.15
2016				
January	281.20	226.00	281.00	225.10
February	260.00	210.00	261.90	208.30
March	254.30	215.40	254.00	214.00

(Source: The information is compiled from the data available on the BSE & NSE Websites.)

xi. **Share Price Performance In Comparison To Broad-Based Indices – BSE Sensex And NSE Nifty**

(a) **LLL share price performance versus CNX Nifty**



(b) LLL share price performance versus BSE Sensex



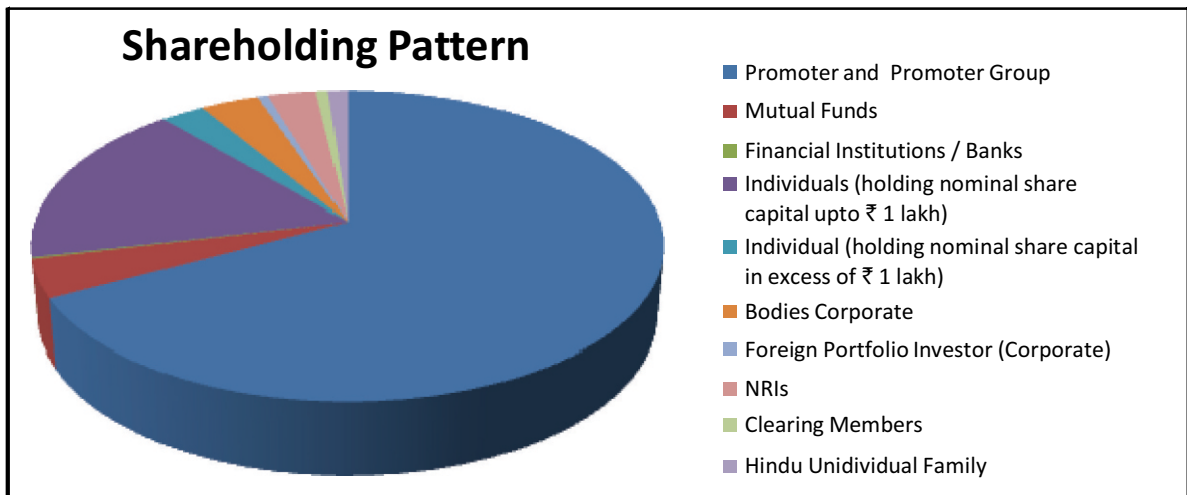
xii. Shareholding as On 31st March, 2016

a. Distribution of Shareholding according to Shareholder's Class as on March 31, 2016

No. of shares	No. of Accounts		Shares of face value Re. 10/- each	
	Numbers	% to total accounts	Numbers	% to total shares
1 – 500	20706	93.60	17641390	10.50
501 – 1000	786	3.55	6516280	3.88
1001 – 2000	370	1.67	5561970	3.31
2001 – 3000	81	0.37	2052370	1.22
3001 – 4000	56	0.25	2022890	1.20
4001 – 5000	31	0.14	1482930	0.88
5001 – 10000	57	0.26	3988540	2.38
10001 & above	35	0.16	128733630	76.63
Total	22122	100.00	168000000	100.00

b. Distribution of Shareholding on the basis of Ownership as on March 31, 2016

Category	Number of Share Held	% of Total
Promoter and Promoter Group	11294826	67.23
Mutual Funds	674305	4.01
Financial Institutions / Banks	26086	0.16
Individuals (holding nominal share capital upto ₹ 1 lakh)	2887517	17.19
Individual (holding nominal share capital in excess of ₹ 1 lakh)	435105	2.59
Bodies Corporate	583369	3.47
Foreign Portfolio Investor (Corporate)	103900	0.62
NRIs	482982	2.87
Clearing Members	121004	0.72
Hindu Undivided Family	190906	1.14
Total	16800000	100.00



xiv. Shares held in Physical and Dematerialised Form

Breakup of physical and dematerialised shares as on March 31, 2016:

	No. of Shares	%	No. of folios	%
Physical	10	0.00	1	0.00
Demat				
NSDL	15442463	91.92	13833	62.53
CDSL	1357527	8.08	8288	37.47
Total	16800000	100.00	22122	100.00

Shares in Demat mode have more liquidity as compared to shares held in physical mode. Therefore, the Company recommends shareholders holding shares in physical form to convert their shareholdings to demat mode.

xv. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ ADRs / warrants or any other convertible instruments, in the past and hence as on March 31, 2016, the Company does not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

xvi. Plant Locations

Sr. No.	Factory Address
1	Plot No. 9 & 10, John Avenue Pvt. Road, Manipal County Cross, Off Hosur Road, Singasandra, Bengaluru – 560 068
2	46/2, Guruprasanna Industrial Area, Doddakallasandra, Konanakunte Cross, Kanakapura Road, Bengaluru – 560 062. (Daisy Dee factory)
3	18/2, Opp. Khodays Breweries, Behind R.M.S. International School, Kanakapura Road, Bengaluru-560 062.

xvii. Share Transfer System

All queries and requests relating to share transfers/transmissions may be addressed to our Registrar and Transfer Agent – M/s. Link Intime India Private Limited. To expedite the process of share transfers, the Company Secretary has been delegated with the power / has the power to attend to the share transfer formalities at regular intervals.

xviii. Report On Corporate Governance

The Company regularly submits to the Stock Exchanges, within the prescribed period, quarterly reports on Corporate Governance. A certificate from the Statutory Auditors of the Company on Corporate Governance is attached as **Exhibit 3** to the report.

xix. Commodity Price or Foreign Exchange Risk

Not Applicable

xx. Address for Correspondence

Investor correspondence should be addressed to M/s. Link Intime Pvt. Ltd., whose address is provided in this section of the Annual Report.

Members can contact us at the Registered office of the Company at the following address:

M/s Lovable Lingerie Limited
 A-46, Street No. 2, MIDC, Andheri (East), Mumbai- 400093.
 Tel No. 022-28383581, Fax No.-022-28383582.
 Email: corporate@lovableindia.in

To allow us to serve shareholders with greater speed and efficiency, the Company strongly recommends email-based correspondence on all issues, which do not require signature verification for being processed.

xxi. Electronic Credit of Dividend

The Company would encourage the shareholders to opt for electronic credit of dividend. The system is administered by RBI, which ensures faster credit of dividends as dividends are directly credited in electronic form to the bank accounts of the shareholder.

Moreover, by availing this facility, shareholders avoid the risk of loss / damage of dividend warrants in transit or fraudulent encashment.

Shareholders holding shares in physical form and who have not opted for the above system may provide the required data to M/s.Link Intime Pvt. Limited in the requisite form.

Shareholders holding shares in the demat form are requested to provide details to NSDL/ CDSL through their respective depository participants. It may be noted that if the shareholders holding shares in demat form provide the details directly to the Company, the Company will not be able to act on the same and consequently dividends cannot be remitted through electronic credit.

xxii. Consolidation of Shares under one folio

The Company would urge shareholders holding shares of LLL under different folios to consolidate the shares under one folio. This would substantially reduce paperwork and transaction costs, and benefit the shareholders and the Company. Shareholders can do so by writing to the Registrar with details on folio numbers, order of names, shares held under each folio, and the folio under which all shareholding should be consolidated. Share certificates need not be sent.

xxiii. Secretarial Audit

For each quarter of FY 2015-16, a qualified Practicing Company Secretary carried out the reconciliation of share capital audit to reconcile the total admitted share capital with NSDL and CDSL, total issued and listed share capital. The reports confirm that the total issued/paid up share capital is in agreement with the total number of shares in physical form and dematerialized form held with NSDL and CDSL.

In addition to the above and pursuant to Section 204 of the Companies Act, 2013 and corresponding Rule 9 of The Companies (Appointment and Remuneration Personnel) Rules, 2014, a secretarial audit for FY 2015-16 was carried out by M/s D. M. Zaveri & Co., Practicing Company Secretaries, having more than 15 years of experience. The secretarial audit report forms a part of this annual report.

xxiv. Transfer of Unclaimed Dividend to IEPF:

Pursuant to Section 124(5) of the Companies Act, 2013 Sections 205A and other applicable provisions, if any, of the Companies Act, 1956, dividends that are unclaimed for a period of seven years, are statutorily required to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government.

Members, who have not yet encashed their dividend warrant(s), are requested to make their claims without any delay to the Company's Registrar and Transfer Agent, i.e. Link Intime India Private Limited. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 26th September, 2015 (date of last Annual General Meeting) on the website of the Company (www.lovableindia.in), as also on the website of the Ministry of Corporate Affairs (www.mca.gov.in).

xxv. Calendar for transfer of unclaimed dividend to IEPF:

Financial Year	Type of Dividend	Date of Declaration	Amount Outstanding as on 31st March 2016 (in Rs.)	Due for transfer to IEPF
2010-11	Final	25/08/2011	24,582	02/10/2018
2011-12	Final	12/09/2012	45,316	20/10/2019
2012-13	Final	29/07/2013	40,306	05/09/2020
2013-14	Final	25/09/2014	43,161	02/11/2021
2014-15	Interim	13/08/2014	1,18,423	20/09/2021

xxvi. The Annual Report will be sent through e-mail to all those Shareholders who have registered their e-mail id with the company and the Depository Participants. Those members who have not registered their e-mail id, the Annual Report will be sent in physical form and these members are requested to register their e-mail id's with the Company's Registrar & Transfer Agent i.e. Link Intime India Private Limited or with their DPs.

xxvii. Other Disclosures

a) No transaction of a material nature has been entered into by the Company with the related parties that may have a potential conflict with the interests of the Company at large. The Register of contracts containing transactions, in which directors are interested, is placed before the Board of Directors regularly. The transactions with the related parties are disclosed in the Financial Statements. All transactions entered into with related parties as defined under the Companies Act, Listing Agreement and Listing Regulations during the financial year were in the ordinary course of business and at Arm's length. These have been approved by

the audit committee. The board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link: http://lovableindia.in /index.php?route=information/information&information_id=69.

- b) There has not been any noncompliance of mandatory requirements, expected of the Company. No penalties or strictures were imposed on the Company by the Stock Exchanges, SEBI, or any statutory authority for matters related to capital markets during the last 3 years.
- c) The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behaviour. No person has been denied access to the chairman of the audit committee. The said policy has been also put up on the website of the Company at the following link http://lovableindia.in/ index.php?route=information/ information & information_id= 69.
- d) Details of compliance with mandatory requirements and adoption / non-adoption of the Non- mandatory requirements:
 - i. The Company complies with all the mandatory requirements specified under Clause 49 of the Listing Agreement (up to 30 November, 2015) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (with effect from 1st December, 2015).
 - ii. The Company does not send half-yearly financial results including summary of the significant events in the last six months to the household of each shareholder. However, the financial results are published in the newspapers and also posted on the website of the Company and the websites of BSE and NSE.
 - iii. The Financial statements of the Company have not been qualified by the Auditors.
 - iv. The Company does not have separate position for Chairman & Managing Director.
 - v. The Company has appointed M/s. Bathiya & Associates LLP as the Internal Auditors of the Company. The Internal Auditor reports their findings to the Audit Committee of the Company.
- e) The Company does not have any Policy on Material Subsidiary since it does not have any subsidiary.
- f) The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46(2) of the Listing Regulations.

xxviii. Auditor's Certificate on Corporate Governance

As stipulated in Para E of Schedule V of the Listing Regulations, the Auditor's Certificate regarding compliance of conditions of corporate governance is attached h/w as Exhibit 3.

For Lovable Lingerie Ltd.

Sd/-

L Vinay Reddy
Managing Director

Mumbai, August 12, 2016

EXHIBIT 1

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

I, L Vinay Reddy, Chairman and Managing Director of Lovable Lingerie Limited ("the Company"), hereby confirm pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 that:

- The Board of Directors of Lovable has laid down a Code of Conduct for all the Board members and senior management of the Company. The said Code of Conduct has also been posted on the Investors page of the Company website www.lovableindia.in
- I declare that, to the best of my information, all the Board Members and senior management personnel have affirmed their compliance with the said Code of Conduct for the year ended March 31, 2016.

For Lovable Lingerie Limited

Mumbai
Date: August 12, 2016

L Vinay Reddy
Chairman and Managing Director

EXHIBIT 2

CEO & CFO CERTIFICATE TO THE BOARD (Pursuant to Regulation 17(8) of the Listing Regulations)

To,
The Board of Directors,
Lovable Lingerie Limited

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Lovable Lingerie Limited ("the Company"), to the best of our knowledge and belief certify that:

- a. We have reviewed the financial statements and the Cash flow statement for the Financial Year ended 31st March, 2016 and based on our knowledge and belief certify that:
 - These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations;
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct. We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct adopted by the Company.

Further, we accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the same pertaining to financial reporting and have disclosed to the Statutory Auditors and the Audit Committee, wherever applicable:

- deficiencies in the design or operation of the internal control, if any, which we are aware of and the steps we have taken or propose to take to rectify these deficiencies;
- Significant changes, if any, in the internal controls over the financial reporting during the year ;
- Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

Mumbai
Date: May 23, 2016

L Vinay Reddy
Chairman & Managing Director
DIN: 00202619

R.Govindarajan
Chief Financial Officer

EXHIBIT 3
AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Lovable Lingerie Ltd.

We have examined the compliance of conditions of Corporate Governance by **Lovable Lingerie Ltd.** ("the Company") for the year ended 31st March, 2016 as stipulated in Clause 49 of the Listing Agreement (up to 30 November 2015) and Schedule V of Listing Regulations (with effect from 1 December 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement and Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Vinod Kumar Jain & Co.**
Chartered Accountants,
FRN 111513W

Place: Mumbai
Dated: August 12, 2016

Vinod Kumar Jain
Proprietor (M.No. 036373)

REPORT OF INDEPENDENT AUDITORS TO THE MEMBERS OF LOVABLE LINGERIE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Lovable Lingerie Limited ('the Company') which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016 and its profit and its cash flows for the year ended on that date.

Report on other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "A"** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. **As required by section 143(3) of the Act, we report that:**
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
 - g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - (i) The Company has disclosed the impact of pending litigations on its financial positions in its financial statement – Refer note No. 12 to the financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For **VINOD KUMAR JAIN & CO.**

Chartered Accountants,
FRN 111513W

Vinod Kumar Jain

Proprietor M. No. 36373

PLACE : MUMBAI

DATED : May 30, 2016

ANNEXURE “A” OF AUDITOR'S REPORT

Annexure “A” referred to in our report to the members of **LOVABLE LINGERIE LIMITED** on the accounts for the year ended 31st March, 2016. We report that:

(i) In respect of its fixed assets

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b. The Fixed assets were been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) In respect of its inventory

- a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. In our opinion and according to information and explanation given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company and have been properly dealt with in the books of accounts.

(iii) In respect of loans, secured or unsecured, granted by the Company to companies, firms, limited liability partnership or other parties covered in the Register under section 189 of the Companies Act, 2013, according to the information and explanation given to us:

The company has not granted any such loans accordingly;
 sub-clause **a.** relating to payment of principal and interest; and
 sub-clause **b.** relating to steps of recovery/repayment taken, **are not applicable.**

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) In our opinion and according to the information and explanations given to us, the company has not accepted deposit within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Co. Act, 2013 and the Companies (Acceptance of Deposits) Rules, framed there under. According to the information and explanations given to us no order has been passed by the Company Law Board, or National Company Law Tribunal or Reserve bank of India or any court or any other tribunal.

(vi) As informed to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, as such question whether such accounts and records have been made and maintained does not arise.

(vii) According to information and explanations given to us and records produced in respect of statutory dues:

a. (i) The Company has generally been regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, investor education and protection fund, Employees state insurance, income-tax, sales tax, Wealth tax, custom duty, excise duty, service tax, value added tax, cess and other material statutory dues applicable to it.

(ii) There were no undisputed amounts payable in respect of sales tax, income tax, customs duty, wealth tax, service tax, value added tax and other material statutory dues applicable to the Company that were in arrears as

at March 31st 2016 for a period of more than six months from the date they became payable except wealth tax of Rs.11,471/-.

- b. There are no dues in respect of sales tax, income tax, customs duty, wealth tax, service tax, excise duty, VAT, cess and other material statutory dues that have not been deposited on account of any dispute excepting those mentioned hereunder:

Name of Statue	Nature of Dues	Amount (₹)	Period to which amt. relates	Forum where dispute is pending
Customs Act	Demand	*19,42,798	2010-11	Com. Of Customs, Bengaluru
Income Tax Act	Asst. Demand	9,54,730	AY 10-11	ITAT, Mumbai
Income Tax Act	Asst. Demand	30,70,130	AY 11-12	ITAT, Mumbai
Income Tax Act	Asst. Demand	25,05,750	AY 12-13	CIT (A), Mumbai

*The amount indicated is after reducing of Rs.27,77,000/-which has been paid under protest.

- c. There has not been any occasion in case of the company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise.
- (viii) The Company has not defaulted in repayment of loans or borrowings to a financial institutions, banks, government or dues to debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). And in our opinion and according to information and explanations given to us, the term loan have been applied for the purpose for which the loans were obtained.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided accordance with the requisite approval mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) Accordingly to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For VINOD KUMAR JAIN & CO.

Chartered Accountants,
FRN 111513W

Vinod Kumar Jain

Proprietor M. No. 36373
MUMBAI, DATED: May 30, 2016

ANNEXURE 'B'

To the Independent Auditor's Report of even date on the financial statements of **Lovable Lingerie Limited**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Lovable Lingerie Limited** ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls.

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting.

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For VINOD KUMAR JAIN & CO.

Chartered Accountants,
FRN 111513W

Vinod Kumar Jain

Proprietor M. No. 36373
PLACE : MUMBAI
DATED : May 30, 2016

Balance Sheet as at 31st March, 2016

(In ₹)

Particulars	Note No.	As at 31 March, 2016	As at 31 March, 2015
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	168,000,000	168,000,000
(b) Reserves and Surplus	3	1,884,473,928	1,683,049,760
		<u>2,052,473,928</u>	<u>1,851,049,760</u>
2 Non-Current Liabilities			
(a) Long-term borrowings	4	22,138,889	44,277,778
(b) Deferred tax liabilities (net)	24.07	40,106,076	31,814,813
(c) Long-term provisions	5	10,798,820	10,166,795
		<u>73,043,785</u>	<u>86,259,386</u>
3 Current Liabilities			
(a) Short-term borrowings	6	-	10,599,971
(b) Trade payables		113,806,719	207,553,977
(c) Other current liabilities	7	57,830,244	61,353,652
(d) Short-term provisions	8	42,912,427	28,599,230
		<u>214,549,389</u>	<u>308,106,830</u>
	TOTAL	<u>2,340,067,102</u>	<u>2,245,415,977</u>
B ASSETS			
1 Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	9A	342,851,492	283,265,806
(ii) Intangible assets	9B	94,836,857	105,858,730
(iii) Capital work-in-progress	9C	39,144,164	7,700,687
		<u>476,832,513</u>	<u>396,825,222</u>
(b) Non-current investments	10	707,494,164	745,837,300
(c) Long-term loans and advances	11	15,641,291	16,417,980
(d) Other non-current assets	12	2,828,625	2,834,775
		<u>725,964,080</u>	<u>765,090,055</u>
2 Current Assets			
(a) Inventories	13	639,208,975	664,470,684
(b) Trade receivables	14	423,146,804	346,610,066
(c) Cash and cash equivalents	15	35,767,071	17,752,871
(d) Short-term loans and advances	16	34,411,005	50,709,994
(e) Other current assets	17	4,736,654	3,957,085
		<u>1,137,270,508</u>	<u>1,083,500,700</u>
	TOTAL	<u>2,340,067,102</u>	<u>2,245,415,977</u>

See Significant Accounting Policies and Notes on Financial Statements 1 to 24

As per our report of even date

For Vinod Kumar Jain & Co.

Chartered Accountants

Registration No: FRN 111513W

Vinod Kumar Jain

Proprietor

M. No. 36373

Mumbai, May 30, 2016

For and on behalf the Board of Directors

Mr. L. Vinay Reddy

Chairman & Managing Director
(DIN: 00202619)

Ms. Darsha Sanghvi

Company Secretary
(M. No.: ACS32331)

Mr. L. Jaipal Reddy

Whole-Time Director
(DIN : 01539678)

Mr. R. Govindarajan

Chief Financial Officer

Statement of Profit and Loss for the year ended 31st March, 2016 (In ₹)

Particulars	Note No.	For the year ended 31 March, 2016	For the year ended 31 March, 2015
A CONTINUING OPERATIONS			
1 Revenue from operations (gross)	18	1,967,683,626	1,724,938,778
Less: Excise duty	18	-	-
Revenue from operations (net)		<u>1,967,683,626</u>	<u>1,724,938,778</u>
2 Other income	19	<u>59,315,652</u>	<u>63,324,411</u>
3 Total revenue (1+2)		<u>2,026,999,278</u>	<u>1,788,263,189</u>
4 Expenses			
(a) Cost of materials consumed	20a	479,816,680	525,336,474
(b) Purchases of stock-in-trade	20b	455,150,238	292,990,012
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20c	(14,773,132)	(69,771,473)
(d) Employee benefits expense	21	260,912,652	254,956,560
(e) Finance costs	22	13,876,807	11,139,807
(f) Depreciation and amortisation expense	9A	28,008,853	24,909,193
(g) Other expenses	23	<u>480,283,154</u>	<u>479,294,414</u>
Total expenses		<u>1,703,275,253</u>	<u>1,518,854,986</u>
5 Profit before tax		<u>323,724,024</u>	<u>269,408,202</u>
6 Tax expense:			
(a) Current tax expense for current year		83,678,465	65,211,867
(b) Provision of Income Tax for earlier years		-	2,142,618
		<u>83,678,465</u>	<u>67,354,485</u>
(c) Deferred tax		<u>8,291,263</u>	<u>4,894,325</u>
		<u>91,969,728</u>	<u>72,248,810</u>
7 Profit from continuing operations		<u>231,754,297</u>	<u>197,159,392</u>
8 Profit for the year		<u>231,754,297</u>	<u>197,159,392</u>
9.i Earnings per share (of ₹ 10/- each):			
(a) Basic			
(i) Continuing operations	24.8	13.79	11.74
(ii) Total operations	24.8	13.79	11.74
(b) Diluted			
(i) Continuing operations	24.8	13.79	11.74
(ii) Total operations	24.8	13.79	11.74
9.ii Earnings per share (excluding extraordinary items) of ₹ 10/- each):			
(a) Basic			
(i) Continuing operations	24.8	13.79	11.74
(ii) Total operations	24.8	13.79	11.74
(b) Diluted			
(i) Continuing operations	24.8	13.79	11.74
(ii) Total operations	24.8	13.79	11.74

See accompanying notes forming part of the financial statements

As per our report of even date

For Vinod Kumar Jain & Co.

Chartered Accountants

Registration No: FRN 111513W

Vinod Kumar Jain

Proprietor

M. No. 36373

Mumbai, May 30, 2016

For and on behalf the Board of Directors

Mr. L. Vinay Reddy

Chairman & Managing Director
(DIN: 00202619)

Ms. Darsha Sanghvi

Company Secretary
(M. No.: ACS32331)

Mr. L. Jaipal Reddy

Whole-Time Director
(DIN : 01539678)

Mr. R. Govindarajan

Chief Financial Officer

Cash Flow Statement for the year ended 31st March, 2016		(In ₹)	
Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015	
A. Cash flow from operating activities			
Net Profit / (Loss) before extraordinary items and tax	323,724,024		269,408,203
Adjustments for:			
Depreciation and amortisation	28,008,853	24,909,193	
(Profit) / loss on sale of assets	-	-	
Finance costs	17,511,783	17,321,821	
Interest income	(756,164)	(2,203,082)	
Interest Subsidy	(2,878,812)	(3,978,932)	
Dividend income	(29,160,655)	(7,714,575)	
Net (gain) / loss on sale of investments	(29,334,897)	(55,563,073)	
Net unrealised exchange (gain) / loss	(119,194)	(57,707)	
	<u>(16,729,086)</u>	<u>(57,707)</u>	
Operating Profit before working capital changes	<u>306,994,938</u>		<u>(27,286,356)</u>
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories	25,261,709	(147,682,179)	
Trade receivables	(76,536,737)	(119,821,739)	
Short-term loans and advances	(8,719,504)	3,877,701	
Long-term loans and advances	776,689	(2,039,603)	
Other current assets	(779,569)	11,618,006	
Other non-current assets	6,150	(6,150)	
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables	(93,747,258)	96,809,745	
Other current liabilities	(3,357,951)	13,597,500	
Other long-term liabilities	-	-	
Short-term provisions	(2,169,809)	1,323,569	
Long-term provisions	632,025	(3,937,003)	
	<u>(158,634,257)</u>	<u>(146,260,153)</u>	
	<u>148,360,682</u>		<u>95,861,694</u>
Cash flow from extraordinary items	-	-	
Cash generated from operations	<u>148,360,682</u>		<u>95,861,694</u>
Net income tax paid	(67,360,916)		(65,484,108)
Net cash flow from / (used in) operating activities (A)	<u>80,999,766</u>		<u>30,377,586</u>
B. Cash flow from investing activities			
Capital expenditure on fixed assets, including capital advances	(108,016,144)	(27,714,868)	
Capital subsidy receivable	-	-	
Proceeds from sale of fixed assets	-	-	
Inter-corporate deposits (net)	25,018,493	(35,018,493)	
Bank balances not considered as Cash and cash equivalents			
- Placed	-	2,355,000	
Current investments not considered as Cash and cash equivalents			
- Purchase	(495,347,685)	(1,199,377,728)	
- Proceeds from sale	563,025,716	1,555,348,073	
Interest received			
- Others	756,164	2,203,082	
Interest Subsidy receivable	2,878,812	3,978,932	
Dividend received			
- Others	29,160,655	7,714,575	
Cash flow from extraordinary items	<u>17,476,011</u>		<u>309,488,573</u>
Net cash flow from / (used in) investing activities (B)	<u>17,476,011</u>		<u>309,488,573</u>

Cash Flow Statement for the year ended 31st March, 2016

(In ₹)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
C. Cash flow from financing activities		
Proceeds from issue of equity shares	-	-
Proceeds from long-term borrowings	(22,138,889)	(22,138,889)
Net increase / (decrease) in working capital borrowings	(10,599,971)	(15,822,410)
Net realised exchange (Gain) Loss	119,194	57,707
Proceeds from other short-term borrowings	-	-
Finance cost	(17,511,783)	(17,321,821)
Dividends paid	(30,330,129)	(252,001,869)
Tax on dividend	0	(42,827,718)
Cash flow from extraordinary items	(80,461,577)	(350,054,999)
Net cash flow from / (used in) financing activities (C)	(80,461,577)	(350,054,999)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	18,014,200	(10,188,840)
Cash and cash equivalents at the beginning of the year	17,331,871	27,520,712
Cash and cash equivalents at the end of the year	35,346,071	17,331,871
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 15)	35,767,071	17,752,871
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)	-	-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 15	35,767,071	17,752,871
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note 15 b (ii))	421,000	421,000
Cash and cash equivalents at the end of the year *	35,346,071	17,331,871
* Comprises:		
(a) Cash on hand	4,639,857	3,391,924
(c) Balances with banks		
(i) In current accounts	30,083,916	13,790,242
(iv) Unpaid Dividend Account	622,298	149,705
	35,346,071	17,331,871

See accompanying notes forming part of the financial statements

As per our report of even date
For Vinod Kumar Jain & Co.
Chartered Accountants
Registration No: FRN 111513W
Vinod Kumar Jain
Proprietor
M. No. 36373
Mumbai, May 30, 2016

For and on behalf the Board of Directors

Mr. L. Vinay Reddy
Chairman & Managing Director
(DIN: 00202619)
Ms. Darsha Sanghvi
Company Secretary
(M. No.: ACS32331)

Mr. L. Jaipal Reddy
Whole-Time Director
(DIN : 01539678)
Mr. R. Govindarajan
Chief Financial Officer

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

Corporate Information

Lovable Lingerie Limited (the Company) is a Limited Company domiciled in India and incorporated under the Provisions of the Companies Act, 1956. The company is mainly engaged in the business manufacturing hosiery/garment products. The shares of the company are listed in BSE and NSE.

1. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of Preparation:

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The financial statements are prepared on accrual basis under the historical cost convention, except for certain Fixed Assets which are carried at revalued amounts. The financial statements are presented in Indian rupees rounded off to the nearest rupees.

The accounting policies adopted in the preparations of the financial statements are consistent with those of previous year unless otherwise stated.

b) Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could defer from these estimates.

c) Fixed Assets

Tangible fixed assets are stated at cost of acquisition less accumulated depreciation. The cost comprises purchase price including financing cost and directly attributable cost of bringing the asset to its working condition for the intended use. Amount of capital Subsidy received from the Government under TUF scheme against machineries has been reduced from the cost of the assets.

Intangible fixed assets acquired separately are measured on initial recognition at cost. They are stated at cost of acquisition less amortisation depreciation.

Gains or Losses arising from derecognition of a Tangible or intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

d) Depreciation and Amortisation

Tangible Assets

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Straight Line Method, based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of Plant & Machinery where useful life is taken as 25 years.

For plant & machinery, based on internal assessment and independent technical evaluation carried out by the external valuer, the management believes that the useful life as given above best represents the period over which the management expect to use these assets. Hence the useful life of Plant & Machinery is different from the useful life as provided under part C of Schedule II of Companies Act, 2013.

Depreciation on fixed assets added / disposed off during the year has been provided on prorate basis with reference to date of addition / discarding.

Intangible Assets

These are amortised as under:

Particular	Amortisation / Depletion
Brand	Over a period of 20 years Depleted in proportions of estimated future sales
Technical Know	Over a period of 10 years
Computer Software	Over a period of 6 years

Amortisation of Intangible Fixed Assets is provided on the Straight Line Method

e) Borrowing Costs

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such assets up to the date when such asset is ready for its intended use.

Other borrowing costs are charged to the statement of Profit and Loss. Interest subsidy received under TUF scheme against the borrowings made for acquisition of machineries, has been set off against the interest paid against the said bank borrowings.

f) Impairment of Assets

At each Balance Sheet date the Company assesses whether there is any indication that the Fixed Assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of individual asset, the company estimate the recoverable amount of the cash generating unit to which the asset belong.

As per the assessment conducted by the company as at March 31st 2016 there were no indications that the fixed assets have suffered an impairment loss.

g) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as Current Investments. All other investments are classified as Long Term investment.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as Brokerage, Fees and Duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

h) Valuation of Inventories

Raw materials, stores & spares and packaging materials:

Lower of cost and net realisable value. However, materials and other items held for use in the production of finished goods are not written down below cost if the products in which they will be used are expected to be sold at or above their cost.

Finished Goods:

Lower of cost and net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity.

Work-in-progress:

Lower of cost and net realisable value.

Cost is estimated at cost price of the finished product less estimated costs of completion.

i) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognitions criteria must also be met before revenue is recognized:

Sale of Goods

Revenue from Sale of Goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of Goods. The company collects Value added taxed (VAT) and sales taxes on behalf of the Government and, therefore, these are not economic benefits flowing to the company. Hence they are excluded from the revenue.

Income from Services

Income from services is recognized as they are rendered, based on agreement / arrangement with the concerned parties.

Interest

Interest income is recognized on a time proportionate basis taking in to account the amount outstanding and the applicable interest rate.

Dividend

Dividend income is recognized when the company's right to receive Dividend is established by the reporting date.

j) Design & development cost

Expenditure incurred on Design and development is charged to profit and loss account in the year it is incurred.

k) Foreign Currency Transactions

Foreign currency transactions are recorded in reporting currency by applying the rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency at the reporting date are translated at the year-end rates. Non monetary items are reported at the exchange rate on the date of transaction. Realized gains/(losses) on foreign currency transactions are recognized in the Profit & Loss Account.

l) Retirement and other Employee Benefits

- 1) Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- 2) Post employment and other long term employee benefits are recognised as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Profit and Loss account.
- 3) The Company is required to pay Gratuity under The Payment of Gratuity Act, 1972. Accordingly provision for liability of gratuity is made at the end of the year as per As 15.
- 4) The company's liability towards leave entitlement benefits is accounted for on the basis of earned leave and provisions for the same is made at the end of the year.
- 5) The company makes regular monthly contribution to the provident fund and Employees State Insurance, which are in the nature of defined contribution scheme.

m) Income Taxes

Income tax expenses comprise current tax and deferred tax charged or credit.

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when assets is realized or liability is settled, based on taxed rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

Deferred Tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize such losses.

n) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

A present obligation that arises from past events whether it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent Liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent liabilities are not recognized but are disclosed and contingent assets are neither recognized nor disclosed, in the financial statements.

o) Business Segments

More than 90% of Company operations are only in one segment i.e. dealing in hosiery garment products. This in the context of Accounting Standard 17 of Segment Reporting as specified in the Companies (Accounting Standards) Rules 2006 are considered to constitute one single primary segment. Further, there is no reportable secondary segment i.e. geographical segment.

p) Earnings Per Share

Basic Earnings per Share ("EPS") is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the period. The weighted average number of shares is adjusted for issue of bonus share in compliance with Accounting Standard (AS 20) - Earnings per Share.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of dilutive potential equity shares.

Note 2

Note 2.1 : Share Capital

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	₹	Number of shares	₹
(a) <u>Authorised</u> Equity shares of ₹ 10/ each with voting rights	18,000,000	180,000,000	18,000,000	180,000,000
(b) <u>Issued</u> Equity shares of ₹ 10/- each with voting rights	16,800,000	168,000,000	16,800,000	168,000,000
(c) <u>Subscribed and fully paid up</u> Equity shares of ₹ 10/- each with voting rights	16,800,000	168,000,000	16,800,000	168,000,000

The Company has one class of Equity Shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, Equity shareholders will be eligible to receive the assets of the Company after distribution of all preferential amounts, in proportion to number of Equity Shares held by the shareholders.

Company does not have any holding company or subsidiary company. As such Shares held by holding and subsidiary company does not arise.

Note 2.2 :

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Other changes (give details)	Closing Balance
Equity shares with voting rights Year ended 31 March, 2016								
- Number of shares	16,800,000	-	-	-	-	-	-	16,800,000
- Amount (₹)	168,000,000	-	-	-	-	-	-	168,000,000
Year ended 31 March, 2015								
- Number of shares	16,800,000	-	-	-	-	-	-	16,800,000
- Amount (₹)	168,000,000	-	-	-	-	-	-	168,000,000

2.3 : Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Vinay Reddy	5,624,250	33.48	5,624,250	33.48
Shobha Jaipal Reddy	3,915,000	23.30	3,915,000	23.30
Prashant Jaipal Reddy	1,535,250	9.14	1,535,250	9.14
Nalanda India Equity Fund Limited	-	-	1,492,057	8.88

2.4: Aggregate number and class of shares allotted as fully paid up pursuant to contract (s) without payment being received in cash, bonus, shares bought back for the period of 5 years immediately preceding the balance sheet date;

Particulars	Year (Aggregate No. of Shares)				
	2015-16	2014-15	2013-14	2012-13	2011-12
Equity Shares :					
Fully paid up pursuant to contract(s)	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

Note 3 : Reserves and Surplus

(In ₹)

Particulars	As at 31 March, 2016	As at 31 March, 2015
(a) Securities Premium Account		
Opening Balance	1,001,683,036	1,001,683,036
Add: Premium on shares issued during the year	-	-
Less : Utilised during the year for:		
Writing off shares issue expenses	-	-
Closing balance	1,001,683,036	1,001,683,036
(b) General Reserve		
Opening balance	73,550,000	53,830,000
Add: Transferred from surplus in Statement of Profit and Loss	11,590,000	19,720,000
Less: Utilised / transferred during the year for:		
Issuing bonus shares	-	-
Closing balance	85,140,000	73,550,000
(c) Surplus in Statement of Profit and Loss		
Opening balance	607,816,724	678,480,231
Add: Profit for the year	231,754,297	197,159,392
Less: Depreciation of prior years pursuant to change in useful life	-	2,411,212
Less:- Interim Cum Final Dividend distributed to Equity Shareholders (Rs.1.50 per share) for financial year 2015-16	25,200,000	210,001,869
Tax on Dividend	5,130,129	35,689,818
Transferred to:		
General reserve	11,590,000	19,720,000
Less:-Utilised for Issue of Bonus Shares		
Closing balance	797,650,892	607,816,724
Total	1,884,473,928	1,683,049,760

Note 4

(In ₹)

Note 4 (i) Long Term Borrowings

Particulars	As at 31 March, 2016	As at 31 March, 2015
(a) Term loans		
From banks		
Secured	22,138,889	44,277,778
Unsecured	-	-
Total	22,138,889	44,277,778

Note 4 (ii) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of repayment and security*	As at 31 March, 2016		As at 31 March, 2015	
		Secured	Unsecured	Secured	Unsecured
<u>Term loans from banks:</u>					
HDFC Bank Ltd. Mumbai.	i) Repayable in 5 years including Moratorium of 6 months starting from 01st April, 2014. ii) The company has secured against Exclusive charge on all fixed assets located at Singsandra, Bangalore including Plant & Machinery and Land & Building iii) The company has pledged Mutual Funds of Rs. 22 crores in bank favour. MF of Rs. 12 crores to be released post creation of above security. Remaining MF of Rs. 10 crores to be retained and to be released after one year with prior approval of Bank.	22,138,889	-	44,277,778	-
Total - Term loans from banks		22,138,889	-	44,277,778	-

Note 4 (iii) Details of long-term borrowings guaranteed by some of the directors or others:

Particulars		As at 31 March, 2016		As at 31 March, 2015	
		Secured	Unsecured	Secured	Unsecured
<u>Term loans from banks:</u>					
HDFC Bank Ltd. Mumbai.	Shri L. Vinay Reddy, Managing Director Shri L. Jaipal Reddy, Director	22,138,889	-	44,277,778	-
		22,138,889	-	44,277,778	-

Note 5 : Long Term Provisions

(In ₹)

(a) Provision for employee benefits:		
(i) Provision for compensated absences	2,412,608	2,190,678
(ii) Provision for gratuity (net) (Refer Note 24.07)	8,386,212	7,976,117
Total	10,798,820	10,166,795

Note 6
Note 6 (i) Short Term Borrowings

(In ₹)

Particulars	As at 31 March, 2016	As at 31 March, 2015
(a) Loan repayable on demand		
From Banks		
Secured	-	10,599,971
(b) Loan from Shareholders & Directors	-	-
Total	-	10,599,971

Note : The Company has not defaulted in repayment of loans and interest

Note 6 (ii) Details of terms of repayment for the Short-term borrowings and security provided in respect of the secured other Short-term borrowings:

Particulars	Terms of repayment and security*	As at 31 March, 2016		As at 31 March, 2015	
		Secured	Unsecured	Secured	Unsecured
<u>Short Term Borrowings from Banks:</u>					
Bank of Baroda Bangalore	i) Sanction for the period of 12 months - renewable every year - repayable on demand ii) Charge by way of composite Hypothecation of stock of rawmaterials, Work in process, Finished Goods, receivables, existing machinery and Other equipments. iii) Extension of charge on fixed assets iv) Equitable Mortgage of Industrial land and the building situated at Singasandra village	-	-	10,599,971	-
Total - Term loans from banks		-	-	10,599,971	-

Note 6 (iii) Details of long-term borrowings guaranteed by some of the directors or others:

Particulars		As at 31 March, 2016		As at 31 March, 2015	
		Secured	Unsecured	Secured	Unsecured
Short Term Borrowings from Bank:					
Bank of Baroda Bangalore	Shri L. Vinay Reddy, Managing Director Shri L. Jaipal Reddy, Director	-	-	10,599,971	-
		-	-	10,599,971	-

Note 7: Other Current Liabilities

(In ₹)

(a) Current maturities of long-term debt	22,138,889	22,138,889
(b) Interest accrued and due on borrowings	1,029,492	711,478
(c) Unpaid dividends [Per Contra]	622,298	147,531
(d) Statutory Liabilities	10,200,755	7,863,770
(e) Payables on purchase of fixed assets	927,851	1,538,703
(f) Advances from customers	3,705,633	8,498,288
(g) Salaries Payable	14,134,910	15,592,891
(h) Others - Expenses payable	5,070,417	4,862,102
Total	57,830,244	61,353,652

Note (i): Current maturities of long-term debt (Refer Notes (i), (ii) and (iii) in Note 4 - Long-term borrowings for details of security and guarantee):

(a) Term loans		
From banks		
Secured	22,138,889	22,138,889
Unsecured	-	
Total	22,138,889	22,138,889

Note 8 : Short Term Provisions

(In ₹)

(a) Provision for employee benefits		
(i) Provision for bonus	8,442,125	10,611,934
	8,442,125	10,611,934
(b) Provision - Others:		
(i) Provision for tax (net of advance tax & TDS ₹)	34,458,832	17,975,827
(ii) Provision for Wealth Tax	11,470	11,470
(iii) Provision for proposed equity dividend	-	-
(iv) Provision for tax on proposed dividends	-	(0)
	34,470,302	17,987,297
Total	42,912,427	28,599,230

Note: 9 : Fixed Assets

Particulars	Gross block						Accumulated depreciation and impairment						Net Block	
	Balance as at 1 April, 2015	Additions	Less: Disposals	Less: Capital Subsidy	Balance as at 31st Mar, 2016	Balance as at 1 April, 2015	Depreciation/ amortisation expense for the year	Adjustment for Depreciation of Earlier Years	Eliminated on disposal of assets	Balance as at 31st Mar, 2016	Balance as at 31st Mar, 2016	Balance as at 31st Mar, 2015	Balance as at 31st Mar, 2015	
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	
9A Tangible assets														
(a) Land Freehold	72,713,701	-	-	-	72,713,701	-	-	-	-	-	-	72,713,701	72,713,701	
(b) Factory Building	34,811,217	150,000	-	-	34,961,217	2,090,135	936,270	-	-	3,026,405	-	31,934,812	32,721,982	
(b) Plant and Equipment	162,260,586	49,236,496	-	-	211,497,082	32,275,797	6,874,975	-	-	39,150,771	-	172,346,310	129,984,789	
(c) Furniture and Fixtures	59,301,639	26,106,782	-	-	85,408,421	17,563,121	7,179,803	-	-	24,742,924	-	60,665,497	41,738,518	
(d) Vehicles	5,644,475	-	-	-	5,644,475	2,362,058	546,128	-	-	2,908,186	-	2,736,289	3,282,417	
(e) Office equipment	3,329,198	256,881	-	-	3,586,079	2,049,046	433,982	-	-	2,483,028	-	1,103,051	1,280,152	
(f) Others - Computers	8,072,310	734,808	-	-	8,807,118	6,527,163	928,123	-	-	7,455,286	-	1,351,832	1,545,147	
Total	346,133,126	76,484,967	-	-	422,618,093	62,867,320	16,899,280	-	-	79,766,600	79,766,600	342,851,492	283,265,806	
9B Intangible assets														
a) Brands	116,989,877	-	-	-	116,989,877	70,136,314	766,814	-	-	70,903,129	-	46,086,748	46,853,563	
b) Technical Know-how	45,000,000	-	-	-	45,000,000	8,428,003	4,680,058	-	-	13,108,061	-	31,891,939	36,571,997	
c) Computer Software	33,751,194	87,700	-	-	33,838,894	11,318,024	5,662,700	-	-	16,980,724	-	16,858,170	22,433,170	
Total	195,741,071	87,700	-	-	195,828,771	89,882,341	11,109,573	-	-	100,991,914	100,991,914	94,836,857	105,858,730	
9C Capital Work In Progress	7,700,687	39,144,164	7,700,687	-	39,144,164	-	-	-	-	-	-	39,144,164	7,700,687	
Grand Total	549,574,883	115,716,831	7,700,687	-	657,591,028	152,749,661	28,008,853	-	-	180,758,514	180,758,514	476,832,513	396,825,222	
Previous year	521,860,015	20,014,182	-	-	541,874,197	125,429,255	24,909,193	-	-	152,749,661	152,749,661	389,124,536	-	

Note: 10 : Non-Current Investments

Particulars	As at 31 March, 2016			As at 31 March, 2015		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	₹	₹	₹	₹	₹	₹
Other investments						
(a) Investment in Government or Trust Securities						
(i) government securities / National Savings Certificate (Deposited with Sales Tax Authorities)						
(b) Investment in Equity Shares						
200 Equity Shares of Corporation Bank Limited of ₹ 10/- each at ₹ 80/- per share fully paid up.	16,000		16,000	16,000		16,000
(c) Investment in Mutual Funds						
AXIS Treasury Advantage Fund- D.Growth	-		-	-		-
Axis Constant Maturity Fund-Growth	25,000,000		25,000,000			
Axis Enhanced Arbitrage Fund-Divi. Reinvt	-		-			
Axis Liquid Fund- Direct Growth	-		-			
Birla SL Frontline Equity Fund-Growth	30,000,000		30,000,000	70,108,390		70,108,390
Birla Sunlife Dynamic Bond Fund	70,108,390		70,108,390			
DSP BlackRock Liquidity Fund-Inst. - D	25,000,000		25,000,000			
ICICI Pru Balanced Plan-Regular-Growth	55,000,000		55,000,000	63,342,077		63,342,077
ICICI Pru Liquid Plan - Direct - Growth	-		-			
ICICI Pru.Regular Savings Fund - Growth	10,000,000		10,000,000	87,600,000		87,600,000
ICICI Prudential Dynamic Bond Fund- RP-G	87,600,000		87,600,000	162,899,302		162,899,302
ICICI Prudential Income Regular Plan-Gro	162,899,302		162,899,302			
JM Equity Fund Half Yearly Dividend Opt	20,000,000		20,000,000			
JM Arbitrage Advantage Fund-Ann.Bonus	-		-			
JM Balanced Fund - Quarterly Dividend	3,862,911		3,862,911	10,000,000		10,000,000
JM Balanced Fund-Dividend Option	21,127,885		21,127,885	34,752,690		34,752,690
KOTAK FMP Series 105 Direct-Growth	34,752,690		34,752,690	20,000,000		20,000,000
Kotak FMP Series 112 Direct-Growth	20,000,000		20,000,000	15,128,900		15,128,900
Kotak FMP Series 116 Direct-Growth	15,128,900		15,128,900	110,000,000		110,000,000
Kotak FMP Series 85 Growth	-		-	126,246,442		126,246,442
Kotak Income Opportunities Fund-Growth	-		-			
Kotak Liquid Scheme Plan A-Direct Plan-G	-		-			
L & T Income Opportunities Fund-Growth	60,000,000		60,000,000			
Pearless Equity Fund-Dividend-Payout	-		-			
Pearless Equity Fund- Quarterly Dividend	11,954,587		11,954,587			
Reliance Dynamic Bond Fund - Growth	40,000,000		40,000,000	45,700,000		45,700,000
Reliance RSF Debt Fund Plan-Growth	-		-			
UTI - Bond Fund - Growth	-		-			
UTI-Gilt Advantage Fund-ITP-Growth	-		-			
UTI-income Opportunities Fund-Growth	15,000,000		15,000,000			
Aggregate value of investments	707,450,664	43,500	707,494,164	745,793,800	43,500	745,837,300
Aggregate market value of listed and quoted investments	797,522,759	-	797,522,759	849,990,463	-	849,990,463

Note 11 : Long Term Loans and Advances

(In ₹)

Particulars	As at 31 March, 2016	As at 31 March, 2015
(a) Capital Advances		
Secured, considered good	-	-
Unsecured, considered good	3,455,958	3,419,617
Doubtful	-	-
	3,455,958	3,419,617
Less: Provision for doubtful advances	-	-
	3,455,958	3,419,617
(b) Security Deposits		
Secured, considered good	-	-
Unsecured, considered good	12,185,333	12,998,363
Doubtful	-	-
	12,185,333	12,998,363
Less: Provision for doubtful deposits	-	-
	12,185,333	12,998,363
Total	15,641,291	16,417,980

Note 12 : Other Non-Current Assets

(In ₹)

(a) Others		
(i) Deposit with customs	2,777,000	2,777,000
(ii) Advance for Expenses	-	-
(iii) Rent advance	46,620	52,770
(b) Employee Gratuity Trust	5,005	5,005
(c) Un-amortised expenses	-	-
Total	2,828,625	2,834,775

Note 13 : Inventories

(In ₹)

(At lower of cost and net realisable value)

(a) Raw Materials	132,164,052	159,823,425
Goods-in-transit	-	-
	132,164,052	159,823,425
(b) Work-In-Progress	156,878,627	140,054,156
Goods-in-transit	-	-
	156,878,627	140,054,156
(c) Finished Goods (other than those acquired for trading)	304,356,271	307,598,297
Goods-in-transit	2,917,360	1,662,428
	307,273,631	309,260,724
(d) Stock-in-trade (acquired for trading)	1,209,552	1,273,796
Goods-in-transit	-	-
	1,209,552	1,273,796
(e) Stores and Spares	16,227,097	19,702,292
Goods-in-transit	-	-
	16,227,097	19,702,292
(f) Packing Materials	9,652,283	10,650,690
Goods-in-transit	-	-
	9,652,283	10,650,690
(g) Publicity Materials	15,803,734	23,705,601
Goods-in-transit	-	-
	15,803,734	23,705,601
Total	639,208,975	664,470,684

Note 14 : Trade Receivables

(In ₹)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	57,213,672	96,244,319
Doubtful	-	-
	57,213,672	96,244,319
Less: Provision for doubtful trade receivables	-	-
	57,213,672	96,244,319
Other Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	365,933,131	250,365,747
Doubtful	-	-
	365,933,131	250,365,747
Less: Provision for doubtful trade receivables	-	-
	365,933,131	250,365,747
Total	423,146,804	346,610,066

Note 15 : Cash and Cash Equivalents

(In ₹)

(a) Cash on Hand	4,639,857	3,391,924
(b) Balances with Banks		
(i) In current accounts	30,083,916	13,790,242
(ii) In deposit accounts -Margin Money	421,000	421,000
	30,504,916	14,211,242
(c) In Earmarked Accounts		
- Unpaid dividend (per contra)	622,298	149,705
Total	35,767,071	17,752,871
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is ₹ 35,346,071/- (P. Y. 17,331,871/-)	35,767,071	17,752,871

Note 16 : Short-Term Loans and Advances

(In ₹)

Particulars	As at 31 March, 2016	As at 31 March, 2015
(a) Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	9,309,085	4,289,829
Doubtful	-	-
	9,309,085	4,289,829
Less: Provision for doubtful loans and advances	-	-
	9,309,085	4,289,829
(b) Balances with Government Authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	-	-
(ii) VAT credit receivable	6,775,895	5,677,144
(iii) Incometax refund receivable	-	-
(iv) Duty Drawback Receivable	138,248	138,248
	6,914,143	5,815,392
(c) Inter-Corporate Deposits		
Secured, considered good	-	-
Unsecured, considered good	10,000,000	35,018,493
Doubtful	-	-
	10,000,000	35,018,493
Less: Provision for doubtful inter-corporate deposits	-	-
	10,000,000	35,018,493
(d) Others - Advances to suppliers		
Secured, considered good	-	-
Unsecured, considered good	8,187,778	5,586,280
Doubtful	-	-
	8,187,778	5,586,280
Less: Provision for other doubtful loans and advances	-	-
	8,187,778	5,586,280
	34,411,005	50,709,994

Note 17 : Other Current Assets

(In ₹)

(a) Accruals		
(i) Interest accrued on Deposits	12,430	12,430
(ii) Subsidy Receivable under TUF scheme	4,724,224	2,883,361
(iii) Prepaid Expenses	-	1,061,294
Total	4,736,654	3,957,085

Note 18 : Revenue from Operations

(In ₹)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
(a) Sale of products: Brassier /Panties/Lingerie Accessories/Garments	1,965,535,432	1,723,729,561
(b) Other Operating Income	2,148,193	1,209,217
Total	1,967,683,626	1,724,938,778

Note 19 : Other Income

(In ₹)

(a) Interest income (Net)#	-	-
(b) Dividend income: From Non-Current Investments	29,160,655	7,714,575
(c) Net gain on sale of: Non-Current Investments	29,334,897	55,563,073
(d) Net gain on foreign currency transactions and translation (other than considered as finance cost)	-	-
(e) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (i) below)	820,100	46,763
Total	59,315,652	63,324,411
(i) Other non-operating income comprises:		
Profit on sale of fixed assets	-	-
Duty Drawback received	-	-
Miscellaneous income	820,100	46,763
Total - Other non-operating income	820,100	46,763

Note 20a : Cost of Materials Consumed

(In ₹)

Opening stock	213,882,007	135,971,302
Add: Purchases	439,781,838	603,247,179
Less: Closing stock	173,847,165	213,882,007
Cost of materials consumed	479,816,680	525,336,474
Material Consumed Comprises:		
a) Fabric	309,950,317	287,273,964
b) Elastics	46,831,179	93,172,657
c) Laces	16,143,903	14,502,271
d) Packing Materials	44,793,074	74,259,010
e) Thread	6,292,693	7,384,304
f) Consumables	41,878,034	43,159,346
f) Others	13,927,480	5,584,922
Total	479,816,680	525,336,474

Note 20b : Purchase of Traded Goods

(In ₹)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Brassier /Panties/Lingerie Accessories	455,150,238	292,990,012
Total	455,150,238	292,990,012

Note 20c : Changes in inventories of finished goods, work-in-progress and stock-in-trade

(In ₹)

Inventories at the end of the year:		
Finished goods	307,273,631	309,260,724
Work-in-progress	156,878,627	140,054,156
Stock-in-trade	1,209,552	1,273,796
	465,361,809	450,588,676
Inventories at the beginning of the year:		
Finished goods	309,260,725	302,939,630
Work-in-progress	140,054,156	77,877,573
Stock-in-trade	1,273,796	-
	450,588,677	380,817,203
Net (increase) / decrease	14,773,132	69,771,473

Note 21: Employee Benefits Expense

(In ₹)

Salaries and wages	226,248,705	222,572,883
Contributions to provident and other funds	26,788,088	24,791,851
Staff welfare expenses	7,875,860	7,591,826
Total	260,912,652	254,956,560

Note 22 : Finance Costs

(In ₹)

(a) Interest expenses (Net)#	12,072,044	7,705,329
(b) Bank Charges	1,804,763	3,434,477
Total	13,876,807	11,139,807

Interest Expenses has been shown as net off with Interest Received ₹ 756,164/- (P. Y. 2,203,082/-) from operational activities.

Note: 23 : Other expenses

(In ₹)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Subcontracting	40,270,452	44,345,054
Power and fuel	5,261,774	5,260,618
Rent including lease rentals (Refer Note 30.8.d)	18,501,882	15,374,654
Repairs and maintenance - Machinery	1,267,396	1,052,608
Repairs and maintenance - Others	2,186,006	2,409,598
Insurance	455,350	494,171
Security Service Charges	6,322,001	6,360,361
Communication	2,921,200	4,363,559
Travelling and conveyance	31,451,262	28,787,531
Printing and stationery	2,241,399	2,227,556
Freight and forwarding	34,908,395	38,135,297
Sales commission	4,652,740	5,784,649
Sales Promotion Schemes	230,076,308	229,896,962
Advertisement Expenses	46,009,188	45,523,643
Business promotion / BTL	43,480,387	38,303,236
Sales Tax	1,000,079	834,715
Legal and professional	2,170,886	2,993,633
Payments to auditors (Refer Note (i) below)	801,500	786,520
Net loss on foreign currency transactions and translation (other than considered as finance cost)	(119,194)	(57,707)
Charities & Donations (CSR)	166,500	2,81,000
Miscellaneous expenses	6,257,643	6,136,756
Total	480,283,154	479,294,414

Note 23 Other expenses (contd.)

(In ₹)

(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	547,755	308,990
For taxation matters / Tax audit	42,135	28,090
For other services	211,610	449,440
	801,500	786,520

Note 24 : Notes to Accounts for the year ended 31st March, 2016

Particulars		For the year ended		For the year ended
		31 March, 2016		31 March, 2015
		₹		₹
Note: 24.1 Raw Materials Consumed	%		%	
Indigenous	98	469,664,849	97	516,298,227
Imported	2	10,151,831	3	9,038,247
	100	479,816,680	100	525,336,474
Note 24.2. Contingent Liabilities				
Demand Notice from Customs Authorities *		4,719,798		4,719,798
*Out of this Rs. 27,70,000 deposited under protest				
Income tax Demand A.Y. 2010-11 [Appeal Pending before ITAT, Mumbai]		954,730		954,730
Income tax Demand A.Y. 2011-12 [Appeal Pending before ITAT, Mumbai]		3,070,130		3,070,130
Income tax Demand A.Y. 2012-13 [Appeal Pending before CIT(A), Mumbai]		2,505,750		2,505,750
Note 24.3. F.O.B.Value of exports		149,430		2,368,688
Note 24.4. Expenditure in Foreign Currency				
Travelling Expenses		82,400		29,725
Purchase of Machinery		624,107		2,439,812
Note 24.5 C.I.F. .Value of Imports				
Raw Materials		11,577,455		13,208,562
Finished Goods		-		-

Note 24.6. Deferred Tax Assets / Liabilities

i) The Deferred Tax Liability for current year of ₹ 80,72,531/- (P.Yr. ₹ 48,94,324/-) is recognised in Profit and Loss A/c.

ii) Tax effect of significant temporary differences that resulted in deferred tax (assets) / liabilities are :

Particulars		31.03.2016		31.03.2015
Depreciation		45,585,187		37,428,684
Gratuity		(2,902,301)		(2,171,577)
Leave Encashment		(834,955)		(801,199)
Deferred Expenses		-		(164,532)
Bonus		(2,921,650)		(3,083,086)
Others		961,064		606,523
		39,887,345		31,814,813

Note 24.7. Accounting Standard 15 - Employee Benefits

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Gratuity	
Current service cost	5,188,607	3,046,278
Interest cost	1,237,994	1,057,869
Expected return on plan assets	(809,687)	(563,505)
Net Actuarial (gain) / loss to be recognized	544	761,715
Total expense recognized in the statement of Profit & Loss Account	5,617,458	4,302,357
Actual Contribution & Benefit Payments		
Actual Benefit Payments	-	-
Actual Contribution	-	-
Net Asset / (Liability) recognized in Balance Sheet		
Liability at the end of the year	20,333,572	17,232,023
Fair value of plan assets at the end of the year	11,947,360	9,096,504
(Net Asset)/ Liability recognized in the Balance Sheet	8,386,212	8,135,519
Change in Defined Benefit Obligations (DBO)		
Present Value of Defined Benefit Obligation at beginning of Year	17,232,023	14,353,027
Interest Cost	1,237,994	1,057,869
Current Service Cost	5,188,607	3,046,278
Benefits Paid	(2,962,935)	(2,259,329)
Actuarial (Gain)/ Losses on Obligation	(362,117)	1,034,178
Present Value of Defined Benefit Obligation at the End of Year	20,333,572	17,232,023
Change in Fair Value of Plan Assets during the year		
Planned assets at Beginning of the year	9,096,504	5,827,084
Expected return on planned assets	809,687	563,505
Contributions	5,366,765	4,692,781
Benefit paid	(2,962,935)	(2,259,329)
Actuarial gain / (loss) on plan assets	(362,661)	272,463
Fair value of plan assets at the end of the year	11,947,360	9,096,504
Defined Benefit Plan – Actuarial Assumptions		
Discount rate	8%	8%
Salary Escalation Rate	7%	7%
Rate of return on plan assets	-	-
Note: 24.8. Corporate Social Responsibility (CSR)		
As per the Companies Act, 2013, all companies having net worth of ₹ 500 Crores or more, turnover of ₹ 1,000 crores or more or net profit of ₹ 5 Crores or more during any financial year are required to spend at least 2% of average net profit of the Company's three immediately preceding financial year. Accordingly, the Company was required to spend ₹ 54.18 Lakhs towards CSR activities in financially year 2015-16. Expenditure related to Corporate Social Responsibility incurred as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹ 1.67 Lakhs.		

Particulars	As at 31 March, 2016	As at 31 March, 2015
Note: 24.9. Earnings Per Share		
1. Basic and Diluted Earnings Per Share before Exceptional items (Face Value - ₹ 10/- per share)	13.79	11.74
2. Basic and Diluted Earnings Per Share after Exceptional items (Face Value - ₹ 10/- per share)	13.79	11.74
3. Profit After Tax and Prior Period items but before Exceptional Items as per Profit & Loss A/c (₹In Lakhs)	2,318	1,972
4. Profit After Tax, Prior Period items and Exceptional Items as per Profit & Loss A/c (₹ In Lakhs)	2,318	1,972
5. Weighted Average number of equity shares outstanding	16,800,000	16,800,000

Note: 24.10 Information on related party as required by Accounting Standard (AS-18) on Related Party Disclosures for the year ended 31st Mar, 2016

In accordance with the requirement of Accounting Standard (AS 18) Related Party Disclosures, the names of relate parties where control exits and/or with whom transactions have taken place during the year description of relationships, as identified and certified by the management are :-

List of Related Parties :-

A) Key Management Personnel :

L Vinay Reddy, Chairman and Managing Director
R Govindarajan, Chief Financial Officer
Darsha Sanghvi, Company Secretary

B) Other Related Parties

Entities where Key Management Personnel exercises significant influence/ Group Companies (with whom transactions were entered) :

Anka Emterprises Private Limited
Magnus marketing
Technit Industries

Note: 24.11 Information on related party as required by Accounting Standard (AS-18) on Related Party Disclosures for the year ended 31st March, 2016 (In ₹)

	Y.E. 31.3.2016	Y.E. 31.3.2015
1. Rent Paid	129,374	121,348
Techknit Industries	129,374	121,348
2. Remuneration Paid	4,386,840	6,598,749
Mr. G Ashok Reddy	NA	2,863,149
Mr. L Vinay Reddy	2,351,704	2,235,600
Mr. L Jaipal Reddy	2,035,136	1,500,000
3. Job work charges		
Anka Enterprises Pvt Ltd.	NA	3,693,051
4. Sales		
Anka Enterprises Pvt Ltd.	NA	6,561,442
Magnus marketing	NA	7,472,317
5. Dividend Paid - Promoters	16,942,239	169,422,390

Note: 24.12 The Initial Public Offer (IPO) proceeds have been utilised as per objects of the issue as stated in the prospectus as under :

(₹ In Lacs)

Particulars	Object as per Prospectus	Actual Utilization
Amount received from Pre-IPO	2,000.00	
Amount received from IPO	9,327.50	
Utilisation of funds upto March 31, 2016		
Setting up manufacturing facility to create additional capacity as Bengaluru	2,284.93	2,284.93
Expenses to be incurred for Brand Building	1,800.00	1,800.00
Brand Development Expenses	600.00	600.00
Investment in Joint Venture	2,500.00	-
Setting up of Exclusive Brand Outlets ("EBO's")	1,412.18	1,412.18
Setting up of Retail Store Modules for "Shop-in-Shop"	361.00	361.00
Upgradation of Design Studios	759.52	271.34
General Corporate Purpose	2,396.16	2,396.16
Public Issue Expenses	846.26	755.67
Interim Utilisation of IPO Proceeds upto 31.03.2016		
Balance Unutilised amount temporarily invested in Mutual Funds		2,442.47
Balance with Banks		-
Total		2,442.47

Note: 24.13 Current Assets, Loans and Advances:

In the opinion of the Board, the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of the business.

Note: 24.14 Amount payable to Micro Small Medium Enterprises

Trade payables as at 31st March, 2016 include ₹ 2,32,24,491/- (Previous year ₹ 5,13,87,759/-) , amount due to Micro Small Medium Enterprises. However, those enterprises are ascertained in cases where they are registered in that category.

Note: 24.15 Previous year figures:

Previous year figures have been regrouped / recasted wherever considered necessary to make them comparable, with those of the current year

As per our report of even date

For Vinod Kumar Jain & Co.

Chartered Accountants

Registration No: FRN 111513W

Vinod Kumar Jain

Proprietor

M. No. 36373

Mumbai, May 30, 2016

For and on behalf the Board of Directors

Mr. L. Vinay Reddy

Chairman & Managing Director

(DIN: 00202619)

Mr. L. Jaipal Reddy

Whole-Time Director

(DIN: 01539678)

Ms. Darsha Sanghvi

Company Secretary

(M. No.: ACS32331)

Mr. R. Govindarajan

Chief Financial Officer

INVESTOR SAFEGUARDS

In order to serve you better and prevent risks associated with dealing in securities, we request you to follow the general safeguards as detailed hereunder:

Demat / Exchange

To avail the benefits of holding shares in demat form, Members are requested to convert their physical holdings to demat / electronic form through a Depository Participant (DP) of their choice. Holding securities in demat form helps investors to get immediate transfer of securities, without payment of stamp duty. The Company may assist to its Members to demat their physical shares. Share certificates of face value of Rs. 10/- are no longer tradeable in the market and will not be accepted by the DPs for demat. Members who still hold Share Certificates with a face value of Rs. 10/- each are therefore requested to forward the same to M/s. Link Intime India Private Limited (the Registrar), along with a request letter signed by all the holders for exchange of Share Certificate(s). The exchanged Share Certificate(s) of shares having a face value of Re.1/- each will help you to demat your shares expeditiously.

Registration of Nomination and NECS Mandate

Members holding shares in physical form are requested to register Nomination in their folio(s) by sending duly completed Nomination Form to the Registrar of the Company.

Members who have not registered their NECS Mandate are requested to send their NECS Mandate Form to the Registrar of the Company or to their DP, as the case may be. For any change in bank particulars either due to banker having migrated their operations to core banking solutions or merged with another bank, Members are requested to register a fresh NECS Mandate with the revised bank particulars. Please register your NECS Mandate for timely receipt of dividend payments and to avoid fraudulent encashment of dividend warrants.

Unclaimed Dividend

Details of unclaimed dividends are available on the Investor Centre page on the website of the Company www.lovableindia.in. Those Members whose dividends remain unclaimed are requested to check the details of unclaimed dividends on the website and send their requests to the Registrar / Investor Service Department of the Company for issuance of fresh Demand Drafts.

E-Communication

To receive Company related information and communication promptly, Members are requested to register / update their e-mail addresses with the Company/ RTA. Members who hold shares in demat form can request their DP to update the e-mail address in their records. The Companies Act, 2013 and Rules framed thereunder governing e-communication have been notified and the Company shall be sending notice, documents, financial statements, etc. through electronic mode to the Members who have provided their email address to the Company or Depository Participants. Members may send request for hard copy of such notices, documents, financial statements, etc. to the Registrar / Investor Service Department of the Company.

Consolidation of Multiple Folios

Members are requested to consolidate their shareholdings under multiple folios, to save themselves from the burden of receiving multiple communications as also to facilitate one point tracking of all corporate benefits on their shares.

PAN Requirement for Transfer of Shares in Physical Form

SEBI has mandated submission of Permanent Account Number (PAN) for securities market transactions and off market / private transactions involving transfer of shares of listed companies in physical form. Therefore, it shall be mandatory for the transferee(s) to furnish a copy of their PAN card to the Registrar / Investor Service Department of the Company for registration of such transfers. Members / Investors are, therefore, requested to take note of the same and submit their PAN card copy to the Registrar / Investor Service Department of the Company.

General Safeguards

- Please send Share Certificate(s) and high value dividend warrants / cheques / demand drafts by registered post or courier so as to avoid loss of document in transit.
- Exercise due diligence and notify any change in address, stay abroad or demise of any shareholder as soon as possible to the Company or DP, as the case may be.
- Deal only with SEBI registered intermediaries and obtain a valid Contract Note / Confirmation Memo from the broker / sub-broker, within 24 hours of execution of the trade.
- Do not disclose your Folio Nos. / DP ID and Client ID to any unknown person.
- Do not hand over signed blank transfer deeds, delivery instruction slips to any unknown person.
- Do not leave your demat account dormant for long.
- Obtain periodic statement of holdings from the concerned DP and verify the holdings periodically.

Lovable Lingerie Limited



Corporate Identification No.(CIN): L17110MH1987PLC044835
Regd. Office: A-46, Street No. 2, MIDC , Andheri (East), Mumbai – 400 093.
Phone: (91-22) 2838 3581, Fax: (91-22) 2838 3582,
Email: corporate@lovableindia.in, Website: www.lovableindia.in

ATTENDANCE SLIP

(to be handed over at the Registration Counter)

29th ANNUAL GENERAL MEETING ON SATURDAY, 24th SEPTEMBER, 2016 AT 11.00 A.M.
at CTC Banquets, Citi Point, Rajarshi Shahu Maharaj Road, Telli Galli, Andheri (East), Mumbai-400 069.

Folio / DP ID & Client ID:

No. of Shares held..... Signature.....

Name of the First/ Sole Member _____

Address of the Member _____

I certify that I am a Member/Proxy/Authorised Representative for the member of the Company.

I hereby record my presence at the 29th Annual General Meeting of the Company held on Saturday, 24th September 2016 at 11.00 AM at CTC Banquets, Citi Point, Rajarshi Shahu Maharaj Road, Telli Galli, Andheri (East), Mumbai-400 069.

Name of the Proxy holder..... Signature

Notes:

1. Only Member/Proxy holder can attend the Meeting.
2. Member/Proxy who wish to attend the meeting must bring this attendance slip to the meeting and hand over at the entrance duly filled in and signed.
3. Member / Proxy holder should bring his/ her copy of the Annual Report for reference at the Meeting.

Lovable Lingerie Limited



Corporate Identification No.(CIN): L17110MH1987PLC044835
 Regd. Office: A-46, Street No. 2, MIDC , Andheri (East), Mumbai – 400 093.
 Phone: (91-22) 2838 3581, Fax: (91-22) 2838 3582,
 Email: corporate@lovableindia.in, Website: www.lovableindia.in

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s): _____

Registered address: _____

E-mail ID: _____ Folio No./DP ID and Client ID No.: _____

I/We, being the Member(s) of _____ shares of the above named Company, hereby appoint

1. Name: _____ E-mail ID: _____

Address: _____

Signature _____

or failing him/her

2. Name: _____ E-mail ID: _____

Address: _____

Signature _____

as my/our proxy to attend and vote, in case of a poll, for me/us and on my / our behalf at the 29th Annual General Meeting of the Company, to be held on Saturday, the 24th day of September, 2016 at 11.00 a.m. at CTC Banquets, Citi Point, Rajarshi Shahu Maharaj Road, Telli Galli, Andheri (East), Mumbai - 400 069 and at any adjournment thereof in respect of such resolutions as are indicated below:

Nos.	Resolutions	Vote (see note d. below) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business				
1.	To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Board of Directors and the Auditors thereon.			
2.	To confirm the payment of Interim Dividend.			
3.	To re-appoint Ms. Taruna Reddy as a Director of the Company who retires by rotation and offers herself for re-appointment.			
4.	Re- Appointment of Statutory Auditors.			
Special Business				
5.	Re-appointment of Mr. L Vinay Reddy as Managing Director of the Company.			
6.	Re-appointment of Mr. L Jaipal Reddy as Whole Time Director of the Company.			

Signed this..... day of2016.

Signature of Member _____

Signature of Proxyholder(s) _____

Affix
Revenue
Stamp

Notes:

1. A proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.
2. This form of Proxy, to be effective, should be deposited at the Registered Office of the Company at Lovable Lingerie Limited, A-46, Street No.2, MIDC, Andheri (East), Mumbai – 400 093 not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.
3. Those Members who have multiple folios with different joint holders may use copies of this Attendance slip/Proxy.
4. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
5. It is optional to indicate your preference. If you leave the for, against and abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may think appropriate.

AWARDS

Hindustan Times One India initiative awarded the Company the tag of Mumbai's top 50 Hot Brands in the year 2015.



The only brand to be selected and awarded in the Lingerie Category the tag of 'INDIA'S MOST TRUSTED BRAND' among 20,000 brands studied across all categories in the year 2016.

VENUE OF THE AGM

In terms of the requirements of the Secretarial Standard on General Meetings (SS-2) issued by the Institute of the Company Secretaries of India, route map for the location of the venue of the 29th Annual General Meeting is given below:

CTC Banquets, Citi Point,
 Rajarshi Shahu Maharaj Road,
 Telli Galli, Andheri (East),
 Mumbai - 400 069.





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Regd. Office:

LOVABLE LINGERIE LIMITED
A-46, Road No.2, MIDC, Andheri (E), Mumbai - 400 093.
CIN: L17110MH1987PLC044835
Visit: www.lovableindia.in

