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## LOVABLE LINGERIE LIMITED

**Corporate Identity Number (CIN)** – L17110MH1987PLC044835

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

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

**Tel:** 022- 2838 3581 **Fax** 022- 2838 3582

### POSTAL BALLOT NOTICE

**(Pursuant to Section 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of Companies (Management and Administration) Rules, 2014 as amended)**

Dear Member(s),

Notice is hereby given, in accordance with the provisions of section 110 of the Companies Act, 2013 (the “**Act**”) read with Rule 20 and Rule 22 of Companies (Management and Administration) Rules, 2014 as amended (the “**Rules**”) including any statutory modification or re-enactment thereof for the time being in force and any other applicable provisions, if any, seeking approval of the members of Lovable Lingerie Limited (the “**Company**”) on the below appended resolution by way of a special resolution by means of postal ballot including an option to vote through electronic means i.e. remote e-voting (“e-voting”).

An Explanatory Statement pursuant to Section 102 of the Act, Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (“**Buy-back Regulations**”) and other applicable provisions, pertaining to the said resolution setting out the material facts and the reasons thereof, along with the postal ballot form is annexed herewith for your consideration. The postal ballot notice along with the postal ballot form is also available on the website of the Company at www.lovableindia.in.

The Board of Directors of the Company has pursuant to Rule 22(5) of the Companies (Management and Administration) Rules, 2014, appointed Mr. Chintan Goswami, Proprietor of C. J. Goswami & Associates, Practicing Company Secretaries (CP No. 12721) (“**Scrutinizer**”) to act as the scrutinizer for conducting the postal ballot/ e-voting process, in a fair and transparent manner and Central Depository Services (India) Limited (“**CDSL**”) as agency in respect of e-voting for the postal ballot. Member(s) have the options of voting either by e-voting or through the physical postal ballot. Member(s) desiring to exercise their vote by physical postal ballot are requested to carefully read the instructions printed on the postal ballot form and record their assent (‘FOR’) or dissent (‘AGAINST’) therein and return the postal ballot form duly completed in all respects in the enclosed self-addressed, postage pre-paid envelope. Postal ballot form(s), if sent by courier or by registered post / speed post at the address mentioned on the self-addressed business reply envelope at the expense of the member(s) will also be accepted. The postal ballot form(s) may also be deposited personally at the address given on the self-addressed envelope. The duly completed postal ballot form should reach the Scrutinizer at C/o. Link Intime India Private Limited (unit Lovable Lingerie Limited) C101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India, not later than 05:00 p.m. IST on Saturday, November 25, 2017, to be eligible for being considered, failing which it will be strictly considered that no reply has been received from the member. The member(s) desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions as stated in the notes under the heading “**Voting through Electronic Means (E-voting)**”.

The Scrutinizer will submit his report to the chairman of the Company or in his absence to the person authorized by him in writing, after completion of scrutiny of postal ballot (including e-voting) in a fair and transparent manner. The results of the Postal Ballot will be announced on or before Monday, November 27, 2017 and will be displayed at the notice board of the registered office of the Company for 3 (Three) days and shall be communicated to BSE Limited and National Stock Exchange of India Limited (“**Stock Exchanges**”) where the equity shares of the Company are listed. The results of the postal ballot will also be displayed on the Company’s website at www.lovableindia.in and on the website of CDSL.

#### **SPECIAL BUSINESS:**

##### **1. APPROVAL FOR BUY-BACK OF EQUITY SHARES NOT EXCEEDING 25% OF THE TOTAL NUMBER OF THE FULLY PAID-UP EQUITY SHARES OF THE COMPANY:**

In this regard, to consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in accordance with Article 30 of the Articles of Association of the Company and the provisions of sections 68, 69, 70 and other applicable provisions of the Companies Act, 2013 (“the Act”) and applicable rules made thereunder including the Companies (Share Capital and Debentures) Rules, 2014, if and to the extent applicable, and in compliance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended from time to time (“Buy-back Regulations”) and subject to such other approvals, permissions and sanctions as may be necessary, and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (herein referred to as the “**Board**” which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution), the approval of the members of

the Company be and is hereby accorded for the buy-back of upto 20,00,000 (Twenty Lakhs) fully paid-up equity shares of the Company having face value of ₹ 10/- (Rupees Ten Only) each (Equity Share(s) (representing up to 11.90% of the total paid-up equity share capital of the Company) at a price of ₹ 250/- (Rupees Two Hundred and Fifty only) ("Buy-back Price") per Equity Share payable in cash for a total consideration aggregating to ₹ 50,00,00,000/- (Rupees Fifty Crores Only) excluding transaction costs viz. fees, brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty etc. ("Transaction Costs") (hereinafter referred to as "Buy-back Size"), which is within 25% of the total paid-up 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 (hereinafter referred to as "Buy-back Offer"), on a proportionate basis, from the equity shareholders / beneficial owners of the Equity Shares of the Company as on the record date to be decided at a later stage including those who are promoters and members of promoter group;

**FURTHER RESOLVED THAT** as required under Regulation 6 of the Buy-back Regulations, the Company shall buy-back the Equity Shares from the shareholders on a proportionate basis under the Tender Offer, provided 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 as on record date, whichever is higher, shall be reserved for small shareholders in accordance with the provisions of the Buy-back Regulations;

**FURTHER RESOLVED THAT** the Company shall earmark adequate sources of funds for the purpose of the Buy-back Offer and the amount required by the Company for the Buy-back Offer is intended to be met out of the Company's free reserves and/or current surplus and / or cash and cash equivalents and / or internal accruals and / or liquid resources and/or such other permissible sources of funds (and not from any borrowed funds) of the Company as the Board or a duly authorized representative thereof may decide from time to time;

**FURTHER RESOLVED THAT** the Company shall to the extent legally permissible, implement the Buy-back Offer using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular No. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as amended from time to time and the Company shall approach the BSE Limited and National Stock Exchange of India Limited (hereinafter referred to as "Stock Exchanges") for facilitating the same and BSE Limited shall be the Designated Stock Exchange for the proposed Buy-back Offer;

**FURTHER RESOLVED THAT** the Buy-back Offer would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

**FURTHER RESOLVED THAT** the Board be and is hereby authorized to do or to delegate all or any of the powers, including but not limited to the powers herein conferred to any committee of the Board or to any other director(s) or executive(s) / officer(s) of the Company, either jointly and/or severally, as may be necessary, expedient or proper with regard to the implementation of the Buy-back Offer including:

1. finalise terms of the Buy-back Offer, sign the public announcement, draft letter of offer, letter of offer, post Buy-back Offer announcement and addendum/corrigenda thereto, all the forms, documents, applications, undertakings and such other documents as may be required in connection with the Buy-back Offer;
2. appoint legal advisors, broker, registrar, advertising agency, printers, escrow agents, and other advisors, consultants or representatives for the Buy-back Offer as may be required or deemed fit;
3. fix up the remuneration including commission, brokerage, fees, charges etc. and terms & conditions for the appointments referred to in point 2 above;
4. fix record date in accordance with the Buy-back Regulations for determining the eligible shareholders from whom the buy-back of Equity Shares shall be made;
5. make any alteration(s), modification(s) to the terms and conditions of the Buy-back Offer in accordance with the statutory requirements and as it may deem necessary;
6. prepare, modify, make alterations, additions, deletions, variations, amendments or correction to and approve / file the final public announcement, draft letter of offer and final letter of offer, filing of declaration of solvency, certificate of extinguishment of equity shares and physical destruction of share certificates and all other documents / acts required to be filed / done in connection with the Buy-back Offer with SEBI / Stock Exchanges / Registrar of Companies, National Securities Depository Limited, Central Depository Services (India) Limited and other appropriate authorities;
7. make all the applications to the appropriate authorities for their requisite approvals;
8. open, operate and close all the necessary accounts such as broking account, escrow account, special account(s) and any other bank account(s) and depository account for the purpose of the Buy-back Offer and authorize persons to operate the said accounts;
9. arrange for bank guarantees as may be necessary for the Buy-back Offer in accordance with applicable laws;

10. decide source of funds for paying the consideration to the equity shareholders who have tendered their Equity Shares in the Buy-back Offer;
11. extinguish dematerialised shares/share certificates and physically destroy the shares/share certificates bought back under the Buy-back Offer and make necessary filings in this regard with the Securities and Exchange Board of India, Registrar of Companies under Ministry of Corporate Affairs, Depositories and / or other authorities as may be required;
12. settle all such questions, difficulties or doubts that may arise in relation to the implementation of the Buy-back Offer; and
13. delegate all or any of the powers, rights or authorities conferred above to any officer(s) / authorized representative(s) of the Company to give effect to the aforesaid resolution or to accept any change(s) or modification(s) as may be felt necessary or as may be suggested by the appropriate authorities or advisors.

**FURTHER RESOLVED THAT** nothing contained herein above shall confer any right on the part of any shareholder to offer, or any obligation on the part of the Company or the Board to buy-back any Equity Shares, and/or impair any power of the Company or the Board to terminate any process in relation to such Buy-back Offer as permissible by law;

**FURTHER RESOLVED THAT** the buy-back of Equity Shares from non-resident shareholders, overseas corporate bodies, shareholders of foreign nationality, etc. shall be subject to such approval, if and to the extent necessary or required from concerned authorities including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and relevant rules and regulations framed thereunder, if any;

**FURTHER RESOLVED THAT** all acts, deeds, matters and things, either verbal or written or otherwise, already done by the Company and/ or by any of its directors and/or officers and/or representatives for and in the name of the Company in regard to Buy-back Offer be and are hereby ratified and approved.”

By order of the Board of Directors,  
For, **LOVABLE LINGERIE LIMITED,**

Sd/-  
**L. Vinay Reddy**  
Chairman and Managing Director

Date: October 17, 2017  
Place: Mumbai

**Notes:**

1. Explanatory Statement pursuant to Section 102(1) of the Act in respect of the proposed Special resolution is annexed hereto and forms part of this notice.
2. The Board of Directors of the Company has appointed Mr. Chintan Goswami, Proprietor of C. J. Goswami & Associates, Practicing Company Secretaries (CP No. 12721), as the Scrutinizer for conducting the postal ballot process (including e-voting), in a fair and transparent manner.
3. This notice is being sent by electronic mode to those members, whose e-mail addresses are registered with the Company/ depositories, unless any member has registered for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice will be available on the Company's website [www.lovableindia.in](http://www.lovableindia.in).
4. Member(s) who have registered their email IDs for receipt of documents in electronic form, the postal ballot notice is being sent to their email addresses registered with their depository participants (in case of electronic shareholding)/ the Company's registrar and transfer agent (in case of physical shareholding). For member(s), whose email IDs are not registered, physical copies of the postal ballot notice along with postal ballot form are being sent by permitted mode along with a postage prepaid self-addressed business reply envelope. The self-addressed envelope bears the address to which duly completed postal ballot form is to be sent.
5. Resolution passed by the members of the Company through postal ballot shall be deemed to have been passed as if it has been passed at a general meeting of the members.
6. The members of the Company can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by valid e-voting shall prevail and votes cast through physical postal ballot form will be treated as invalid.
7. In case a member is desirous of obtaining a duplicate postal ballot form, he or she may send an email to Link Intime India Private Limited at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) and it shall forward the same along with postage prepaid self-addressed business reply envelope to the member.
8. In compliance with Section 110 read with section 108 of the Companies Act, 2013 and the Rules made there under, the Company has provided the facility to the members to exercise their votes electronically and vote on the resolution through the e-voting facility provided by Central Depository Services (India) Limited (CDSL). The instructions for e-voting are annexed to this notice.
9. A member cannot exercise his/her vote by proxy on postal ballot.
10. Members desiring to exercise their vote by physical postal ballot are requested to carefully read the instructions printed in the postal ballot notice and form and return the physical postal ballot form duly completed and signed, in the enclosed self-addressed business reply envelope to the Scrutinizer, so that it reaches the Scrutinizer on or before 5:00 PM IST on Saturday, November 25, 2017. The Company will bear the postage. However, envelopes containing postal ballots, if sent by courier or registered/ speed post, at the address mentioned on the self-addressed business reply envelope at the expense of the Members, will also be accepted. If any postal ballot is received after 5:00 PM IST on Saturday, November 25, 2017, it will be considered that no reply has been received from that member.
11. The last date of receipt of the business reply envelope with postal ballot form, i.e. Saturday, November 25, 2017, shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.
12. The postal ballot notice is also available on the Company's website at [www.lovableindia.in](http://www.lovableindia.in).
13. The Scrutinizer will submit his report to the Chairman & Managing Director or such other person as may be authorized by the Chairman & Managing Director after the completion of the scrutiny of the postal ballots (including e-voting). The result of the postal ballot would be announced by the Chairman & Managing Director or any other Director/ authorized person of the Company on or before Monday, November 27, 2017 and shall be displayed on the notice board of the Company at its registered office besides being communicated to BSE Limited and National Stock Exchange of India Limited. The results will also be displayed on the website of the Company at [www.lovableindia.in](http://www.lovableindia.in) for the information of the member(s).
14. All material documents referred in the explanatory statement shall be open for inspection at the registered office of the Company on all working days (except Saturday and Sunday) between 10.00 a.m. and 5.00 p.m. up to the last date of receipt of postal ballot form.
15. Any queries/grievances pertaining to:
  - a. Voting by postal ballot can be addressed to L. Vinay Reddy, Chairman & Managing Director of the Company at A-46, Street No. 2, MIDC, Andheri (East), Mumbai-400093, Maharashtra, India or by sending an e-mail at [corporate@lovableindia.in](mailto:corporate@lovableindia.in).

b. The e-voting process can be addressed to CDSL by sending an e-mail at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## 16. Voting through Electronic Means (E-voting )

In compliance with the requirements of regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 110, 108 and other applicable provisions of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 including the amendments thereto, the Company is pleased to provide e-voting facility to all its members, to enable them to cast their votes electronically, for the resolution proposed to be passed through postal ballot, instead of dispatching the physical postal ballot form by post. The Company has engaged the services of CDSL for the purpose of providing e-voting facility to all its members.

The instructions for members voting electronically are as under:

- a) The voting period begins on Friday, October 27, 2017 at 10.00 A.M. IST. and ends on Saturday, November 25, 2017 at 05.00 PM IST. During this period members of the Company, holding Equity Shares either in physical form or in dematerialized form, as on the cut-off date i.e. October 13, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- c) Click on "Shareholders" tab.
- d) Now Enter your User ID:
  1. For CDSL: 16 digits beneficiary ID,
  2. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  3. Members holding Equity Shares in physical form should enter folio number registered with the Company. (6 Digit Alpha-Numeric)
- e) Next enter the Image Verification as displayed and Click on Login.
- f) If you are holding Equity Shares in demat form and had logged on to <https://www.evotingindia.com> and voted on an earlier voting of any company, then your existing password is to be used.
- g) If you are a first-time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for members holding Equity Shares both in demat and physical form)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on postal ballot/attendance slip indicated in PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> <li>• 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 (d) .</li> </ul>

- h) After entering these details appropriately, click on "SUBMIT" tab.
- i) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein 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.
- j) For Members holding Equity Shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- k) Click on the EVSN for "LOVABLE LINGERIE LIMITED" on which you choose to vote.
- l) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES" and "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.

- m) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire resolution details.
- n) 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.
- o) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- p) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- q) If demat account holder has forgotten the login 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.
- r) Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- s) Note for Non – Individual Shareholders and Custodians
  - Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the board resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- t) 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## Annexure to Notice

### Explanatory Statement pursuant to section 102 of the Companies Act, 2013

This Explanatory Statement contains relevant and material information in accordance with applicable provisions of the Act and Rules made there under and Buy-back Regulations, to enable the members holding Equity Shares of the Company to consider and approve the proposed special resolution on the buy-back of the Company's Equity Shares.

#### 1. APPROVAL FOR BUY-BACK OF EQUITY SHARES NOT EXCEEDING 25% OF THE TOTAL NUMBER OF FULLY PAID-UP EQUITY SHARES OF THE COMPANY:

The Board of the Company at its meeting held on October 06, 2017, subject to the consent of the members of the Company, have accorded their consent for the buy-back of upto 20,00,000 (Twenty Lakhs) fully paid-up equity shares of the Company having face value of ₹ 10/- (Rupees Ten Only) each (representing up to 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 payable in cash for a total consideration aggregating to ₹ 50,00,00,000/- (Rupees Fifty Crores Only) excluding transaction costs viz. fees, brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty etc. which is within 25% of the total paid-up 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, on a proportionate basis, from the equity shareholders / beneficial owners of the Equity Shares of the Company as on the record date to be decided at a later stage including those who are promoters and members of promoter group.

Since the buy-back is more than 10% of the total paid-up equity share capital and free reserves of the Company, in terms of section 68(2)(b) of the Act, it is necessary to obtain the consent of the members of the Company, for the Buy-back Offer by way of a special resolution. Further, as per section 110 of the Act read with rule 22 (16) (g) of the Rules, the consent of the members of the Company to the Buy-back Offer is required to be obtained by means of postal ballot/e-voting. Accordingly, the Company is seeking your consent for the aforesaid proposal as stated in the resolution.

#### Requisite details relating to the Buy-back Offer are given below:

##### a) Necessity for the Buy-back

The buy-back proposal through 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 holding Equity Shares of the Company 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.

##### b) The maximum amount required under the Buy-back and its percentage to the total paid-up capital and free reserves:

The maximum amount required under the buy-back will not exceed ₹ 50,00,00,000/- (Rupees Fifty Crores Only), excluding transaction costs viz. fees, brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc. representing 23.20% of the total paid-up 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.

##### c) Buy-back Price 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 equity share.

The Buy-back Price of ₹ 250/- per equity share of the Company represents (i) premium of 3.32% and 3.08% over the average of volume weighted average price of the Equity Shares on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), respectively, for 3 months preceding the date of Board Meeting to consider the proposal of the Buy-back Offer (ii) premium of 5.05% and 5.90% 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 to consider the proposal of the Buy-back Offer and (iii) premium of 11.06% and 10.96% over the closing market price of the Equity Shares on BSE and NSE respectively as on the date of intimation of the board meeting for considering the proposal of Buy-back Offer.

##### d) 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 representing 11.90% of the total paid-up equity share capital of the Company.

**e) Method to be adopted for the buy-back:**

The Buy-back Offer shall be on a proportionate basis from the equity shareholders / beneficial owners of the Equity Shares of the Company including promoters and members of promoter group holding Equity Shares as on the record date through the "Tender Offer" route, as prescribed under the Buy-back Regulations.

As required under the Buy-back Regulations, the Company will announce a record date for determining the names of the equity shareholders who will be eligible to participate in the Buy-back Offer.

In due course, the equity shareholders as on the record date 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:**

- i. Reserved category for small shareholders, and
- ii. General category for all other shareholders.

As defined in the Buy-back Regulations, a 'small shareholder' is a shareholder who holds Equity Shares of the Company having market value, on the basis of closing price of shares, on the recognised stock exchange in which highest trading volume in respect of such Equity Shares is recorded, as on record date, is not more than ₹2,00,000/- (Rupees Two Lakhs only).

In accordance with Regulation 6 of the Buy-back Regulations, 15% (fifteen percent) 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 holding on the record date, the Company will determine the entitlement of each shareholder including small shareholder to tender their 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 participation of the equity shareholders of the Company in the Buy-back Offer will be voluntary. Equity shareholders may also tender a part of their entitlement. Equity 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 equity shareholders, if any. If the buy-back entitlement for any shareholder is not a round number, then the fractional entitlement shall be ignored for computation of buy-back entitlement to tender Equity Shares of the Company in the Buy-back Offer.

The maximum number of Equity Shares that can be tendered under the Buy-back Offer by any equity shareholder cannot exceed the number of Equity Shares held by such equity shareholder as on the record date. The Equity Shares tendered as per the entitlement by members 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 Buy-back Offer will be done using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as may be amended from time to time and other relevant rules and regulations.

Subject to members' approval hereunder, detailed instructions for participation in the Buy-back Offer as well as the relevant schedule of activities will be included in the letter of offer which will be sent to the equity shareholders holding Equity Shares as on the record date.

The buy-back of equity shares from non-resident members, overseas corporate bodies (OCBs), foreign institutional investors (FIIs) and members of foreign nationality, if any, shall be subject to such approvals if and to the extent necessary or required from concerned authorities including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and relevant rules and regulations framed thereunder, if any.

**f) Aggregate shareholding of the promoter, 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 this Notice:**

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*	-	-
<b>Total of promoter with &amp; promoter group, directors of the promoter companies and persons acting in concert</b>	<b>1,12,94,826</b>	<b>67.23</b>

\*There are no promoter companies of, and persons acting in concert in, the Company.



- g) **Aggregate number of Equity Shares purchased or sold as well as minimum and maximum price at which such purchases and sales were made along with relevant dates by persons mentioned under (f) above for a period of six months preceding the date of the Board Meeting at which the buy-back was approved till the date of this notice:**

No Equity Shares of the Company were either purchased or sold by any of the persons mentioned in clause (f) above during the period of six months preceding October 06, 2017, and October 17, 2017 being the date of the board meeting of the Company at which the Buy-back Offer was approved and the date of this notice respectively .

- h) **Intention of the Promoter and Promoter Group of the Company to tender Equity Shares in the Buy-back Offer:**

In terms of the Buy-back Regulations, under the Tender Offer route, the promoter and members of promoter group of the Company have the 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 shares in the Buy-back Offer:

Sr. No.	Particulars	Equity Shares held on October 06, 2017	Maximum No. of equity shares which may be tendered
<b>A.</b>	<b>Promoter</b>		
	L Vinay Reddy	51,24,250	19,00,000
	<b>Total Promoter (A)</b>	<b>51,24,250</b>	<b>19,00,000</b>
<b>B.</b>	<b>Promoter Group</b>		
	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
	<b>Total Promoter Group (B)</b>	<b>61,70,576</b>	<b>11,00,000</b>
	<b>Total Promoter and Promoter Group (A+B)</b>	<b>1,12,94,826</b>	<b>30,00,000</b>

Further details of date and price of acquisition(s) of equity shares that the promoter and promoter group intend to tender are as under:

- a) **L Vinay Reddy**

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

- b) **Shobha Jaipal Reddy**

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
<b>Sub-Total</b>		<b>2,200</b>	<b>100</b>		
2	February 08, 2010	22,000	10	NA	Split of face value of equity shares from ₹100/- each to ₹10/- each
3	February 25, 2010	4,78,000	10	NIL	Bonus issue
<b>Total</b>		<b>5,00,000</b>	<b>10</b>		

c) Prashant Jaipal Reddy

Sr. No.	Date of Acquisition	No. of equity shares	Face Value (₹)	Issue/ Acquisition price per Share (₹)	Nature of Transaction
1	February 25, 2010	5,00,000	10	NIL	Bonus issue

d) Taruna V. Reddy

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
	<b>Sub-Total</b>	<b>100</b>	<b>100</b>		
2	February 8, 2010	1,000	10	NA	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 6, 2013	42,500	10	241.69	Open market purchase
	<b>Total</b>	<b>50,000</b>	<b>10</b>		

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
	<b>Sub-Total</b>	<b>100</b>	<b>100</b>		
2	February 8, 2010	1,000	10	NA	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
	<b>Total</b>	<b>25,000</b>	<b>10</b>		

f) L Jaipal Reddy (HUF)

Sr. No.	Date of Acquisition	No. of equity shares	Face Value (₹)	Issue/ Acquisition price per Share (₹)	Nature of Transaction
1	October 30, 2009	100	100	NIL	Gift
	<b>Sub-Total</b>	<b>100</b>	<b>100</b>		
2	February 8, 2010	1,000	10	NA	Split of face value of equity shares from ₹ 100/- each to ₹ 10/- each
3	February 25, 2010	4,000	10	NIL	Bonus issue
	<b>Total</b>	<b>5,000</b>	<b>10</b>		

**g) Lattupalli Veena Reddy**

Sr. No.	Date of Acquisition	No. of equity shares	Face Value (₹)	Issue/ Acquisition price per Share (₹)	Nature of Transaction
1	February 15, 2007	2,000	100	100	Acquisition through inter-se transfer
	<b>Sub-Total</b>	<b>2,000</b>	<b>100</b>		
2	February 8, 2010	20,000	10	NA	Split of face value of equity shares from ₹ 100/- each to ₹ 10/- each
	<b>Total</b>	<b>20,000</b>	<b>10</b>		

**i) No Defaults:**

The Company confirms that there are no defaults made or subsisting in the repayment of deposits or interest payment thereon, redemption of debentures or interest payment thereon, redemption of preference shares or payment of dividend due to any shareholder or repayment of term loans or interest payable thereon to any financial institution or banking company.

**j) Confirmation that the Board of Directors have made full enquiry into the affairs and prospects of the Company and that they have formed the opinion to the effect that the Company, after Buy-back Offer will continue to be able to meet its liabilities and will not be rendered insolvent:**

The Board of Directors of the Company have made full enquiry into the affairs and prospects of the Company and have formed the opinion:

- i. 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 to pay its debts;
- ii. 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, in 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
- iii. 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, 1956/2013 whichever is applicable.

**k) Report addressed to the Board of Directors by the Company's 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

To,  
Board of Directors  
**Lovable Lingerie Limited**  
A-46, Road No.2,  
MIDC, Andheri (East),  
Mumbai – 400 093,  
Maharashtra, India.

### **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**

1. This Report is issued in accordance with the terms of our service scope letter dated September 29, 2017.
2. 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 or 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.

#### **Auditor's Responsibility**

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**")
  - (i) 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
  - (ii) Whether the Board of Directors has formed the opinion, as specified in Clause (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.
6. 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.
7. 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 Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. 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 performed, inter alia, the following procedures in relation to the Statement:
  - i) 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;

- ii) 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;
- vii) Examined Directors' declarations for the purpose of buy-back and solvency of the Company; and
- viii) Obtained necessary representations from 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
- b) that the Board of Directors in their meeting held on October 6, 2017 have formed the opinion, as specified in clause (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 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 without our prior consent in writing.

**For, DMKH & Co.**  
**Chartered Accountants**  
**ICAI Firm Registration Number: 116886W**

**Sd/-**  
**CA Durgesh Kabra**  
**Partner**  
**Membership Number: 044075**

**Place: Mumbai**  
**Date: October 17, 2017**

**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	Amount in ₹	Amount in ₹
<b>A</b>	<b>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</b>		
<b>a.</b>	<b>Total paid-up share capital</b>		<b>16,80,00,000</b>
	<b>Free reserves, comprising of</b>		
	-Securities premium account	1,00,16,83,036	
	-General reserve	8,51,40,000	
	-Surplus in the statement of profit and loss	90,02,07,856	
<b>b.</b>	<b>Total free reserves</b>		<b>1,98,70,30,892</b>
	<b>Total paid-up share capital and free reserves (a+b)</b>		<b>2,15,50,30,892</b>
<b>B</b>	<b>The amount of maximum permissible capital payment towards the buy-back being lower of;</b>		
	(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**

sd/-  
**L. Vinay Reddy**  
**Chairman & Managing Director**

Place: Mumbai  
Date: October 06, 2017

**Unquote**

**l) Compliance of Regulation 19(2) of the Buy-back Regulations:**

The board of directors of the Company hereby confirm that there shall be no pendency of any scheme of arrangement or amalgamation or compromise involving the Company pursuant to provisions of the Companies Act, 2013 as on the date of the public announcement.

**m) Compliance with Section 68(2)(c) of the Companies Act, 2013:**

The aggregate paid-up share capital and free reserves (including securities premium account) as on March 31, 2017 is ₹ 215.50 Crores. Under the provisions of the Companies Act, 2013, the funds deployed for the buy-back cannot exceed 25% of the total paid-up share capital and free reserves of the Company i.e. ₹ 53.87 Crores.

Further, under the Act, the number of Equity Shares that can be bought back during a financial year shall not exceed 25% of the paid-up Equity Shares of the Company. Accordingly, the number of Equity Shares that can be bought back during the current financial year cannot exceed 42,00,000 Equity Shares being 25% of 1,68,00,000 Equity Shares as per the audited financial statements for the year ended March 31, 2017.

**n) As per the provisions of the Buy-back Regulations and the Companies Act, 2013 it is confirmed:**

- i. That all the Equity Shares of the Company are fully paid up;
- ii. That the Company has not completed a buy-back of any of its securities during the period of one year immediately preceding the record date for this Buy-back Offer;
- iii. That the Company shall not issue or allot any Equity Shares including by way of bonus till the date of closure of this Buy-back Offer except in discharge of subsisting obligations such as stock option schemes, sweat equity as may be permitted under the relevant regulations and applicable law;

- iv. The Company shall not raise further capital for a period of one year from the closure of the Buy-back Offer, except in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares;
- v. That the Company shall not buy-back any locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable;
- vi. That the Company shall not buy-back its Equity Shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement;
- vii. That the Company shall not directly or indirectly purchase its own equity shares through any subsidiary company including its own subsidiary companies or through any investment company or group of investment companies;
- viii. That the Company shall not make any offer of buy-back within a period of one year reckoned from the date of closure of this Buy-back Offer;
- ix. That funds borrowed from banks and financial institutions will not be used for the Buy-back Offer;
- x. That the ratio of the aggregate of secured and unsecured debts owed by the Company immediately after the Buy-back Offer is not more than twice the paid up capital and free reserves of the Company;
- xi. The Company will not withdraw the Buy-back Offer after the Draft Letter of Offer is filed with the Securities and Exchange Board of India (“SEBI”); and
- xii. That the Company has been in compliance with Sections 92, 123, 127 and 129 of the Act.

**For any clarifications related to the buy-back process, the equity shareholders may contact any one of the following:**

<p><b>L. Vinay Reddy</b>  Chairman &amp; Managing Director  Lovable Lingerie Limited  E-mail: corporate@lovableindia.in  Tel: 022- 2838 3581</p>	<p><b>Ms. Shweta Poojari</b>  Link Intime India Private Limited  C101, 247 Park, LBS Marg, Vikhroli (West)  Mumbai – 400083  Tel No.: +91 22 49186000  Fax: +91 22 49186060  Email: rnt.helpdesk@linkintime.co.in</p>
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All the material documents referred to in the explanatory statement such as the memorandum and articles of association of the Company, relevant board resolution for the buy-back, the auditors’ report dated October 17, 2017 and audited financial statements for the year ended on March 31, 2017 are available for inspection by the members of the Company at its registered office on any working day (except Saturday and Sunday) between IST 10.00 a.m. and 5.00 p.m. up to the last date of receipt of postal ballot form specified in the accompanying notice.

In the opinion of the Board, the proposal for buy-back is in the interest of the Company and its equity shareholders. The directors, therefore, recommend passing of the special resolution as set out in the accompanying notice for your approval.

None of the directors or key managerial personnel of the Company or their relatives is / are directly / indirectly concerned / interested in the above resolution except to the extent of their respective interest as shareholders of the Company.

Date: October 17, 2017  
Place: Mumbai

By order of the Board,  
For, **LOVABLE LINGERIE LIMITED,**

**Sd/-**  
**L. Vinay Reddy**  
**Chairman and Managing Director**

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

