

## LOVABLE LINGERIE LIMITED

Corporate Identity Number (CIN): L17110MH1987PLC044835

Registered Office: A-46, Street No. 2, MIDC, Andheri (East), Mumbai-400093, Maharashtra, India E-mail ID: corporate@lovableindia in: Website: www.lovableindia in Contact Person: Mr. L Vinay Reddy - Chairman and Managing Director Tel: +91-22-2838 3581; Fax: +91-22-2838 3582

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF THE EQUITY SHARES OF LOVABLE LINGERIE LIMITED ("COMPANY") FOR BUY-BACK OF EQUITY SHARES THROUGH THE TENDER OFFER ROUTE AS PRESCRIBED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY BACK OF SECURITIES) REGULATIONS, 1998, AS AMENDED.

This public announcement ("Public Announcement") is being made in accordance with the provisions of Regulation 8(1) of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended ("Buy-back Regulations") and contains disclosures as specified in Part A of Schedule II to the Buy-back Regulations

CASH OFFER FOR BUY-BACK OF UP TO 20.00.000 (TWENTY LAKHS) FULLY PAID UP EQUITY SHARES OF THE COMPANY OF FACE VALUE OF ₹ 10/- (RUPEES TEN ONLY) EACH AT A PRICE OF ₹ 250/- (RUPEES TWO HUNDRED AND FIFTY ONLY) PER EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER ROUTE AS PRESCRIBED UNDER THE BUY-BACK REGULATIONS USING STOCK EXCHANGE

- 1. DETAILS OF THE BUY-BACK OFFER AND OFFER PRICE 1.1. In accordance with article 30 of the Articles of Association of the Company and provisions of section 68, 69, 70 and other applicable provisions of the Companies Act. 2013 and rules made thereunder to the extent applicable ("Act") and in compliance with the Buy-back Regulations and subject to such other approvals, permissions and sanctions as may be necessary, the Board of Directors ("Board") of the Company at their meeting held on October 6, 2017 had approved the buy-back of up to 20,00,000 (Twenty Lakhs) fully paid-up equity shares of the Company of face value ₹ 10/- (Rupees Ten Only) each ("Equity Share(s)") (representing 11.90% of the total paid-up equity share capital of the Company) at a price of ₹250/- (Rupees Two Hundred and Fifty Only) per Equity Share ("Buy-back Price") payable in cash for a total consideration aggregating upto ₹50,00,00,000/- (Rupees Fifty Crores Only) excluding transaction costs viz. fees, brokerage, applicable taxes such as securities transaction tax, goods and service tax, stamp duty, etc. ("Transaction Costs") (hereinafter referred to as "Buy-back Size"), which is within the limit of 25% of the total paid-up share capital and free reserves (including securities premium account) as per the audited financial statements of the Company for the financial year ended March 31, 2017 on a standalone basis, through the "Tender Offer" route as prescribed under the Buy-back Regulations ("Buy-back Offer"), on a proportionate basis, from the equity shareholders / beneficial owners of the Equity Shares of the Company including those who are promoter and members of promoter group ("Promoter and Members of Promoter Group") as on the record date i.e., Friday, December 8, 2017 ("Record Date") ("Eligible Shareholders"). The equity shareholders of the Company approved the Buy-back Offer, by way of a special resolution, through postal ballot/including electronic voting (e-voting), vide a postal ballot notice dated October 17, 2017 ("Postal Ballot Notice"), the results of which were announced on Monday, November 27, 2017. The equity shareholders of the Company have authorized the Board, inter alia, to finalize the terms of Buy-back Offer, fix Record Date, determine entitlemen ratio and such other matters as may be necessary in connection with the Buy-back Offer with a power to delegate all or any of these powers to a committee of the Board or to any other director(s) or executive(s) or officer(s) of the Company. The Buy-back Offer is subject to receipt of such approvals, permissions and sanctions of statutory, regulatory or governmental authorities, as may be required, under applicable laws, including the Securities and Exchange Board of India ("SEBI") and the stock exchanges on which the Equity Shares of the Company are currently listed, namely, BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") ("BSE" and "NSE" are collectively referred as "Stock Exchanges").
- The Equity Shares are listed on BSE with scrip code: 533343 and scrip ID: LOVABLE and NSE with symbol LOVABLE
- 1.3 In terms of Buy-back Regulations, under the Tender Offer route, Promoter and Members of Promoter Group of the Company have an option to participate in the Buy-back Offer. In this regard, the details of the Promoter and Members of Promoter Group, who have expressed their intention to participate and details of their intended participation in the Buy-back Offer have been given in para 7 hereinafter. The Promoter and Members of Promoter Group of the Company are already having control over the affairs of the Company and therefore any further increase in voting rights of the Promoter and Members of Promoter Group, if any, consequent to Buy-back Offer, will not result in any change in control over the affairs of the Company and shall be in compliance with the provisions of SEBI (Substantia Acquisition of Shares and Takeover) Regulations, 2011.
- The aggregate paid-up share capital and free reserves (including securities premium account) of the Company based on standalone audited financial statements as on March 31, 2017 is ₹ 215.50 Crores. In accordance with section 68(2)(c) of the Act, the funds deployed for the Buy-back Offer shall not exceed 25% of the aggregate paid-up share capital and free reserves (including securities premium account) of the Company under members approva route. Accordingly, the Company has proposed to utilise an aggregate amount not exceeding ₹ 50,00,00,000/ (Rupees Fifty Crores Only) excluding the Transaction Costs which is within the limit of maximum amount permissible for Buy-back Offer as aforesaid and represents 23.20% of the aggregate paid-up share capital and free reserves (including securities premium account) of the Company as per the audited financial statements for the financial year ended March 31, 2017 on standalone basis. Further, under the Act, the number of Equity Shares that can be bought back during a financial year shall not exceed
- 25% of the total Equity Shares of the Company. Accordingly, the number of Equity Shares that can be bought back during a financial year cannot exceed 42,00,000 (Forty Two Lakhs) Equity Shares, i.e., 25% of 1,68,00,000 (One Crore Sixty Eight Lakhs) Equity Shares. As the Company, proposes to buy-back up to 20,00,000 (Twenty Lakhs) Equity Shares, the same is within the aforesaid limit. 1.6 The buy-back of Equity Shares may be subject to taxation in India and in the country of residence of the Eligible
- taxation. However, in view of the particularized nature of tax consequences, Eligible Shareholder(s) are required to consult their tax advisor for the applicable tax provisions including the treatment that may be given by their respective tax officers in their case, and the appropriate course of action that they should take A copy of this Public Announcement will be available on SEBI's website at www.sebi.gov.in as well as on Company's

Shareholder(s). In due course, Eligible Shareholder(s) will receive a Letter of Offer, which will contain a note on

website at www.lovableindia.in. 2. NECESSITY FOR THE BUY-BACK

The Buy-back Offer through the Tender Offer route is being implemented for keeping the Company's desire to enhance long term shareholder value and improve the Company's return on equity by means of optimum capital allocation. Therefore, the Board considered the accumulated free reserves as well as the cash and cash equivalent / liquidity reflected in the audited financial statements for the year ended March 31, 2017 and decided to allocate a sum of ₹ 50,00,00,000/- (Rupees Fifty Crores Only) for distributing to the members through the buy-back. The buy-back would lead to reduction in outstanding number of Equity Shares and may consequently increase earnings per share over a period of time

3. MAXIMUM AMOUNT REQUIRED UNDER THE BUY-BACK AND ITS PERCENTAGE OF THE TOTAL PAID-UP **CAPITAL AND FREE RESERVES** 

The maximum amount required under the Buv-back Offer will not exceed ₹ 50.00.00.000/- (Runees Fifty Crores Only) excluding Transaction Costs, representing 23.20% of the total paid-up share capital and free reserves (including securities premium account) as per the audited financial statements of the Company for the financial year ended March 31, 2017, on a standalone basis

MAXIMUM PRICE AT WHICH EQUITY SHARES ARE PROPOSED TO BE BOUGHT BACK AND THE BASIS OF ARRIVING AT THE BUY-BACK PRICE

The Equity Shares are proposed to be bought back at a price of ₹ 250/- (Rupees Two Hundred and Fifty only) per

The Buy-back Price of ₹250/- per Equity Share of the Company represents:

- premium of 3.32% and 3.08% over the average of volume weighted average price of the Equity Shares on BSE and NSE respectively for 3 months preceding the date of Board Meeting held to consider the proposal of
- premium of 5.05% and 5.16% over the average of volume weighted average price of the Equity Shares on BSE and NSE respectively for 2 weeks preceding the date of board meeting held to consider the proposal of the Buy-back Offer; and um of 11 06% and
- respectively as on the date of intimation of the board meeting held for considering the proposal of Buy-back

#### 5. MAXIMUM NUMBER OF EQUITY SHARES THAT THE COMPANY PROPOSES TO BUY-BACK The Company proposes to buy-back up to 20,00,000 (Twenty Lakhs) Equity Shares of the Company representing

11.90% of the total paid-up equity share capital of the Company.

- 6. METHOD TO BE ADOPTED FOR THE BUY-BACK
- As required under the Buy-back Regulations, Equity Shares to be bought back under Tender Offer are divided into two categories: (i) Reserved category for Small Shareholders; and (ii) General category for all other equity shareholders. Please refer Para 11 of this Public Announcement for further details 6.2 The Buy-back Offer will be undertaken on a proportionate basis from the equity shareholders/ beneficial owners of
- Equity Shares of the Company as on the Record Date through the Tender Offer process prescribed under Regulation 4(1)(a) of the Buy-back Regulations. Additionally, the Buy-back Offer shall be, subject to applicable laws. implemented by tendering of Equity Shares by Eligible Shareholders and settlement of the same through the stock exchange mechanism as specified by SEBI in its circular bearing reference number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the circular bearing reference number CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as amended from time to time ("SEBI Circulars").
- AGGREGATE SHAREHOLDING OF THE PROMOTER, AND OF THE DIRECTORS OF THE PROMOTER COMPANIES HOLDING SHARES IN THE COMPANY AND OF PERSONS WHO ARE IN CONTROL OF THE COMPANY AS ON THE DATE OF THE POSTAL BALLOT NOTICE
- The aggregate shareholding of the promoter, the directors of the promoter companies holding Equity Shares in the Company and of persons acting in concert as on the date of the Postal Ballot Notice i.e. October 17, 2017:

Category of Member	No. of Equity Shares Held	% of Existing Equity Share Capital
Promoter & promoter group	1,12,94,826	67.23
Directors of the promoter companies*	-	-
Persons acting in concert*	-	-
Total of promoter & promoter group, directors of the promoter companies and persons acting in concert	1,12,94,826	67.23
ATT		

- There are no promoter companies of, and persons acting in concert, in the Company. 7.2 No Equity Shares of the Company were either purchased or sold by any of the persons mentioned in para 7.1 above
- during the period of six (6) months preceding October 06, 2017, being the date of the board meeting of the Company at which the Buy-back Offer was approved and the date of Postal Ballot Notice i.e., October 17, 2017. 7.3 Intention of the promoter and persons in control of the Company to tender Equity Shares for Buy-back Offer
- In terms of the Buy-back Regulations, under Tender Offer route, the promoter and persons in control of the Company have an option to participate in the Buy-back Offer. In this regard, the Promoter and Members of Promoter Group as listed herein below have expressed their intention to tender up to following number of Equity Shares in the proposed Buy-back Offer Equity Shares held on Maximum No. of Equity Shares Sr. Particulars

No.	T ul tioului 5	October 06, 2017	which may be tendered
A.	Promoter		
	L Vinay Reddy	51,24,250	19,00,000
	Total Promoter (A)	51,24,250	19,00,000
B.	Promoter Group		
	Shobha Jaipal Reddy	34,15,000	5,00,000
	Prashant Jaipal Reddy	20,35,250	5,00,000
	Taruna V. Reddy	3,87,326	50,000
	Lattupalli Vinay Reddy (HUF)	1,72,500	25,000
	L Jaipal Reddy (HUF)	7,500	5,000
	Lattupalli Veena Reddy	1,53,000	20,000
	Total Promoter Group (B)	61,70,576	11,00,000
	Total Promoter and Promoter Group (A+B)	1,12,94,826	30,00,000

Further details of price and date of acquisition(s) of Equity Shares that the Promoter and Members of Promoter Group intend to tender are as under

## a) L Vinay Reddy

Ш.						
	Sr. No.	Date of Acquisition	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition price per share (₹)	Nature of Transaction
	1	February 25, 2010	19,00,000	10	NIL	Bonus issue

Sr. No.	Date of Acquisition	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition price per share (₹)	Nature of Transaction
1	March 31, 2008	2,200	100	100	Allotment
	Sub-Total	2,200	100		
2	February 08, 2010	22,000	10	Not Applicable	Split of face value of Equity Shares from ₹100/- each to ₹10/- each
3	February 25, 2010	4.78.000	10	NII	Bonus issue

Issue/ Acquisition

c) Prashant Jaipal Reddy

Total

Shobha Jaipal Reddy

l	NO.		Equity Silates	(^)	price per snare (<)				
	1	February 25, 2010	5,00,000	10	NIL	Bonus issue			
	d) Taruna V. Reddy								
	Sr.	Data of Acquicition	No. of	Face Value	Issue/ Acquisition	Natura of Transaction			

Face Value

5,00,000

No. of

Sr. No.	Date of Acquisition	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition price per share (₹)	Nature of Transaction
1	January 20, 2010	100	100	NIL	Gift Received
	Sub-Total	100	100		
2	February 08, 2010	1,000	10	Not Applicable	Split of face value of Equity Shares from ₹100/- each to ₹10/- each
3	February 25, 2010	4,000	10	NIL	Bonus issue
4	September 20, 2010	2,500	10	NIL	Bonus issue
5	March 06, 2013	42,500	10	241.69	Open market purchase
	Total	50,000			

e) Lattupalli Vinay Reddy (HUF)

Sr. No.	Date of Acquisition	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition price per share (₹)	Nature of Transaction
1	January 20, 2010	100	100	NIL	Gift Received
	Sub-Total	100	100		
2	February 08, 2010	1,000	10	Not Applicable	Split of face value of Equity Shares from ₹100/- each to ₹10/- each
3	February 25, 2010	4,000	10	NIL	Bonus issue
4	September 20, 2010	2,500	10	NIL	Bonus issue
5	March 23, 2017	17,500	10	238.70	Acquisition through inter-se transfer
	Total	25,000			

f) L Jaipal Reddy (HUF)

	Sr. No.	Date of Acquisition	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition price per share (₹)	Nature of Transaction	
Γ	1	October 30, 2009	100	100	NIL	Gift	
Γ		Sub-Total	100	100			
	2	February 08, 2010	1,000	10	Not Applicable	Split of face value of Equity Shares from ₹100/- each to ₹10/- each	
Γ	3	February 25, 2010	4,000	10	NIL	Bonus issue	
		Total	5,000				
a) Latturalli Vona Poddy							

Issue/ Acquisition **Date of Acquisition** Nature of Transaction **Equity Shar** (₹) price per share (₹) February 15, 2007 2.000 100 Acquisition through inter-se transfer 100 Sub-Tota 2,000 February 08, 2010 10 Not Applicable Split of face value of Equity Shares from ₹100/- each to ₹10/- each Total 20,000

8. NO DEFAULT

The Company confirms that there are no defaults made or subsisting in the repayment of deposits or interest thereon, redemption of debentures or interest payment thereon, redemption of preference shares or payment of dividend due to any shareholder or repayment of any term loan or interest payable thereon to any financial institution or banking company THE BOARD OF DIRECTORS HAVE MADE FULL ENQUIRY INTO THE AFFAIRS AND PROSPECTS OF THE

- COMPANY AND HAVE FORMED THE OPINION: a) that immediately following the date of the Board Meeting held on October 06, 2017 and the date on which the
  - results of the Postal Ballot will be declared, there shall be no grounds on which the Company can be found unable b) that as regards the Company's prospects for the year (12 months) immediately following 1) the date of the Board
  - Meeting held on October 06, 2017 and 2) the date on which the results of the Postal Ballot will be declared approving the Buy-back Offer, and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, ir the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year (12 months) from the date of the Board Meeting held on October 06, 2017 as well as the date on which the results of the Postal Ballot will be declared: and
- c) that in forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company were being wound up (including prospective and contingent liabilities) under the provisions of the Companies Act
- 10. REPORT ADDRESSED TO THE BOARD OF DIRECTORS BY THE COMPANY AUDITORS The text of the report dated October 17, 2017 received from DMKH & Co., Chartered Accountants, the statutory

auditors of the Company, addressed to the Board of Directors of the Company is reproduced below

Quote

Board of Directors Lovable Lingerie Limited A-46, Road No.2, MIDC. Andheri (East)

Mumbai - 400 093.

Auditor's Report on Buy-back of Equity Shares pursuant to the requirement of Schedule II to the Securities and

- Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended This Report is issued in accordance with the terms of our service scope letter dated September 29, 2017.
- In connection with the proposal of Lovable Lingerie Limited ("Company") to buy-back its Equity Shares in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 ('the Act') and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended ('the Buy-back Regulations'), and in terms of the resolution passed by the Board of Directors of the Company in their meeting held on October 6, 2017, which is subject to the approval of the members of the Company, we have been engaged by the Company to perform a reasonable of limited assurance as applicable on the reporting criteria, specified in paragraph 5 of this report

## **Board of Directors Responsibility**

- 3. The preparation of the Statement of determination of the permissible capital payment towards buy-back of Equity Shares ("the Statement"), as set out in Annexure A hereto, to be initialed by us for identification purpose only, is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
- 4 The Board of Directors are responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date on which the results of the postal ballot for buy-back of its Equity Shares will be declared

- 5. Pursuant to the requirements of the Buy-back Regulations, it is our responsibility to provide reasonable assurance on the following point (i) and to provide limited assurance on the following point (ii) ("the Reporting Criteria")
- Whether the amount of capital payment for the buy-back is within the permissible limit computed in accordance with the provisions of Section 68 of the Act; and
- Whether the Board of Directors has formed the opinion, as specified in Para (x) of Part A of Schedule II to the Buy-back Regulations, on reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the date on which the results of postal ballot for buy-back of its Equity Shares will be declared. The Statement has been prepared based on the financial statements of the Company for the financial year ended
- March 31, 2017 which were audited by M/s. Vinod Kumar Jain & Co., Chartered Accountants (ICAI FRN: 111513W) who had issued an unmodified audit opinion, vide their audit report dated May 29, 2017. Accordingly we have relied upon the audited financial statements for the financial year ended March 31, 2017 for the purpose of issue of this report. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates
- for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. 8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality
- Related Services Engagements. A reasonable or limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. We have

Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and

- We have inquired into the state of affairs of the Company in relation to its audited financial statements for the Financial year ended March 31, 2017;
- Examined authorization for buy-back from the Articles of Association of the Company; iii) Examined that the amount of capital payment for the buy-back as detailed in Annexure A is within permissible limit computed in accordance with section 68 of the Act;
- iv) Examined that the ratio of aggregate of secured and unsecured debts owed by the Company is not more than twice the paid-up capital and free reserve after such buy-back;
- v) Examined that all Equity Shares for buy-back are fully paid-up; vi) Examined resolution passed in the meeting of the Board of Directors approving the buy-back;

performed, inter alia, the following procedures in relation to the Statement:

vii) Examined Directors' declarations for the purpose of buy-back and solvency of the Company; and viii) Obtained necessary representations form the management of the Company.

# Opinion

- 10. Based on our examination as above and the information and explanations given to us, in our opinion: a) that the proposed amount of capital payment of ₹ 50,00,00,000/- (Rupees Fifty Crores Only) for the Equity
- Shares in question does not exceed the permissible capital payment which is ₹ 53,87,57,723/- (Rupees Fifty Three Crores Eighty Seven Lakhs Fifty Seven Thousand Seven Hundred and Twenty Three Only), as determined in the statement of determination of the permissible capital payment towards buy-back of Equity Shares, as stated in Annexure A, is properly determined in accordance with Section 68 of the Act; and
- that the Board of Directors in their meeting held on October 6, 2017 have formed the opinion, as specified in para (x) of Part A of Schedule II of the Buy-back Regulations, on reasonable grounds, that the Company will not having regard to its state of affairs, be rendered insolvent within a period of one year from that date

### Restriction on Use

This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Buy-back Regulations solely to enable them to include it (a) in the explanatory statement to be included in the postal ballot notice to be circulated to the members, (b) in the Public Announcement to be made to the members of the Company, (c) in the Draft Letter of Offer and Letter of Offer to be filed with the Securities and Exchange Board of

Size:  $32.8 (W) \times 50 (H) = 1640 SQC$ 

India, the Stock Exchanges, the Registrar of Companies as required by the Buy-back Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come

For DMKH & Co. Chartered Accountants

ICAI Firm Registration Number: 116886W

Date: October 17, 2017

Membership Number: 044075

CA Durgesh Kabra

Partner

Lovable Lingerie Limited Annexure A

Statement of determination of the permissible capital payment towards buy-back of equity shares ('the Statement") in accordance with Section 68(2) of the Companies Act, 2013

$\  \ $		Particulars Particulars	Amount in ₹	Amount in ₹
	Α	Total paid-up share capital and free reserves as at March 31, 2017, based on the audited standalone		
		financial statements of the Company as at and for the year ended March 31, 2017		
H	a.	Total paid-up share capital		16,80,00,000
H		Free reserves, comprising of		
1		- Securities premium account	1,00,16,83,036	
		- General reserve	8,51,40,000	
11		<ul> <li>Surplus in the statement of profit and loss</li> </ul>	90,02,07,856	
П	b.	Total free reserves		1,98,70,30,892
11		Total paid-up share capital and free reserves (a+b)		2,15,50,30,892
	В	The amount of maximum permissible capital payment towards the buy-back being lower of;		
		(a) 25% of total paid-up share capital and free reserves as at March 31, 2017		53,87,57,723
		(b) Maximum amount approved by the Board of Directors at their meeting held on October 6, 2017		50,00,00,000

#### For and on behalf of the Board of Directors of Lovable Lingerie Limited

L. Vinay Reddy

Chairman & Managing Director Place: Mumbai

Date: October 06, 2017

### 11. RECORD DATE AND SHAREHOLDERS' ENTITLEMENT

- As required under the Buy-back Regulations, the Board has fixed Friday, December 8, 2017 as the Record Date for the purpose of determining the entitlement and the names of the equity shareholders who are eligible to participate in the Buy-back Offer. Eligible Shareholders will be all persons holding Equity Shares of Company as on the Record Date and who are eligible to participate in the Buy-back Offer.
- 11.2 In due course, Eligible Shareholders will receive a Letter of Offer along with a Tender/Offer Form indicating the entitlement of the equity shareholder for participating in the Buy-back Offer
- The Equity Shares to be bought back as part of the Buy-back Offer are divided in two categories:
- Reserved category for Small Shareholders; and
- b. General category for all other equity shareholders.
- 11.4 As defined in Regulation 2(1)(la) of the Buyback Regulations, a "Small Shareholder" is a shareholder who holds equity shares having market value, on the basis of closing price on Stock Exchanges having highest trading volume as on Record Date, of not more than ₹ 2,00,000/- (Rupees Two Lakhs only). In accordance with Regulation 6 of the Buy-back Regulations, 15% of the number of Equity Shares which the
- Company proposes to buy-back or number of Equity Shares entitled as per the shareholding of Small Shareholders, whichever is higher, shall be reserved for the Small Shareholders as part of this Buy-back Offer. On the basis of the shareholding on the Record Date, the Company will determine the entitlement of each shareholder, including Small Shareholders, to tender their Equity Shares in the Buy-back Offer, This entitlement for
- each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder on the Record Date and the ratio of the buy-back applicable in the category to which such shareholder belongs. The final number of Equity Shares that the Company will purchase from each Eligible Shareholders will be based on the total number of Equity Shares tendered. Accordingly, the Company may not purchase all of the Equity Shares tendered
- After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, it any, in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the Buy-back Offer by shareholders in that category, and thereafter from equity shareholders who have tendered over and above their entitlement in other category.
- The participation of the Eligible Shareholders in the Buy-back Offer is voluntary. Eligible Shareholders may also tender a part of their entitlement. Eligible Shareholders also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. If the buy-back entitlement for any shareholder is not a round number, then the fractional entitlement shall be gnored for computation of Buy-back Offer entitlement to tender Equity Shares in the Buy-back Offer. The maximum tender under the Buy-back Offer by any Eligible Shareholders cannot exceed the number of Equity
- Shares held by the equity shareholder as on the Record Date. The Equity Shares tendered as per the entitlement by Eligible Shareholders holding Equity Shares of the Company as well as additional shares tendered, if any, will be accepted as per the procedure laid down in Buy-back Regulations. The settlement of the tenders under the Buyback Offer will be done using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI Circulars, as may be amended from time to time and other relevant rules and regulations
- 11.10 The buy-back Equity Shares from non-resident members, overseas corporate bodies ("OCBs") and foreign institutional investors ("FIIs"), foreign portfolio investors ("FPIs") and members of foreign nationality, if any, etc. shall be subject to such approvals as are required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed there under, if any.
- 11.11 Detailed instructions for participation in the Buy-back Offer as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Eligible Shareholders.
- 12. PROCESS AND METHODOLOGY FOR THE BUY-BACK

Address

- 12.1 The Buy-back Offer is open to all Eligible Shareholders / beneficial owners of the Company, holding Equity Shares either in physical and/or demat form as on the Record Date.
- 12.2 The Buy-back Offer will be implemented using the "Mechanism for acquisition of shares through Stock Exchange" as mentioned in SEBI Circulars and following the procedure prescribed in the Act and the Buy-back Regulations, and as may be determined by the Board (including any person authorized by the Board to complete the formalities of the Buy-back Offer) and on such terms and conditions as may be permitted by law from time to time.
- For the purpose of this Buy-back Offer, BSE will be the designated stock exchange. In this regard, the Company will request BSE to provide the facility of acquisition window to facilitate placing of sell orders by Eligible Shareholders who wish to tender Equity Shares in the Buy-back Offer. The details of the platform will be as specified by the BSE
- 12.4 For implementation of the Buy-back Offer, the Company has appointed Ventura Securities Limited as the registered broker to the Company ("Company's Broker") who will facilitate the process of tendering Equity Shares through Stock Exchange Mechanism for the Buy-back Offer and through whom the purchases and settlements on account of

the Buy-back Offer would be made by the Company. The contact details of the Company's Broker are as follows : Ventura Securities Limited : I-Think Techno Campus, B Wing, 8th Floor, Pokhran Road No.2,

off. Eastern Express Highway, Thane (West) 400 607.

: Mr. Nilesh Mehta, Tel: +91-22-67547020 Contact Person E-mail : nilesh@ventura1.com, Website: www.ventura1.com

 $\textbf{SEBI Registration Number} \hspace{0.1cm} : \hspace{0.1cm} \textbf{INB230760432} \hspace{0.1cm} \textbf{and} \hspace{0.1cm} \textbf{INB010760438}$ Corporate Identity Number: U67120MH1994PLC082048

During the tendering period, the order for selling the Equity Shares will be placed in the acquisition window by Eligible Shareholders through their respective stock brokers ("Shareholder Broker") during normal trading hours of the secondary market. The Company's Broker may also process the orders received from the Eligible Shareholders. The Shareholder Broker can enter orders for demat as well as physical shares

12.6 Procedure to be followed by Eligible Shareholders holding Equity Shares in dematerialised form: 12 6 1 Fligible Shareholders who desire to tender their Equity Shares held by them in the dematerialised form under

- Buy-back Offer would have to do so through their respective Shareholder Broker by giving details of Equity Shares they intend to tender under the Buy-back Offer. 12.6.2 The Shareholder Broker would be required to transfer the tendered Equity Shares to a special account of the
- Clearing Corporation of India Limited ("Clearing Corporation") specifically created for the purpose of Buyback Offer ("Special Account") by using settlement number through the early pay in mechanism of depositories and the same shall be validated at the time of order entry. The details of settlement number and the special account for the Buy-back Offer shall be informed in the issue opening circular that will be issued by BSE or Clearing Corporation prior to placing of bid by the Shareholder Broker. 12.6.3 For custodian participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of
- order by the custodian. The custodian shall either confirm or reject the orders not later than the close of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation. 12.6.4 Upon placing the order, the Shareholder Broker shall provide transaction registration slip ("TRS") generated
- by the exchange bidding system to the Eligible Shareholders. TRS will contain the details of order submitted like Bid ID No., DP ID, Client ID, number of Equity Shares tendered, etc. Procedure to be followed by Eligible Shareholders holding Equity Shares in physical form:

### 12.7.1 Eligible Shareholders who are holding Equity Shares in physical form and intend to participate in the Buy-back Offer will be required to approach their Shareholder Broker along with the complete set of

- documents for verification procedures to be carried out including the (i) tender form duly signed by all shareholders in case Equity Shares are held in joint names in the same order in which they hold Equity Shares (ii) original share certificate(s), (iii) valid Form SH 4 (share transfer form) duly filled and signed by the Eligible Shareholders (in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iv) self-attested copy of the Eligible Shareholders' PAN Card; and (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of the Eligible Shareholders has undergone a change from the address registered in the register of members of the Company, the Eligible Shareholders would be required to submit a self-attested copy of address proof consisting of any one of the following documents, viz. valid aadhar card, voter identity card or passport.
- 12.7.2 Based on above documents, the concerned Shareholder Broker shall place a bid on behalf of the Eligible Shareholders holding physical shares and who wish to tender Equity Shares in the Buy-back Offer, using the acquisition window of BSE. Upon placing the bid, the Shareholder Broker shall provide a TRS generated by the stock exchange bidding system to the shareholder. TRS will contain the details of order submitted such as the folio no., certificate no., distinctive no., number of Equity Shares tendered etc.
- 12.7.3 The Shareholder Broker/Eligible Shareholder who placed bid for physical shares, has to deliver the original share certificate(s) and documents (as mentioned in para 12.7.1 above) along with TRS generated by exchange bidding system upon placing of bid, either by registered post or courier or hand delivery to the Registrar to the Buy-back Offer i.e. Link Intime India Private Limited ("Registrar") (at the address mentioned at para 15 below or the collection centre of the registrar details of which will be included in the Letter of Offer) within 2 (two) days of bidding by Shareholder Broker. The envelope should be super scribed as "Lovable Lingerie Limited Buyback 2017". One copy of the TRS will be retained by Registrar and they

will provide an acknowledgement of the same to the Shareholder Broker / Eligible Shareholder

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- 12.7.4 Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents are submitted. Acceptance of the physical Equity Shares for the Buy-back Offer shall be subject to verification as per the Buy-back Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time BSE shall display such bids as 'unconfirmed physical bids'. Once the Registrar confirms the bids, it will be treated as 'confirmed bids'.
- 12.8 Modification/ cancellation of orders will be allowed during the tendering period of the Buy-back Offer.
- 12.9 The cumulative quantity tendered shall be made available on BSE's website at www.bseindia.com throughout the trading sessions and will be updated at specific intervals during the tendering period.

#### 13. METHOD OF SETTLEMENT

- 13.1 Upon finalization of the basis of acceptance as per Buy-back Regulations, the settlement of trades shall be carried out in the  $manner \, similar \, to \, settlement \, of \, trades \, in \, secondary \, market \, and \, as \, intimated \, by \, the \, Clearing \, Corporation \, from \, time \, to \, time.$
- 13.2 The Company will transfer the consideration pertaining to the Buy-back Offer to the Clearing Corporation's bank account through the Company's Broker as per secondary market mechanism, as per the prescribed schedule. For demat Equity Shares accepted under the Buy-back Offer, the Clearing Corporation will make direct funds pay-out to respective Eligible Shareholders. If Eligible Shareholders' bank account details are not available or if the funds transfer instruction is rejected by Reserve Bank of India or relevant bank, due to any reason, then the amount payable to the Eligible Shareholders will be transferred to the concerned Shareholder Brokers for onward transfer to such Eligible Shareholder holding Equity Shares in dematerialized form.
- 13.3 In case of certain client types viz. NRI, foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Shareholder Broker's settlement accounts for releasing the same to the respective Eligible Shareholder's account. For this purpose, the client type details would be collected from the Depositories, whereas funds pay-out pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the Designated Stock Exchange and the Clearing Corporation from time to time.
- 13.4 For the Eligible Shareholders holding Equity Shares in physical form, the funds pay-out would be given to their respective Shareholder Broker's settlement accounts for releasing the same to the respective Eligible Shareholder's accoun
- 13.5 The Equity Shares bought back in dematerialized form would be transferred directly to the escrow account of the Company ("Company Demat Escrow Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Company Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of Designated Stock Exchange.
- 13.6 Excess Equity Shares or unaccepted Equity Shares, in dematerialised form, if any, tendered by the Eligible Shareholders would be transferred by the Clearing Corporation directly to the respective Eligible Shareholder's DP account. If the securities transfer instruction is rejected in the Depository system, due to any issue then such securities will be transferred to the Shareholder Broker's depository pool account for onward transfer to the respective Eligible Shareholder. The shareholders of the demat Equity Shares will have to ensure that they keep the depository participant ("DP") account active and unblocked to receive credit in case of return of demat Equity Shares, due to rejection or due to non-acceptance in the Buy-back.
- 13.7 Any excess Equity Shares, in physical form, pursuant to proportionate acceptance / rejection will be returned back to the Eligible Shareholders directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buy-back by Eligible Shareholders holding Equity Shares in the physical form.
- 13.8 The Shareholder Broker would issue contract note for the Equity Shares accepted under the Buy-back Offer. The Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buy-back Offer
- 13.9 Eligible Shareholders who intend to participate in the Buy-back Offer should consult their respective Shareholder Broker for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Shareholder Broker upon the selling Eligible Shareholder for tendering Equity Shares in the Buy-back Offer (secondary market transaction). The Manager to the Buy-back Offer and Company accepts no responsibility to bear or pay any additional cost, applicable taxes, charges and expenses (including brokerage) levied by the Shareholder Broker, and such costs will be incurred solely by the Eligible Shareholders.
- 13.10 The Equity Shares lying to the credit of the Company Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buy-back Regulations.

### 14. COMPLIANCE OFFICER

Investors may contact the compliance officer to the Buy-back Offer for any clarifications or to address their grievances, if any during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following

### L Vinay Reddy

### Chairman and Managing Director

LOVABLE LINGERIE LIMITED

A-46, Street No. 2, MIDC, Andheri (East), Mumbai - 400093, Maharashtra, India.

Email: corporate@lovableindia.in

### 15. REGISTRAR TO THE BUY-BACK / INVESTOR SERVICE CENTRE

In case of any queries, the Eligible Shareholders / beneficial owner of Equity Shares may contact the Registrar to the Buy-back Offer during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:



#### Link Intime India Private Limited C 101, 247 Park, LBS Marg, Vikhroli (West),

Mumbai - 400 083, Maharashtra, India Tel. No.: +91-22-4918 6200 Fax: +91-22-4918 6195 Email: lovable.buyback2017 @linkintime.co.in

Contact Person: Mr. Sumeet Deshpande

SEBI Registration Number: INR000004058 Validity: Permanent CIN: U67190MH1999PTC118368

16. MANAGER TO THE BUY-BACK



### Vivro Financial Services Private Limited

607, 608 Marathon Icon, Opp. Peninsula Corporate Park, Off Ganpatrao Kadam Marg, Veer Santaji Lane, Lower Parel, Mumbai – 400 013

Contact Person: Mr. Harish Patel / Mr. Sagar Jatakiya E-mail:investors@vivro.net. Website: www.vivro.net Tel: +91-22-6666 8040/41/42; Fax: +91-22-6666 8047 SEBI Registration Number: INM000010122; Validity: Permanent

### 17. LEGAL ADVISOR TO THE COMPANY

Bathiya Legal

909, Hubtown Solaris, NS Phadke Road, Near East - West Flyover, Andheri (East), Mumbai - 400069, Maharashtra, India

Tel: +91-22-6133 8050; Website: www.bathiyalegal.com

### 18. DIRECTORS' RESPONSIBILITY

As per Regulation 19(1)(a) of the Buy-back Regulations, the Board of Directors of the Company accepts responsibility for the information contained in this Public Announcement and confirms that such document contains true, factual and material information and does not contain any misleading information.

CIN: U67120GJ1996PTC029182

### For and on behalf of the Board of Directors of Lovable Lingerie Limited

L Vinay Reddy Chairman and Managing Director DIN: 00202619 Place: Mumbai Date: November 27, 2017

L Jaipal Reddy Whole-Time Director DIN: 01539678

Sd/-L Vinay Reddy Compliance Officer to Buy-back Offer DIN: 00202619

Size: 12 (W) x 31 (H) = 372 SQC