

# 2010

## PROVOGUE



# Unlocking Value



PROVOGUE



Provogue 2010 is in high gear. Expanding our lifestyle brand reach across India and developing the Prozone land bank into a range of retail-centric mixed-use real estate assets. Unlocking value is the mantra of our evolving business model







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## Business in Motion

Provogue is a dream made reality through consistent hard work and inspirational strategies. Today, we are a business in motion, attuned to the new economic world order and fit for the opportunities of a vibrant domestic economy. We have institutionalized the company and are geared to take on the next phase of our growth against the backdrop of a robust consumption story

# Letter to Shareholders

“Provogue has evolved as a full-fledged retail derivatives business, empowered by India's robust economic and consumption fundamentals”

## Dear Fellow Shareholders

This has been an exhilarating year for Provogue; one which heralds the beginning of a new era in the Company. The impact of the global economic downturn last year forced us to take a deep dive into our business and examine every aspect of our model and its constituent parts. It provided an opportunity for us to look again at our portfolio of investments and to identify areas where we could improve our performance and enhance value.

The title of this year's Annual Report is a reflection of this introspection. I'm convinced that our faith in India's consumption story and our retail-centric vision has yielded a strong business model. Provogue has evolved as a full-fledged retail derivatives business, empowered by India's robust economic and consumption fundamentals. And, as we grow as a business, we have institutionalized the Company, with every single team focused on unlocking the value that we've built-in over the years.

While the global economy is beginning to show signs of a modest recovery, India's GDP growth, currently about 7.5%, is forecast by economists to remain at around 8% for the next decade. The total retail market is expected to cross USD 500 billion next year. The organized sector, in which Provogue operates, is under 7% of the total and expected to grow to between 15% to 20% by 2013.

Against this positive market backdrop, we are now running three retail business units, namely the Provogue Brand, Prozone Regional Shopping Centres and Retail Centric Mixed Use Development.

### PROVOGUE RETAIL BRAND

Provogue has achieved 'critical mass' as a fashion and lifestyle brand, both in the front-end retail formats and the back-end supply chain infrastructure. At the end of the last financial year we were present in 70 markets pan-India operating through about 350 doors, comprising 127 of our own stores, 119 shop-in-shops with India's leading department stores and the balance through multi brand outlets (MBOs) and licensed wholesalers.

The supply chain has been fully SAP enabled improving the decision making process and the time to market with resultant gains in efficiencies. Our captive manufacturing has

been expanded with the addition of a new unit in Himachal Pradesh, bringing our capacity to over 1 million pieces per annum. We are primed and ready for the next phase of growth in the Brand and an aggressive roll-out is underway. Older stores are being refurbished in line with our new brand and another 75 stores will be opened this year. In addition, national chain stores are forecasting to add another 30 locations before the end of 2010 that will include our shop-in-shop formats. The combined effect will be to give a huge impetus to sales and market share from this year onwards.

The Promart value retail model is being repositioned. We've closed the large store in Ahmedabad and are reworking the concept around a smaller format of 8,000 square feet.

### PROZONE REGIONAL SHOPPING CENTRES

Meticulous planning, design and development will come to fruition in October 2010 with the launch of our first Regional Shopping Centre in Aurangabad. I'm delighted by the support we have received from the country's leading retailers who have joined us as tenant-partners in Aurangabad. Leave and License revenues will start to flow this year with corresponding impact to our financial performance.

Learnings from Aurangabad are being applied to the next two Centres, which are being built in the cities of Nagpur and Coimbatore. Supported by commitments from key anchor tenants, both these Centres are scheduled to open in 2013.

The recent exit of many non-specialist shopping centre developers has significantly reduced the number of new Centres on the Indian landscape. This enables specialist players to emerge as leaders and we expect Prozone be counted amongst this leader group companies.

Over the long term the 'stickiness' of retail infrastructure assets, high replacement costs and consistent rental increases over the average economic growth can lead to attractive yield compression. I am convinced we are truly at the cusp of unleashing significant value from this business.

Our joint venture and close relationship with Capital Shopping Centres Group Plc, UK (CSC) has ensured world-class design and operating experience has been built into every scheme. We're delighted to have them as long term partners who share our vision for India's retail potential.

"We have institutionalized the Company, with every single team focused on unlocking the value that we've built-in over the years"

#### **RETAIL-CENTRIC MIXED USE DEVELOPMENT**

Evidence from other centres in India, proves that land adjacent to Regional Shopping Centres becomes extremely valuable once a Centre is operating. We have developed detailed plans to realize this added value on our additional land adjacent to each Centre.

As demand for housing in India's new urban cities is high, we are developing residential communities and as well office blocks and hotels. We will sell the residential developments to provide sufficient income to retire the Shopping Centre construction loans and leave a debt free asset.

#### **FINANCIAL PERFORMANCE**

We closed FY10 with total revenue of INR 501 crores, 30% up on the previous year and with EBITDA of INR 72 crores, up 11%. Operating profit of INR 39 crores was up 34% from the previous year and PAT of INR 28.35 crores was marginally down from INR 29.45 crores. Overall it was a healthy performance against the backdrop of a retail market that was emerging from a down-cycle in 2008-09. I'd like to take this opportunity to thank all our internal teams who have worked hard to deliver these results and to prepare us for an exciting future.

Sincere thanks as always to our shareholders, business partners, vendors and, of course, our customers for your unwavering support. I look ahead with ever increasing optimism to a great future unfolding for all us at Provogue.

Sincerely,

Nikhil Chaturvedi  
Managing Director



# Letter to Shareholders

“ Consumers are our ultimate customer and meeting their needs in a rapidly changing market requires constant vigil and creativity ”

## Dear Fellow Shareholders

Once again it is a pleasure to update you on the Company. This year we've focused on execution and this will remain our priority for the next few years so as to realise the full value of our accumulated assets.

Investments into the retail infrastructure platform are providing entry into other related retail-centric development sectors. Prozone has turbo-charged the business, however efficient execution and a reinvigorated Provogue Brand - the soul of the Company - will be the keys to optimizing value.

### CONSUMER FOCUS

Across the verticals, we remain conscious of needs of the end customer, part of our DNA since starting the Provogue brand 10 years ago. Consumers are our ultimate customer and meeting their needs in a rapidly changing market requires constant vigil and creativity.

We have selected land parcels for shopping centre development that are convenient and cost effective. Our ability to attract the country's leading retailers into our first Regional Shopping Centre in Aurangabad is testimony that our strategy is working. Aurangabad will offer the best shopping and entertainment experience in the Marathwada region of Maharashtra and will consolidate a considerable footfall from a 60 km catchment area.

As we extend our property business into retail-centric mixed-use development of offices, hotels and residential communities, we have engaged global architecture firms with a deep understanding of this infrastructure. Add to this our own knowledge of the Indian market and we have a winning team in place.

### PROZONE BECOMES REALITY

Prozone Aurangabad is already 90% leased out and the opportunity to develop commercial and hospitality infrastructure around the Shopping Centre will add further value. When the Centre is opened on 8th October, customers, retailers and business partners will be able to see first-hand the quality of the asset that we've built. The next two projects

in Nagpur and Coimbatore will benefit from this maiden launch and attract new opportunities to grow our business model still further.

The launch of the residential developments attached to these projects, plus Indore, will reach optimum scale in about two years, enhancing top and bottom lines and creating liquidity as we monetize the assets.

The lack of supply in India's Mall space, due to the exit of many non-specialist players, is seen as an opportunity, and over the course of this next year we will study which other sites can be entered. Our strong teams on Projects, Sales and Finance are well equipped to take on this growth ahead.

Prozone has immense potential to unlock value for all shareholders who have shown faith in the ability of our team to enter new horizons.

### PROVOGUE'S NEW BRAND IDENTITY

We are delighted with the relationship with our new brand Ambassador, Hritik Roshan. This coincided with the launch of our new Brand Identity, which is rolling out across the footprint.

Provogue is an Indian fashion label. We are proud of the relationship we've built up with our loyal customer base and are building new loyalties with India's youthful consumer by introducing wider ranges and contemporary styling. We are developing a significantly larger denim range for next season and going deeper with our womenswear collections, being strongly casual.

Rental corrections and economies of scale are right and roll-out is in high gear. The Brand has reached an exciting new point in its history and has the built-in energy to take us to new milestones in the future.

### THE QUEST FOR VALUE

We have always adopted a conservative approach to investments and to financial leverage. As a result our balance sheet is in a strong position with a low debt to equity ratio and we have enough resources to realise all the initiatives we are undertaking.



“Prozone has turbo-charged the business, however efficient execution combined with a reinvigorated Provogue Brand - the soul of the Company - will be the keys to optimizing value ”

Our operating profit margin, up 34% from last year is a reflection of the hard work we've done in these past 12 months to ensure that our costs are optimised. We are on a constant quest for value, both in our tangible and intangible assets. We have set up task forces across the spectrum of our business to ensure that we remain vigilant on every aspect of cost and to optimally leverage assets that we've built or acquired over the years.

So in summary, it's going to be a fulfilling journey ahead for all of us. I'd like to thank all our stakeholders, our internal teams, our business partners and especially our shareholders who have had so much faith in us. We truly appreciate this trust in our management and our vision. I am sure that Provogue (India) Limited is a Company that we can all be proud to say “we built together”.

Sincerely,

Salil Chaturvedi  
Deputy Managing Director



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# Board of Directors

## EXECUTIVE DIRECTORS

### 1 **MR. NIKHIL CHATURVEDI**

Founder and Managing Director. Nikhil is a visionary and hands-on leader, who inspires all the teams with a passion for service and single mindedness to build share-holder value which is his driving force

### 2 **MR. SALIL CHATURVEDI**

Co-Founder known for his entrepreneurial drive, he has led the teams and been at the forefront of the brand creation process. Active in strategy, structuring and investor relations he leads new business initiatives

### 3 **MR. DEEP GUPTA**

Co-Founder Deep leads finance, treasury, administration and legal teams for the group, involving the development of systems, processes, human resources, information technology and investment policy

### 4 **MR. AKHIL CHATURVEDI**

Akhil leads all retail activities of the Provogue and Promart divisions, driving future expansion plans, sales and operating strategies and other retail business development initiatives

### 5 **MR. RAKESH RAWAT**

Rakesh leads the Prozone Liberty design, project management and construction teams and the health, safety and environmental initiatives. He also leads the International trade division

### 6 **MR. NIGAM PATEL**

Nigam leads the Prozone-Liberty location sourcing, mall management and customer relationship teams, involving land Joint Ventures, tenant mix strategy, leasing policy and new revenue creation

## NON-EXECUTIVE DIRECTORS

### **MR. ARUN BHARGAVA**

Mr Bhargava is retired from the Indian Civil Services and holds a bachelors degree in science and law. He held various positions in the Government sector over a career spanning 38 years including membership of the Central Board of Direct Taxes (CBDT). Subsequently, he became a Member of the Securities Appellate Tribunal (SAT). The Company benefits significantly from his advice

### **MR. SHAHID BALWA**

Mr. Balwa has promoted Associated Hotels Limited and is also the Managing Director of BD&P Hotels (India) Pvt. Ltd. which owns the Le Meridian Hotel, Mumbai. With over a decade's experience in the hospitality and construction industry, he provides the Company with valuable insights into the Indian Real Estate market

### **MR. SURENDRA HIRANANDANI**

Mr. Hiranandani is the Managing Director and Founder of the Hiranandani Group of Companies, a leader in Indian quality real estate development. He has been honoured by the American Concrete Institute for his excellence and contribution to the real estate industry, particularly for adopting the best in foreign technology to the skills of India's engineering and labour artisans

### **MR. AMITABH TANEJA**

Mr. Taneja is Managing Director and Founder of New Delhi based Images Multimedia Pvt. Ltd., which publishes the country's leading trade journals on fashion and retail. He is also Chairman of Images Fashion Forum and India Retail Forum, which hosts India's leading industry conferences in these fields. As a pioneer of organised retail in India the Company benefits significantly from his insights

### **MR. PUNIT GOENKA**

Mr. Punit Goenka, Director of Essel Group, is the CEO of Zee Entertainment Limited and manages one of India's most successful TV and Media businesses. He has an extensive and diversified background in the areas of media, entertainment, and telecommunications and has attended senior management education programs in both Europe and the USA. He brings a fresh and valuable contribution to the Board

## Our Vision

Provogue will evolve into a retail-centric group of branded businesses focused on customer needs





## Corporate Information

### BOARD OF DIRECTORS

Nikhil Chaturvedi - Managing Director

Salil Chaturvedi - Deputy Managing Director

Deep Gupta - Executive Director

Rakesh Rawat - Executive Director

Akhil Chaturvedi - Executive Director

Nigam Patel - Executive Director

Arun Bhargava - Non Executive Director

Punit Goenka - Non Executive Director

Surendra Hiranandani - Non Executive Director

Shahid Balwa - Non Executive Director

Amitabh Taneja - Non Executive Director

### COMPANY SECRETARY

Mukesh Khetan

### STATUTORY AUDITORS

Singrodia Goyal & Co.  
Chartered Accountants  
A-201, Rajeshri Accord, Tolly Cross Lane  
Off. S. N. Road, Andheri (E), Mumbai - 400 069

### REGISTRAR & TRANSFER AGENT

Link Intime India Pvt. Ltd.  
C/13, Pannalal Silk Mills Compound  
L.B.S. Road, Bhandup (W), Mumbai - 400 078

### REGISTERED & CORPORATE OFFICE

105/106, Provogue House  
1<sup>st</sup> Floor, Off New Link Road  
Andheri (W), Mumbai - 400 053

### BANKERS

Andhra Bank  
Corporation Bank  
HDFC Bank  
Indusind Bank  
Punjab National Bank

## Our Philosophy

Make your customer successful and the company will flourish



## Our DNA

Understanding the rapidly evolving Indian consumer and meeting those needs with efficient and compelling offers is the essence of Provogue

### **PROVOGUE DNA**

Understanding the rapidly evolving Indian consumer and meeting those needs with efficient and compelling offers is the essence of Provogue. We have many categories of customers to which this applies: our consumers, our suppliers, our distributors, our business partners as well as our internal customers - our valued employees. We believe in a strong service culture and that striving to serve the needs of all our stakeholders will lead us to success together. This is the spirit of new India and is our driving force.

India's growing consumption story is the prime driver of the new Indian economy and retail, today, represents approximately two-thirds of this consumption. Modern retail is still in its infancy in India but is growing at almost three times the rate of the overall retail market. This is the market universe in which Provogue (India) Limited operates - a high energy segment with years of sustainable growth ahead, flush with opportunities to explore solutions and create value.

# Our Business Units

## PROVOGUE BRAND

The Provoque brand continues its tradition as one of India's premier fashion labels. We are continuously evolving garment designs, introducing new categories, enhancing retail fit-outs and extending our reach through new locations across the country.

## PROZONE REGIONAL SHOPPING CENTRES

Prozone shopping centres are under development with the first scheduled to open in October 2010. Close liaison with our joint-venture partner Capital Shopping Centres Group Plc, a UK FTSE-100 company with more than 30 years of experience in retail infrastructure, is ensuring design, quality and safety measures to the highest international standards.

## RETAIL-CENTRIC MIXED USE DEVELOPMENT

Land banks upon which retail infrastructure is being developed present opportunities to unlock additional value through mixed - use development. Prozone is enhancing its real estate portfolio with the addition of commercial, hospitality and residential developments.



## Our Business Model



INDIAN  
CONSUMPTION  
STORY

RETAIL  
PORTFOLIO

INTANGIBLE  
ASSETS

PROPERTY  
YIELDS

**RETAIL BRANDS BUILD INTANGIBLE ASSETS, RETAIL FORMATS BUILD A PORTFOLIO OF EXPERIENCE AND INVESTMENTS IN RETAIL INFRASTRUCTURE LEAD TO PROPERTY YIELDS**

The Provogue business model is built upon three platforms each of which involve a long term ownership strategy designed around the Indian consumption story. The balance of these three businesses is designed to both optimise and smoothen earnings and to leverage our knowledge and experience of the Indian retail market.

Provogue operates across 350 doors in India  
and will add over 100 this year



# PROVOGUE

Investments in the Brand over the past few years has ensured that up to date infrastructure in both the front and back ends of the business is well embedded. Our learnings over the past few years has resulted in a mature business model that is now primed for the next phase of growth. The momentum in the organized retail sector, which is forecast to grow from 7% of total retail to over 15% within 3 years, combined with a correction in retail rents reinforces the decision to go for an aggressive next phase of distribution expansion this year.

At the end of the last financial year we were present in 70 markets pan-India operating through about 350 doors, comprising 127 of our own stores, 119 shop-in-shops with India's leading department stores and the balance through multi brand outlets (MBOs) and licensed wholesalers. We will add another 75 stores and over 30 shop-in-shop formats with India's leading department stores this year, thereby increasing our doors by more than 100. This will result in a significant uplift in sales and market share going forward.

To be aligned with our new brand identity all the older stores are under an intensive refurbishment programme that will be completed during the coming year. International store designers have been engaged to bring in world-class styling and fit-outs. This will ensure that we exceed consumer expectations for a rewarding and contemporary experience while shopping.



## Provogue Brand

Provogue has built its reputation as a leader in Indian fashion and we will maintain this position as a destination for consumers looking for the best in contemporary Indian lifestyle choices.

Our in house design team has been augmented through liaisons with some of India's leading fashion designers. We also visit key international fashion markets each season. The combination of these initiatives is ensuring that our collections are critically aligned with global fashion trends and are relevant to the tastes and fits of the Indian consumer. Brand new collections and accessories for men and women are launched twice a year and in-between we have introduced spotlight mini-collections to keep the stores fresh for every consumer visit. New product categories will be introduced this year, with a major focus on denim for an increasing youthful consumer segment. The accessories range will also be augmented with a high-end wristwatch collection amongst other initiatives.

To build deeper market penetration and enhance product categories further we have entered a series of Joint Ventures

and Licensing agreements for the brand which are successfully reaching more and more of the mass market in locations and markets that would otherwise be difficult to reach alone.

Our manufacturing assets have been augmented with the opening of a new garment making plant in Himachel Pradesh, bringing our total manufacturing capacity to over 1 million pieces per annum. This captive manufacturing improves our time to market and is geared to our fast-moving lines. We continue to outsource the remaining garment manufacturing with a close-knit group of specialty vendors.

The supply chain infrastructure has been fully SAP enabled in the past twelve months. This improves the decision making process and the time to market with resultant gains in efficiencies and better store replenishment timelines.

The Promart value lifestyle retail brand is undergoing repositioning. We've closed one store in Ahmedabad and are developing a new model on a smaller store format of 8,000 square feet.



# PROVOGUE

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Our first regional shopping centre will open in October 2010... and will pave the way for a new era in the evolution of Provogue.



Prozone Enterprises Pvt Limited is a joint venture between Provogue (India) Limited and Capital Shopping Centres Group Plc of the UK (Formerly Liberty International). Liberty International Plc was renamed Capital Shopping Centres Group Plc upon the demerger of its central London business into a separate listed company, Capital & Counties. CSC is one of the UK's largest listed property companies, a real estate investment trust (REIT) and a constituent of the FTSE-100 Index of the UK's leading listed companies. CSC has over 30 years of experience in developing retail infrastructure assets and own and operate 9 of the UK's top 21 shopping centres.

#### **PROZONE STRATEGY**

The Prozone-CSC long term strategy is to build a portfolio of retail-centric property assets in prime urban locations pan India. Prozone aims to build a leading position as an owner, manager and developer of superior Indian regional shopping centres through a mix of retail, catering and leisure facilities, creating a compelling choice for both retailers and the modern Indian shopper.

In addition to its portfolio of Shopping Centres, Prozone-CSC is launching related mixed-use development of Office Blocks, Hotels and Residential Communities on land adjacent to the retail infrastructure. This will optimize value from the original investments in land identified for Shopping Centre development.

## Regional Shopping Centres

Construction of the first regional shopping centre development in Aurangabad with approximately 800,000 square feet of shops, restaurants and entertainment has been completed and is in the fit-out stage. Prozone Aurangabad will open in October 2010 and will pave the way for a new era in the evolution of the Company.

With our partners, CSC, we have put major emphasis on getting our first shopping centre right the first time, with in-built ability to serve a wide catchment long into the future. We are also working closely with the local authorities to optimize value to local communities and to make it a true destination for tourists and residents from all ages groups with a focus on families shopping together.

Learnings from Aurangabad will lead to improved efficiencies going into the next projects. Two further

Shopping Centre developments in Nagpur and Coimbatore are well advanced in terms of planning and architecture and we expect to start construction on both projects before the end of this fiscal year and have them ready to open by 2013.

It's all in the detail. We believe that specialist developers with a single minded focus on the details will deliver the best shopping centres providing optimal long term rewards in value. Details in design around the needs of both the retailer and the consumer; details on internal infrastructure such as car parking, amenities, services and access roads; details on shop layouts and the mix of tenants; details on safety systems and care facilities for the handicapped, small children and the elderly; details on entertainment and refreshment locations; details on ease of access for deliveries and facilities for the staff and employees who will make it their career to work in our Centres.





## Retail-Centric Mixed Use Development

The land adjacent to Regional Shopping Centres traditionally becomes very valuable after the Center is opened and therefore a magnet for new urban development including offices, residential and hospitality. To capitalize on our investments in retail infrastructure, we have acquired sufficient land around the Shopping Centre plots to enable our own development in these mixed-use assets which will add significant further value to the business as a whole.

Experience from other markets, reinforced by own experience in the first development in Aurangabad, has proven that people will want to live nearby great retail and entertainment destinations. Companies too, are keen to move their offices into these environments and hotels serving both business and leisure travelers want to be located within the vicinity.

We have the opportunity to sell residential assets to provide sufficient income to retire the Shopping Centre construction loans and leave a debt free asset. Furthermore, we have the choice to either lease Offices and Hotels to operators

ourselves, enter into a joint venture developments or to sell these finished assets for immediate revenues. These decisions will be made in the best interests of the Company on a case-by-case basis.

Retail infrastructure assets have a "stickiness" over the long term because retailers are reluctant to move locations away from a strong consolidated footfall driver, their customers having become accustomed to shopping in a large engaging modern environment. In addition high replacement costs and consistent rental increases over and above the average economic growth can lead to attractive yield compression. Capital Shopping Centres for example have experienced an average year-on year growth in lease income from tenants of 7% over a 25 year period, compared to general economic growth of 2% over the same period.

We have successfully established Provogue in the retail-centric property field and can now look forward to realizing significant added value to the Company as these plans materialize over the next few years.





# Background on Capital Shopping Centres Group PLC

Liberty International PLC was renamed Capital Shopping Centres Group PLC on 7 May 2010 upon the demerger of its central London business into a separate listed company, Capital&Counties.

Capital Shopping Centres Group PLC is one of the UK's largest listed property companies, a real estate investment trust (REIT) and a constituent of the FTSE-100 Index of the UK's leading listed companies. On a pro-forma post merger basis, at 31 December 2009, adjusted, diluted shareholders' funds amounted to £2.1 billion and Capital Shopping Centres Group PLC owned £5.0 billion of properties. It is the leading UK shopping centre business with focus on prime assets including Lakeside Thurrock; Metrocentre, Gateshead;

Braehead Glasgow; The Harlequin, Watford; and The Arndale, Manchester.

CSC's strategy is to maintain a market leading position as an active owner, manager and developer of prime UK regional shopping centres. CSC undertakes asset and centre management initiatives across its existing centres, combined with selective acquisitions and disposals, with the aim of delivering strong long-term returns for shareholders through income and capital growth. CSC is committed to active tenant management and ongoing investment in its shopping centres with the aim of creating, through a mix of retail, catering and leisure facilities, a compelling choice for both retailers and the shopping public.

- 13.8 MILLION SQ. FT. OF RETAIL SPACE
- 13 COMPLETED CENTRES - INCLUDING 9 OF THE UK'S TOP 30
- OVER 2,000 SHOPS AND STORES
- 275 MILLION CUSTOMER VISITS PER YEAR



Capital Shopping Centres Group PLC have appointed two of their most senior Directors to the Board of Prozone Enterprises Pvt Ltd, namely Mr David Fischel, Chief Executive and Mr John Abel, Director.



Joined the group in 1985, appointed Finance Director in 1988, Managing Director in 1992 and Chief Executive in March 2001. Throughout his career with the group, he has been closely involved with its corporate development, including its shopping centre business. He was appointed Non-executive Director of Capital & Counties Properties PLC on its demerger from the group in May 2010.

**David Fischel, Chief Executive, Capital Shopping Centres Group PLC**



Joined the Liberty International Group in 1972 and was appointed an Executive Director in 2000. He was appointed a Director of Capital Shopping Centres in 1994 and Managing Director of Capital Shopping Centres in September 2005. He has been integrally involved with the group's shopping centre activities from its very first major development, The Victoria Centre, Nottingham, which opened in the early 1970s.

**John Abel, Director, Capital Shopping Centres Group PLC**



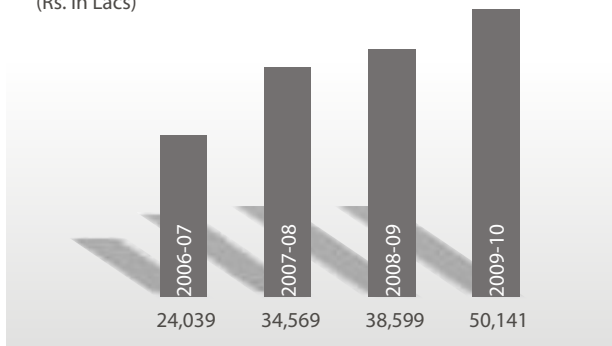
# Financial Highlights

(Rs. in Lacs)

PROFIT AND LOSS ACCOUNT	CONSOLIDATED			STANDALONE		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
Operational Income	33,752	36,356	49,329	33,656	35,973	48,067
Other Income	1,220	8,283	2,621	913	2,626	2,074
<b>Total Income</b>	<b>34,972</b>	<b>44,639</b>	<b>51,950</b>	<b>34,569</b>	<b>38,599</b>	<b>50,141</b>
Decrease / (Increase) in Stocks	(3,233)	(1,110)	(3,082)	(3,233)	(1,101)	(2,658)
Cost of Raw Material Consumed/ Good Sold	21,429	21,502	33,970	21,429	21,545	32,709
Personnel Expenses	1,414	1,635	1,950	1,357	1,523	1,661
Manufacturing & Other Expenses	9,702	11,804	12,336	9,287	10,154	11,229
Interest & Financial Charges	1,680	1,511	2,002	1,642	1,497	1,995
Depreciation	844	1,126	1,464	811	951	1,228
<b>Total Expenses</b>	<b>31,836</b>	<b>36,468</b>	<b>48,640</b>	<b>31,293</b>	<b>34,569</b>	<b>46,165</b>
Profit before tax and prior period adjustments	3,136	8,171	3,310	3,276	4,030	3,976
Prior Period items	(16)	2	43	(16)	4	38
<b>Profit Before Tax</b>	<b>3,120</b>	<b>8,173</b>	<b>3,353</b>	<b>3,260</b>	<b>4,034</b>	<b>4,015</b>
Tax provisions	641	1,077	1,222	680	1,088	1,179
<b>Profit After Tax</b>	<b>2,479</b>	<b>7,096</b>	<b>2,131</b>	<b>2,580</b>	<b>2,945</b>	<b>2,835</b>

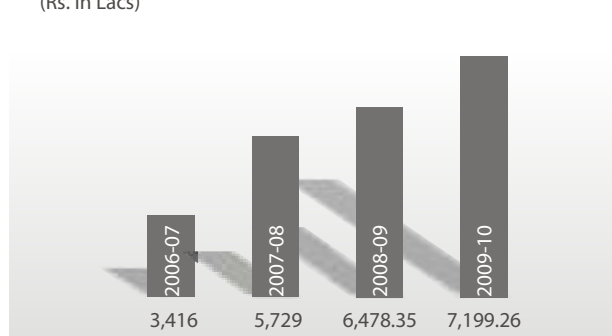
## Total Income

(Rs. in Lacs)



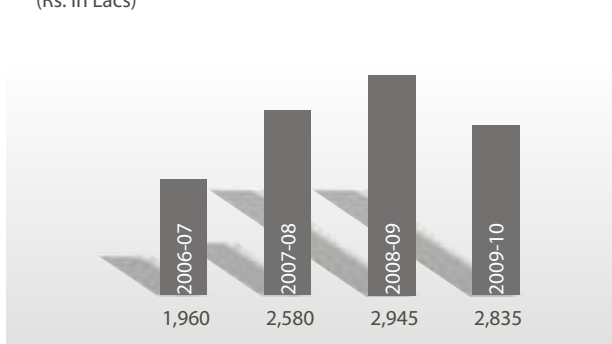
## EBIDTA

(Rs. in Lacs)



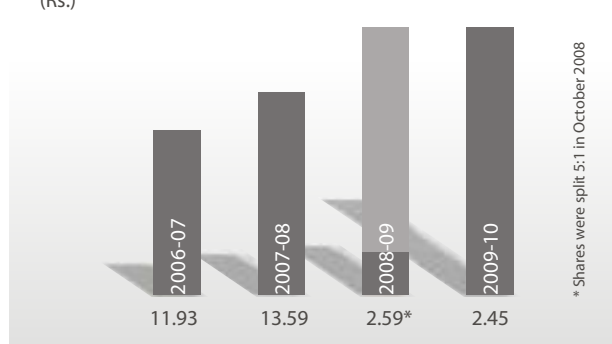
## PAT

(Rs. in Lacs)



## Earnings Per Share

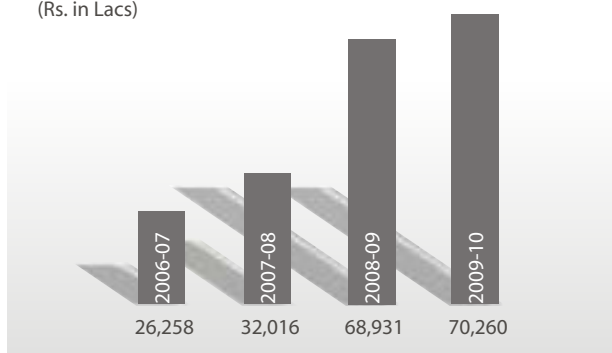
(Rs.)



BALANCE SHEET	CONSOLIDATED			STANDALONE		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
<b>Sources of Funds</b>						
Equity share capital	2,000	2,328	2,827	2,000	2,328	2,287
Share application money	2,738	47	47	-	-	-
Share Warrants	405	1,632	-	405	1,632	-
Reserves & Surplus	39,440	78,849	80,838	29,611	64,971	67,973
<b>Net Worth</b>	<b>44,583</b>	<b>82,856</b>	<b>83,171</b>	<b>32,016</b>	<b>68,931</b>	<b>70,260</b>
Minority Interest	12,078	23,224	21,238	-	-	-
Secured Loans	18,887	22,707	37,692	13,313	14,503	21,190
Unsecured Loans	2,576	2,303	1,901	1,481	863	780
<b>Total Loans</b>	<b>21,463</b>	<b>25,010</b>	<b>39,593</b>	<b>14,794</b>	<b>15,366</b>	<b>21,970</b>
<b>Total Liabilities</b>	<b>78,124</b>	<b>131,090</b>	<b>144,002</b>	<b>46,810</b>	<b>84,297</b>	<b>92,230</b>
<b>Application of Funds</b>						
<b>Fixed Assets</b>						
Gross Block	25,269	33,283	39,493	6,198	9,018	10,545
Less : Depreciation	2,020	3,216	4,402	1,844	2,780	3,645
Net Block	23,249	30,067	35,091	4,354	6,238	6,900
Capital work in progress						
including capital advances	16,135	22,703	29,804	40	1,203	45
Share in joint ventures	187	140	140	-	-	-
Goodwill on Consolidation	3,827	5,427	8,485	-	-	-
Investments	4,317	19,566	11,061	14,221	34,639	28,986
Deferred Tax assets	243	404	474	137	208	239
<b>Current Assets</b>						
Inventories	15,367	18,958	22,469	15,367	18,939	22,036
Sundry Debtors	7,790	9,313	15,143	7,388	9,129	14,099
Cash & Bank Balances	3,926	6,352	4,143	2,694	1,318	2,984
Loans & Advances	12,585	24,640	26,585	9,260	17,917	23,513
<b>Total Current Assets</b>	<b>39,668</b>	<b>59,264</b>	<b>68,339</b>	<b>34,709</b>	<b>47,303</b>	<b>62,633</b>
Less : Current Liabilities & Provisions	9,502	6,481	9,392	6,651	5,293	6,573
<b>Net Current Assets</b>	<b>30,166</b>	<b>52,783</b>	<b>58,947</b>	<b>28,058</b>	<b>42,009</b>	<b>56,060</b>
<b>Total Assets</b>	<b>78,124</b>	<b>131,090</b>	<b>144,002</b>	<b>46,810</b>	<b>84,297</b>	<b>92,230</b>

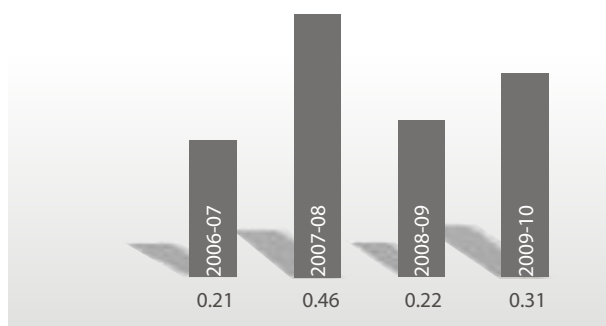
## Net Worth

(Rs. in Lacs)



## Debt Equity

(Ratio)



# Corporate Social Responsibility Programme

## SPECIAL CHILDREN IN INDIA



VDIS INSTITUTE

## LIFE IS A CELEBRATION AT 'BIG WONDERS'

With an objective of providing a platform to showcase the talent of special children in society, VDISMR in association with PROVOGUE and ROTARY CLUB OF BOMBAY NORTHWEST organised 'BIG WONDERS', an annual programme at the Indian Education Society, supported by Bollywood actor Vivek Oberoi and film director Anil Sharma.

Big Wonders is a unique opportunity for children studying at VDISMR to display their capabilities of organising, hosting and performing an event all by themselves. The show had excellent dance and song performances by 60 children and was attended by over 300 people. The audience was left mesmerized by the graceful dance movements and melodious song performances of these specially gifted kids.

Sharing her experience of the event Dr. Hemlata Dhoot, Principal, VDISMR said, "We work on removing the burden of traditional subjects and concentrate on performance areas like sports and games, music and dance, painting and handicrafts. These are the way to make the disabled able."



VALABHDAS DAGARA  
INDIAN SOCIETY

VDISMR is one of the few societies in Mumbai which covers the entire spectrum from training and rehabilitation of special children to systematic medical research for cures to these diseases. Some of the programmes on offer are Special Education, Vocational Rehabilitation, Training and Infant Care among others. Facilities such as Teachers Training Programmes, a Recreation Centre, and a Gymnasium are also located within the centre.

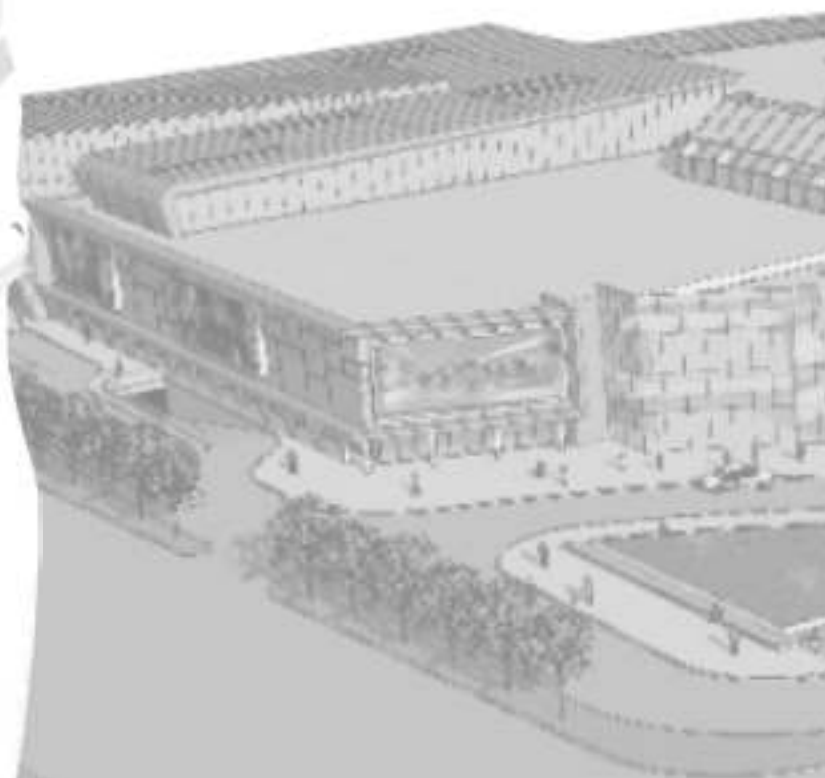
Students range in age groups from infants to 18 years, when they are considered rehabilitated and ready to enter society as productive individuals. Presently, more than 500 students are benefitting from various services. Scientific processes and systematic training groom children to reach higher levels of expertise in whatever activities they undertake, helping them to become more self-confident and self-reliant. Many of these children come from economically disadvantaged homes and only a part of their costs and expenses are covered through government grants and parental contributions.

The success of the rehabilitation programme is evident through children mastering a variety of skills that others take for granted such as singing, public speaking, and vocational skills. VDISMR students have won sport competitions in Mumbai and have received medals at the World Summer Games held in the USA and China. The Big Wonder musical show has been a smash hit with over 40 shows in Mumbai and one in Bangkok, Thailand.

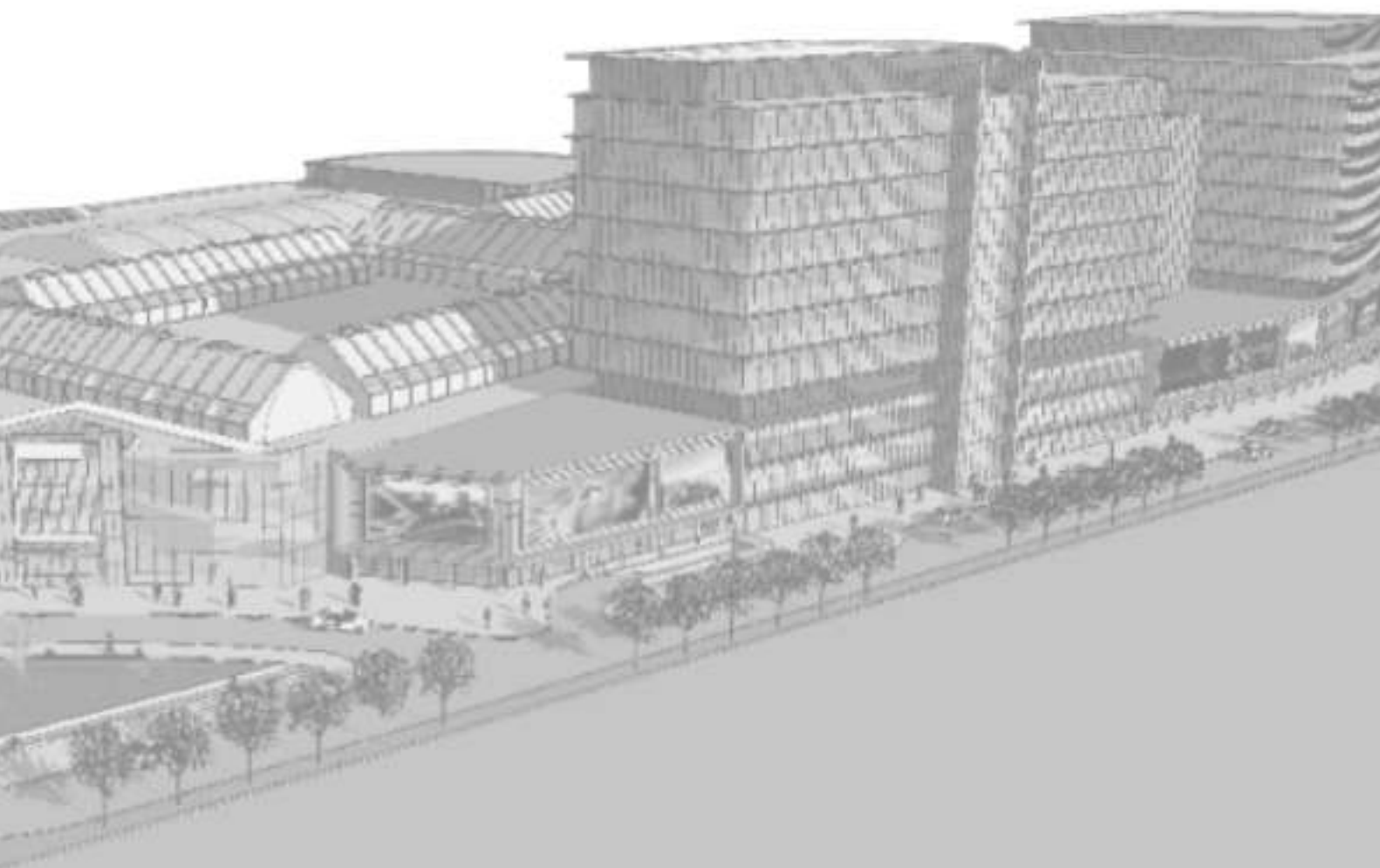
Ambitious plans for the future involve Residential Facilities for Male and Female Training and Care Groups, initiation of Public and Private Partnerships to ensure financial support of the wards, Centralized Marketing and Networking of the goods prepared by our students and Investments in Stem Cell therapy to assist special children.

For more information on the VDISMR or to make a donation, please contact [www.vdis.org](http://www.vdis.org)





## Financial Section



Notice is hereby given that the 14th Annual General Meeting of the members of Provogue (India) Limited will be held on Friday, 24th September, 2010, at 11.00 A.M. at Colonial Hall, The Club, D. N. Nagar, Andheri (W) Mumbai - 400 053 to transact the following business:

### AS ORDINARY BUSINESS:

- 1) To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010, the Profit & Loss Account and Cash Flow Statement for the year ended on that date along with the Schedules and the Reports of the Directors and Auditors thereon.
- 2) To declare dividend on the Equity Shares.
- 3) To appoint a Director in place of Mr. Akhil Chaturvedi, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. Rakesh Rawat, who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To appoint a Director in place of Mr. Nigam Patel, who retires by rotation and being eligible, offers himself for re-appointment.
- 6) To re-appoint M/s Singrodia Goyal & Co., Chartered Accountants as Statutory Auditors of the Company who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

### AS SPECIAL BUSINESS:

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

**"RESOLVED THAT** Mr. Punit Goenka who was appointed as an Additional Director by way of Circular resolution dated 27th November, 2009 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director under section 257 of the Companies Act, 1956 be and is hereby appointed as Director of the Company liable to retire by rotation."

- 8) To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, ("the Act") including any statutory modification or re-enactment thereof, for the time

being in force, and all other applicable guidelines for managerial remuneration issued by the Central Government from time to time or any other law and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s) and permission(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall be deemed to include any Committee thereof and any person, authorized by the Board in this behalf), consent of the Members be and is hereby accorded to the re-appointment of Mr. Nikhil Chaturvedi as Managing Director of the Company for a period of 5 years with effect from 1st April, 2010 and the terms and conditions of re-appointment as set out below:

- A. Salary: In the grade of Rs.6,00,000 - Rs.10,00,000 per month
- B. Commission: such amount for each accounting year as may be decided by the Board subject to the overall limit(s) as stated in point No.C
- C. The total remuneration including salary, allowances, perquisites and commission shall not exceed the limit(s) as specified in Schedule XIII to the Companies Act, 1956.
- D. Subject to superintendence, control and direction of the Board, he shall perform such duties and functions as would be commensurate with his position as the Managing Director of the Company and as may be delegated by the Board from time to time.
- E. The Company or he shall be entitled to terminate this appointment by giving six months notice in writing or in lieu of notice, payment by the Company or by him to the Company, equivalent to six months last drawn remuneration subject to commission included in such remuneration being restricted to 50% of the commission paid in respect of the immediately preceding accounting year

**RESOLVED FURTHER THAT** notwithstanding anything contained herein above, where, in any financial year during the currency of this appointment, the Company has no profits or its profits are inadequate the remuneration payable to the Whole time Directors as salary, perquisites and any other allowances shall be governed by, and be subject to the ceilings provided under Section II of Part II of Schedule XIII of the Companies Act, 1956 or such other limit as may be prescribed by the Government from time to time as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, ("the Act") including any statutory modification or re-enactment thereof, for the time being in force, and all other applicable guidelines for managerial remuneration issued by the Central Government from time to time or any other law and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s) and permission(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall be deemed to include any Committee thereof and any person, authorized by the Board in this behalf), consent of the Members be and is hereby accorded to the appointment of Mr. Salil Chaturvedi as Dy. Managing Director of the Company for a period of 5 years with effect from 1st April, 2010 and the terms and conditions of appointment as set out below:

- A. Salary : In the grade of Rs.3,00,000 - Rs.6,00,000 per month
- B. Commission: such amount for each accounting year as may be decided by the Board subject to the overall limit(s) as stated in point No. C
- C. The total remuneration including salary, allowances, perquisites and commission shall not exceed the limit(s) as specified in Schedule XIII to the Companies Act, 1956.
- D. Subject to superintendence, control and direction of the Board, he shall perform such duties and functions as would be commensurate with his position as the Dy. Managing Director of the Company and as may be delegated by the Board from time to time.
- E. The Company or he shall be entitled to terminate this appointment by giving six months notice in writing or in lieu of notice, payment by the Company or by him to the Company, equivalent to six months last drawn remuneration subject to commission included in such remuneration being restricted to 50% of the commission paid in respect of the immediately preceding accounting year."

**RESOLVED FURTHER THAT** notwithstanding anything contained herein above, where, in any financial year during the currency of this appointment, the Company has no profits or its profits are inadequate the remuneration payable to the Whole time Directors as salary, perquisites and any other allowances shall be governed by, and be subject

to the ceilings provided under Section II of Part II of Schedule XIII of the Companies Act, 1956 or such other limit as may be prescribed by the Government from time to time as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, ("the Act") including any statutory modification or re-enactment thereof, for the time being in force, and all other applicable guidelines for managerial remuneration issued by the Central Government from time to time or any other law and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s) and permission(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall be deemed to include any Committee thereof and any person, authorized by the Board in this behalf), consent of the Members be and is hereby accorded to the re-appointment of Mr. Deep Gupta as Whole time Director of the Company for a period of 5 years with effect from 1st April, 2010 and the terms and conditions of re-appointment as set out below:

- A. Salary: In the grade of Rs.3,00,000 - Rs.6,00,000 per month.
- B. Commission: such amount for each accounting year as may be decided by the Board subject to the overall limit(s) as stated in point No. C
- C. The total remuneration including salary, allowances, perquisites and commission shall not exceed the limit(s) as specified in Schedule XIII to the Companies Act, 1956.
- D. Subject to superintendence, control and direction of the Board, he shall perform such duties and functions as would be commensurate with his position as a Whole time Director of the Company and as may be delegated by the Board from time to time.
- E. The Company or he shall be entitled to terminate this appointment by giving six months notice in writing or in lieu of notice, payment by the Company or by him to the Company, equivalent to six months last drawn remuneration subject to commission included in such remuneration being restricted to

50% of the commission paid in respect of the immediately preceding accounting year.

**RESOLVED FURTHER THAT** notwithstanding anything contained herein above, where, in any financial year during the currency of this appointment, the Company has no profits or its profits are inadequate the remuneration payable to the Whole time Directors as salary, perquisites and any other allowances shall be governed by, and be subject to the ceilings provided under Section II of Part II of Schedule XIII of the Companies Act, 1956 or such other limit as may be prescribed by the Government from time to time as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

11. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, ("the Act") including any statutory modification or re-enactment thereof, for the time being in force, and all other applicable guidelines for managerial remuneration issued by the Central Government from time to time or any other law and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s) and permission(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall be deemed to include any Committee thereof and any person, authorized by the Board in this behalf), consent of the Members be and is hereby accorded to the re-appointment of Mr. Akhil Chaturvedi as Whole time Director of the Company for a period of 5 years with effect from 1st April, 2010 and the terms and conditions of re-appointment as set out below:

- A. Salary : In the grade of Rs.3,00,000 - Rs.6,00,000 per month
- B. Commission: such amount for each accounting year as may be decided by the Board subject to the overall limit(s) as stated in point No. C
- C. The total remuneration including salary, allowances, perquisites and commission shall not exceed the limit(s) as specified in Schedule XIII to the Companies Act, 1956.
- D. Subject to superintendence, control and direction of the Board, he shall perform such duties and functions as would be commensurate with his position as a

Whole time Director of the Company and as may be delegated by the Board from time to time.

- E. The Company or he shall be entitled to terminate this appointment by giving six months notice in writing or in lieu of notice, payment by the Company or by him to the Company, equivalent to six months last drawn remuneration subject to commission included in such remuneration being restricted to 50% of the commission paid in respect of the immediately preceding accounting year.

**RESOLVED FURTHER THAT** notwithstanding anything contained herein above, where, in any financial year during the currency of this appointment, the Company has no profits or its profits are inadequate the remuneration payable to the Whole time Directors as salary, perquisites and any other allowances shall be governed by, and be subject to the ceilings provided under Section II of Part II of Schedule XIII of the Companies Act, 1956 or such other limit as may be prescribed by the Government from time to time as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

12. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, ("the Act") including any statutory modification or re-enactment thereof, for the time being in force, and all other applicable guidelines for managerial remuneration issued by the Central Government from time to time or any other law and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s) and permission(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall be deemed to include any Committee thereof and any person, authorised by the Board in this behalf), consent of the Members be and is hereby accorded to the re-appointment of Mr. Nigam Patel as Whole time Director of the Company for a period of 5 years with effect from 1st April, 2010 and the terms and conditions of re-appointment as set out below:

- A. Salary: In the grade of Rs.3,00,000 - Rs.6,00,000 per month.
- B. Commission: such amount for each accounting year as may be decided by the Board subject to the overall limit(s) as stated in point No. C

- C. The total remuneration including salary, allowances, perquisites and commission shall not exceed the limit(s) as specified in Schedule XIII to the Companies Act, 1956.
- D. Subject to superintendence, control and direction of the Board, he shall perform such duties and functions as would be commensurate with his position as a Whole time Director of the Company and as may be delegated by the Board from time to time.
- E. The Company or he shall be entitled to terminate this appointment by giving six months notice in writing or in lieu of notice, payment by the Company or by him to the Company, equivalent to six months last drawn remuneration subject to commission included in such remuneration being restricted to 50% of the commission paid in respect of the immediately preceding accounting year.

**RESOLVED FURTHER THAT** notwithstanding anything contained herein above, where, in any financial year during the currency of this appointment, the Company has no profits or its profits are inadequate the remuneration payable to the Whole time Directors as salary, perquisites and any other allowances shall be governed by, and be subject to the ceilings provided under Section II of Part II of Schedule XIII of the Companies Act, 1956 or such other limit as may be prescribed by the Government from time to time as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- 13. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, ("the Act") including any statutory modification or re-enactment thereof, for the time being in force, and all other applicable guidelines for managerial remuneration issued by the Central Government from time to time or any other law and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s) and permission(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall be deemed to include any Committee thereof and any person, authorised by the Board in this behalf), consent of the Members be and is hereby accorded to the re-appointment of Mr. Rakesh Rawat as Whole time Director of the Company for a period of

5 years with effect from 1st April, 2010 and the terms and conditions of re-appointment as set out below:

- A. Salary: In the grade of Rs.3,00,000 - Rs.6,00,000 per month.
- B. Commission: such amount for each accounting year as may be decided by the Board subject to the overall limit(s) as stated in point No. C
- C. The total remuneration including salary, allowances, perquisites and commission shall not exceed the limit(s) as specified in Schedule XIII to the Companies Act, 1956.
- D. Subject to superintendence, control and direction of the Board, he shall perform such duties and functions as would be commensurate with his position as a Whole time Director of the Company and as may be delegated by the Board from time to time.
- E. The Company or he shall be entitled to terminate this appointment by giving six months notice in writing or in lieu of notice, payment by the Company or by him to the Company, equivalent to six months last drawn remuneration subject to commission included in such remuneration being restricted to 50% of the commission paid in respect of the immediately preceding accounting year.

**RESOLVED FURTHER THAT** notwithstanding anything contained herein above, where, in any financial year during the currency of this appointment, the Company has no profits or its profits are inadequate the remuneration payable to the Whole time Directors as salary, perquisites and any other allowances shall be governed by, and be subject to the ceilings provided under Section II of Part II of Schedule XIII of the Companies Act, 1956 or such other limit as may be prescribed by the Government from time to time as minimum remuneration.

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

**"RESOLVED THAT** pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), and in accordance with the provisions of the Memorandum and Articles of Association of the Company, provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ("the ESOP Guidelines") [including any statutory modification(s) or re-enactment of the Act or the ESOP Guidelines for

the time being in force], the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed or other relevant authority, from time to time, to the extent applicable and subject to such other conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee including Remuneration & Compensation Committee to exercise its powers, including the powers, conferred by this resolution), the Board be and is hereby authorized to amend, create, offer, issue and allot at any time to or to the benefit of such person(s) who are in employment of the Company and its subsidiaries, including Directors of the Company, whether working in India or abroad or otherwise, except the Promoter Directors, under the Employee Stock Option Scheme - 2010 (hereinafter referred to as the "Provogue ESOP 2010"), such number of equity shares and/or equity linked instruments (including Options/Warrants), and/or any other instruments or securities (hereinafter collectively referred to as "Securities") which shall not exceed five percent of the issued equity shares of the Company as on the date of grant of option(s) convertible into equivalent number of Securities, at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board/Committee.

**"RESOLVED FURTHER THAT** the said Securities may be granted/allotted directly to such employees/directors of the Company in accordance with the Provogue ESOP 2010 framed and tabled before the Board or Provogue ESOP 2010 framed through a trust which may be set up by the Board/Committee of Directors of the Company in any permissible manner

**"RESOLVED FURTHER THAT** the issue of Securities to any non-resident employee(s), non-resident Director(s) shall be subject to such approvals, permissions or consents as may be necessary from Reserve Bank of India or any other relevant authority in this regard.

**"RESOLVED FURTHER THAT** the new equity shares to be issued and allotted by the Company in the manner aforesaid shall rank *pari passu* in all respects with the existing equity shares of the Company.

**"RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the ESOP Guidelines.

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the Securities allotted upon exercise under the Provogue ESOP 2010, on the stock exchanges where the Company's shares are listed as per the terms and conditions of the listing agreement entered into with the stock exchanges and other applicable guidelines, rules and regulations.

**"RESOLVED FURTHER THAT** for the purpose of giving effect to any creation, offer, issue or allotment or listing of the Securities under the Provogue ESOP 2010 or through trust, the Board/Committee be and is hereby authorized on behalf of the Company to evolve, decide upon and bring in to effect and make any modifications, changes, variations, alterations or revisions in the said Provogue ESOP 2010 or to suspend, withdraw or revive the Provogue ESOP 2010 from time to time as per the discretion of the Board/Committee and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any issues, questions, difficulties or doubts that may arise in this regard without requiring the Board/Committee to secure any further consent or approval of the shareholders of the Company".

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors, or Chairman of the Company."

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

**"RESOLVED THAT** pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), and in accordance with the provisions of the Memorandum and Articles of Association of the Company, provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ("the ESOP Guidelines") [including any statutory modification(s) or re-enactment of the Act or the ESOP Guidelines for the time being in force], the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed or other relevant authority, from time to time, to the extent applicable and subject to such other conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee including

Remuneration & Compensation Committee to exercise its powers, including the powers, conferred by this resolution), the Board is be and hereby authorized to amend, create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Subsidiary Company(ies), including Directors of the Subsidiary Company(ies), whether working in India or abroad or otherwise, except the Promoter Directors, under the Employee Stock Option Scheme - 2010 (hereinafter referred to as the "Provogue ESOP 2010"), such number of equity shares and/or equity linked instruments (including Options/Warrants), and/or any other instruments or securities (hereinafter collectively referred to as "Securities") (subject to the ceiling referred to in resolution no. 14 above) which shall not exceed five percent of the issued equity shares of the Company as on the date of grant of option(s) convertible into equivalent number of Securities including permanent employees of the Company, at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board/Committee.

**"RESOLVED FURTHER THAT** the said Securities may be granted/allotted directly to such employees/directors of the Company in accordance with the Provogue ESOP 2010 framed as tabled before the Board or Provogue ESOP 2010 framed through a trust which may be set up by the Board/Committee of Directors of the Company in any permissible manner.

**"RESOLVED FURTHER THAT** the issue of Securities to any non-resident employee(s), non-resident Director(s) shall be subject to such approvals, permissions or consents as may be necessary from Reserve Bank of India or any other relevant authority in this regard.

**"RESOLVED FURTHER THAT** the new equity shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the existing equity shares of the Company.

**"RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the ESOP Guidelines.

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the Securities allotted upon exercise under the Provogue ESOP 2010, on the stock exchanges where the Company's shares are listed as per the terms and conditions of the listing agreement with the stock exchanges and other applicable guidelines, rules and regulations.

**"RESOLVED FURTHER THAT** for the purpose of giving effect to any creation, offer, issue or allotment or listing of the Securities under the Provogue ESOP 2010 or through trust, the Board/Committee be and is hereby authorized on behalf of the Company to evolve, decide upon and bring in to effect and make any modifications, changes, variations, alterations or revisions in the said Provogue ESOP 2010 or to suspend, withdraw or revive the Provogue ESOP 2010 from time to time as per the discretion of the Board/Committee and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any issues, questions, difficulties or doubts that may arise in this regard without requiring the Board/Committee to secure any further consent or approval of the shareholders of the Company".

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors, or Chairman of the Company."

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors  
Provogue (India) Limited

Place: Mumbai  
Date: 29th July, 2010

**Deep Gupta**  
Whole time Director

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the meeting.
3. The Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business stated above is annexed.
4. Members/ Proxies should bring the Attendance Slip duly filled in for attending the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 20th to 24th September, 2010 (both days inclusive).
6. The Dividend on Equity Shares as recommended by the Board of Directors, if any, declared at the meeting, will be payable to those shareholders whose names appear in the Register of Members as on 24th September, 2010 and in respect of shares held in Electronic form the dividend will be paid on the basis of beneficial ownership as per details furnished by the Depositories for this purpose.
7. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date to enable the management to keep the information ready.
8. Members are requested to bring their copy of Annual Report to the meeting.
9. The Equity Shares of the Company are compulsorily traded in demat form and the share holders who have not yet dematerialized their shares are requested to dematerialize their shares by opening DP Account with nearest Depository Participants at the earliest to avail the benefits of dematerialization.
10. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividends which remain unclaimed in the unpaid dividend account for a period of seven years from the date of transfer of the same, will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government, pursuant to Section 205C of the Companies Act, 1956.

Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below:

Financial Year Ended	Date of declaration of Dividend	Last Date for Claiming Dividend
31.03.2006	24.08.2006	24.08.2013
31.03.2007	14.09.2007	14.09.2014
31.03.2008	15.09.2008	15.09.2015
31.03.2009	18.09.2009	18.09.2016

According to the provisions of the Act, Shareholders are requested to note that no claims shall lie against the Company or said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the date that they first became due for payment and no payment shall be made in respect of any such claims.

11. In order to provide protection against fraudulent encashment of the warrants, Members holding Share Certificates in physical form are requested to notify any change in their addresses or bank mandates immediately, in any event not later than 20th September, 2010 to the Company's Registrar and Transfer Agent, Link Intime India Pvt. Ltd. C/13, Pannalal Silk Mills Compound, L.B.S. Road, Bhandup (W), Mumbai 400 078 Maharashtra State.
12. Non-Resident Shareholders are requested to inform immediately Link Intime India Pvt. Ltd. C/13, Pannalal Silk Mills Compound, L.B.S. Road, Bhandup (W), Mumbai 400 078 Maharashtra State, India:
  - a. The change in the Residential status on return to India for permanent settlement.
  - b. The particulars of the Bank Account maintained in India with complete name, branch, and account type, account number and address of the Bank, if not furnished earlier.
13. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
14. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during the office hours on all working days between 11.00 a.m. and 1.00 p.m upto the date of Annual General Meeting.
15. Information required under Clause 49 of the Listing Agreement on Directors Re- appointment/ Appointment:

**Mr. Punit Goenka:**

Mr. Punit Goenka, son of Mr. Subhash Chandra - Chairman Essel Group, is a young professional with an entrepreneurial background. A Bombay University Graduate, he began his career with Essel Group which has diversified business interest in the areas of media, entertainment, and telecommunications. Since 1997, he has been involved in ASC Enterprises Ltd., a diversified multi venture corporate with interests in the field of satellite infrastructure & services, retail & public mobile radio trunking. He has participated in various intensive management education programs viz. young managers program at INSEAD, France and MIT Enterprises Forum, INC., Boston, USA. Mr. Punit Goenka does not hold any shares of the Company. The Directorships held by Mr. Punit Goenka in other public limited companies is provided in the explanatory statement to this notice.

**Mr. Akhil Chaturvedi**

Mr. Akhil Chaturvedi, son of Late. Anupendranath Chaturvedi, He is a B.Sc. and MMS. Mr. Akhil Chaturvedi Leads all retail activities of Provogue and Promart divisions, driving future expansion plans, sales and operating strategies and other retail business development initiatives. Mr. Akhil Chaturvedi holds 2912830 shares of the Company.

**Mr. Nigam Patel**

Mr. Nigam Patel, son of Mr. Anil Patel, he leads the Prozone -Liberty location sourcing , mall management and customer relationship teams, involvingand joint-ventures, tenant mix strategy, leasing policy and new revenue creation. Mr. Nigam Patel holds 2912830 shares of the Company.

**Mr. Rakesh Rawat**

Mr. Rakesh Rawat, son of Mr. Ghanashyam Rawat, he leads the Prozone-Liberty design, project management and construction teams and the health, safety and environmental initiatives. He is also leads international trade division. Mr. Rakesh Rawat holds 4111750 shares of the Company.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 7**

Pursuant to section 260 of the Companies act, 1956 Mr. Punit Goenka was appointed as an Additional Director of the Company on 27th November, 2009 and he holds office as director up to the date of ensuing Annual General Meeting. The Company has also received an application from a member of the Company depositing Rs 500 and proposing his candidature as Director of the Company under

section 257 of the Companies Act, 1956. The background and educational qualification of Mr. Punit Goenka has been provided in the notes to this notice. The Directorship held in other public limited Companies by Mr. Punit Goenka is as follows:

SN	NAME OF THE COMPANY
1	Zee Entertainment Enterprises Ltd
2	Essel Infraprojects Ltd
3	Essel Ship Breaking Ltd
4	Essel Damoh-Jabalpur Toll Roads Ltd
5	Essel Sagar Damoh Toll Roads Ltd
6	Zee Sports Ltd
7	Agrani Telecom Ltd
8	Adhikaar Foundation
9	Diligent Media Corporation Ltd
10	Zee Turner Ltd
11	ETC Networks Ltd
12	Zee News Ltd

\*excludes directorship in foreign companies, private limited companies (including subsidiaries of public limited companies).

Mr. Punit Goenka is on the shareholders Grievance committee of ETC Networks Ltd..

The Board recommends that he may be appointed as Director liable to retire by rotation. Your directors recommend the resolution for approval of the shareholders. Mr. Punit Goenka is interested in the resolution to the extent of his appointment as Director. None of the other Directors of the Company is, in any way concerned or interested in the resolution.

**Item No. 8-13**

The Managing Director and the Whole time Directors have been appointed by the members at their Extra Ordinary General Meeting held on 15th March 2005 for a period of 5 years with effect from 1st April 2005. The un-paralleled contributions of the Managing Director and Whole time Directors have driven the Company to achieve new heights of growth. This has been appreciated by the Board of Directors.

The Board of Directors of the Company has subject to your confirmation approved the re-appointment of Executive Directors for a period of 5 years from 1st April, 2010. The abstract dated 8th February, 2010 under section 302 of the Companies Act., 1956 relating to terms and conditions of the re-appointment of Executive Directors was already circulated to the members and the same is summarized as below:

Name of the Director	Mr. Nikhil Chaturvedi	Mr. Salil Chaturvedi	Mr. Deep Gupta	Mr. Akhil Chaturvedi	Mr. Nigam Patel	Mr. Rakesh Rawat
Age (in yrs)	41	39	41	44	40	40
Qualification	B.Com	B.Sc	BE, MBA	B.Sc, MMS	B.Com	B.Com, MBA
Designation	Managing Director	Dy. Managing Director	Whole time Director	Whole time Director	Whole time Director	Whole time Director
Specialization	Optimization of share holder value and development of business strategies for the entire Group. Formulation of policies to attain best corporate governance practices in respect of the businesses of the Group.	Active strategy formulation for Brand creation process, investor relation and new business initiatives for the Group.	General management including Finance, Secretrial, Legal, H.R, and IT matters for the Group involving development of systems, processes, information technology etc.	General management in respect of retail activities of the Company, sales and operating strategies and other retail business Initiatives.	Formulation of strategies in respect of leasing policy, new revenue creation and mall management activities of the Group.	General management in respect of textile business in the overseas market. Also involved with project management and construction activities of the Group.
List of Public Companies in which Directorship held	NIL	Good day Foods Ltd	NIL	Probrand Enterprises Ltd. Profab Fashions (India) Ltd Oasis Fashion Ltd Millennium Accessories Ltd.	NIL	NIL
Chairman/ Member of the Committee of Board of Directors of the Companies	NIL	NIL	NIL	NIL	NIL	NIL
Shareholding in the Company	10611995	10295135	5673445	2912830	2912830	4111750
Sitting Fees	The Executive Directors shall not be entitled to any sitting fee for attending meetings of the Board and/or any Committee of Directors.					
Other terms	The Office of all Executive Directors shall be liable to retire by rotation.					

\*excludes directorship in foreign companies, private limited companies (including subsidiaries of public limited companies).

The resolution containing the details of reappointment and seeking the approval of Members under the Companies Act, 1956 is given under Item No. 8 to 13 of the Notice convening the Meeting.

The re-appointment of Whole-Time Directors after retirement by rotation will not be treated as break in their service period.

Mr. Nikhil Chaturvedi, Mr. Salil Chaturvedi, Mr. Akhil Chaturvedi, Mr. Deep Gupta, Mr. Rakesh Rawat and Mr. Nigam Patel be considered as interested in the above mentioned resolutions.

None of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

In the beneficial interest of the Company, your Directors recommend the resolutions for your approval.

#### Item No.14 & 15

The Company is proposing to amend the Employee Stock Option Scheme approved by the members in its AGM dated 14th September 2007. The existing approved Stock Option Scheme could not be

implemented as such after its approval from the members as the Company intends to make the terms of the employee stock option plan broader by incorporating few changes in the existing plan. The new scheme would be titled as 'Provogue ESOP-2010', the major terms of which were approved by the Board of Directors at their meeting held on July 29, 2010.

This scheme is being formulated in line with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999 (hereinafter referred as "Guidelines").

The broad terms and conditions of Provogue ESOP - 2010 are as under:

- Total number of options to be granted:  
The total number of Options that may be granted under Provogue ESOP 2010 in one or more tranches are 500,000 in aggregate which would result in additional 500,000 equity shares of Rs.2/- each in the Company on exercise of such options.
- Identification of classes of employees entitled to participate in the ESOS:

- (i) All the permanent Employees of the Company will be eligible to participate in the Scheme. (ii) An employee who is a promoter or belongs to the promoter group shall not be eligible to participate in the ESOS. (iii) A Director who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company at the time of granting of option shall not be eligible to participate in ESOS.
- c) Requirements of vesting, period of vesting and maximum period within which the options shall be vested:  
The minimum period of vesting is one year from the date of grant of option and the maximum period shall be four years. The Compensation Committee shall decide on the vesting schedule. The vesting may also happen in one or more tranches as may be decided and approved by the Compensation Committee.
- d) Exercise price or pricing formula:  
The exercise price of an option shall be fixed on the basis of the "Market Price" and shall not be less than seventy five percent (75%) of the "Market Price" as per the Guidelines or such other price as may be deemed appropriate by the compensation committee.
- e) Exercise period and process of exercise:  
The exercise period of the options shall be 4 years from the date of vesting of the options. In order to exercise the options, the option grantee shall give a written application to the designated officer with the full consideration of the option to be exercised. The option grantee may apply for exercise of options in any number of lots from the date of vesting. The options shall not be permitted to be exercised after the expiry of the above mentioned exercise period. After this date, all the options vested and remain unexercised under the scheme will lapse.
- f) The appraisal process for determining the eligibility of employees to the ESOS:  
The Board/Compensation Committee shall determine the eligibility criteria for the eligible employee[s] under ESOS based on evaluation of the eligible employee[s] on various parameters which shall include but shall not be limited to performance appraisal score, length of service, role criticality of the function etc and such other factors as may be deemed appropriate by it.
- g) Maximum number of options to be issued per employee and in aggregate:  
It is proposed that no eligible employee shall be granted, in any financial year of the Company, Options to purchase more than or equaling 1% of the outstanding issued equity share capital as on the date of grant (excluding outstanding options, warrants and conversions).

The options issued in terms of the Plan shall not exceed 500,000 (Five Hundred Thousand) in aggregate.

#### h) Accounting Policies:

The Company shall comply with the accounting policies specified in Guidelines based on the intrinsic value of the options in respect of the Shares issued under Provogue ESOP-2010.

#### i) Method of valuation:

The Company shall use the Intrinsic method for valuation of the options.

#### j) Statement:

In case the Company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors Report.

In terms of the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, approval of the members is sought to issue equity shares, pursuant to the options granted under ESOS, not exceeding in aggregate, five percent of the number of issued equity shares of the Company, from time to time, as on the date(s) of grant of option[s] under ESOS. The consent of the shareholders is therefore sought to authorize the Board of directors to offer equity shares to its employees in the manner set out in the resolution.

In the beneficial interest of the Company, your Directors recommend the resolution for your approval.

The Directors may be deemed to be concerned or interested in the resolution to the extent of the securities which may be offered to them in pursuance of "Provogue- ESOP 2010"

Accordingly the resolutions set as Item No.14 and Item No. 15 are being placed for the approval of shareholders pursuant to Section 81 (1A) of the Companies Act, 1956 and provisions of the Guidelines and all other applicable provisions of the law for the time being in force.

The Board of Directors recommends the passing of the proposed resolutions stated at Item 14 and Item 15 as Special Resolutions and request your approval for the same.

By Order of the Board of Directors  
Provogue (India) Limited

Place: Mumbai  
Date: 29th July, 2010

**Deep Gupta**  
Whole time Director

To

The Members of Provogue (India) Ltd.

Your Directors take pleasure in presenting their 14th Annual Report of the Company together with the audited financial statements for the year ended 31st March, 2010.

### FINANCIAL RESULTS

The financial performance of the Company for the year ended 31st March 2010 is summarized below:

(Rs. In. Crores)		
Particulars	Current Year Ended 31.03.2010	Previous Year Ended 31.03.2009
Income from Operations	480.67	359.73
Other Income	20.74	26.26
<b>Total Income</b>	<b>501.40</b>	<b>385.99</b>
<b>Profit before Interest, Depreciation and Tax</b>	<b>71.99</b>	<b>64.78</b>
Less: Interest	19.94	14.97
Less: Depreciation	12.28	9.51
<b>Profit before Taxation</b>	<b>39.76</b>	<b>40.30</b>
Less: Provision for taxation	11.79	10.88
Profit after Taxation	27.97	29.42
Less : Prior Period Items	(0.38)	(0.04)
<b>Profit available for appropriation</b>	<b>28.35</b>	<b>29.46</b>
<b>Appropriation</b>	<b>28.35</b>	<b>29.46</b>
Less: Provision For Dividend	2.29	3.49
Less: Provision For Corporate Dividend tax	0.38	0.60
Less: Transfer to General Reserve	2.00	2.00
<b>Balance transferred to Balance Sheet</b>	<b>23.68</b>	<b>23.37</b>

### PERFORMANCE REVIEW

Your Company is continuously expanding its owned retail store base, which will further increase the Company's presence. The Company has marked a turnover of Rs 480.67 Crore for financial year 2009-10 as against Rs 359.73 Crore in the financial year 2008-09, registering a growth of 33.62% y-o-y basis. Profit after tax for FY2009-10 stood at Rs. 27.97 Crores as against Rs. 29.42 Crores in the previous year.

### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates issued by ICAI, the Audited Consolidated Financial Statements are provided in the Annual Report.

### BUY-BACK OF EQUITY SHARES

The Board of Directors at their meeting held on 14th August, 2009 approved buy-back of not exceeding 50 lacs fully paid-up Equity Shares of Rs.2/- each, at a price not exceeding Rs.100 per Equity Share, by utilizing an amount of not exceeding Rs.50 Crores, from open market through NSE and BSE using their nation-wide electronic trading facilities in compliance with the provisions of the Companies Act, 1956 read with Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998. Accordingly, Public Announcement (PA) and Corrigendum to PA dated 14th August, 2009, were issued by the Company.

The Buy-back Offer was open from August 14, 2009 to February 12, 2010. No orders were placed after February 5, 2010, as announced in the PN cum PA. During the period the Company bought-back 20,49,610 Equity Shares, for a total consideration of Rs. 12,39,39,436/- representing 24.79% of the Maximum Offer Size. The paid-up capital of the Company after extinguishment of shares bought back under the Scheme stood at Rs. 22,87,14,190/- consisting of 11,43,57,095 equity shares of Rs. 2/- each.

### UTILIZATION OF PREFERENTIAL ISSUE PROCEEDS

The Company has raised Rs. 19,261.62 lacs through a preferential issue of equity shares to foreign institutional investor and promoters by way of Convertible warrants in the year 2006-07.

Out of the above receipt of Rs. 19,261.62 Lacs, the Company has utilized an amount of Rs. 15,273.74 Lacs, for investment in retail expansion, subsidiaries, meeting working capital requirement and for general corporate purpose.

The Company has further raised Rs. 32,982.40 lacs through preferential issue proceeds during the year 2007-08 and has utilized Rs. 20,293.85 lacs for investment in its retail expansion, subsidiary, meeting working capital requirement and for general corporate purposes. Pending utilization as at March 31, 2010 the balance funds has been invested in Mutual Funds, Other Loans and in Fixed Deposits / Current Account with Banks.

### DIVIDEND:

The Directors are pleased to recommend a dividend on total paid up capital, subject to the approval of the members, at the rate of Rs. 0.20 (Twenty Paise) per fully paid-up Equity Shares of Rs.2/- each of the Company for the financial year ended 31st March, 2010. The proposed dividend will absorb Rs. 2,28,71,419/- excluding corporate dividend tax.

### LISTING:

The equity shares of the Company are listed on the Bombay Stock Exchange Limited, Mumbai (BSE) and The National Stock Exchange of India Ltd. (NSE) and the listing fee for the year 2010-11 has been paid.

### SUBSIDIARY COMPANIES:

The Company has 26 subsidiary companies as on 31st March 2010 including downstream subsidiaries.

The names of direct subsidiary companies are as follows:

- i) Prozone Enterprise Pvt. Ltd.
- ii) Pronet Interactive Pvt. Ltd.
- iii) Sporting and Outdoor Ad-Agency Pvt. Ltd.
- iv) Probrand Enterprises Ltd.
- v) Profab Fashions (India) Ltd.
- vi) Oasis Fashion Ltd.
- vii) Millennium Accessories Ltd.
- viii) Flowers, Plants & Fruits (India) Pvt. Ltd.
- ix) Provogue Holding Ltd
- x) Provogue Infrastructure Pvt Ltd.
- xi) Faridabad Festival City Pvt. Ltd
- xii) Meerut Festival City Pvt. Ltd
- xiii) Elite Team Trading Ltd
- xiv) Acme Advertisements Pvt Ltd

The downstream subsidiary companies are as follows:

- xv) Omni Infrastructure Pvt. Ltd.
- xvi) Hagwood Commercial Developers Pvt. Ltd.
- xvii) Prozone Liberty International Ltd.
- xviii) Prozone International Ltd
- xix) Alliance Mall Developers Co. Pvt. Ltd
- xx) Royal Mall Pvt. Ltd
- xxi) Castle Mall Pvt. Ltd
- xxii) Standard Mall Pvt. Ltd.
- xxiii) Jaipur Festival City Pvt. Ltd
- xxiv) Prozone Overseas Pte. Ltd
- xxv) Empire Mall Pvt. Ltd.
- xxvi) Prozone International Coimbatore Ltd

In terms of the approval granted by the Central Government u/s 212 (8) of the Companies Act, 1956, vide order no. 47/216/2010-CL-III Dated 5th April, 2010, copies of the Balance Sheet, Profit & Loss Account, Reports of the Board and the Auditors of the Subsidiary Companies have not been attached to the Balance Sheet of the Company as at 31st March, 2010. However, the related detailed information of the annual accounts of the Subsidiary Companies will be made available to the Holding and Subsidiary Companies' investors seeking this information. The annual accounts of the Subsidiary Companies will also be kept for inspection by the investors at the Registered Office of the Company and that of the Subsidiary Companies concerned.

### DIRECTORS:

- Mr. Punit Goenka was inducted on the Board of the Company on 27th November, 2009 as an additional Director and shall hold office of Director till the conclusion of the Annual General Meeting. The Board recommends his appointment as Director liable to retire by rotation at the ensuing Annual General Meeting.
- In accordance with the provisions of the Companies Act, 1956, Mr. Akhil Chaturvedi, Mr. Nigam Patel and

Mr. Rakesh Rawat are liable to retire by rotation at the forthcoming Annual General Meeting, and being eligible, have offered themselves for re appointment.

- Subject to approval of Members, the Board of Directors of the Company, on the recommendations of the Remuneration/Compensation committee, at their meeting held on 28th January 2010 re-appointed Mr. Nikhil Chaturvedi as Managing Director, Mr. Deep Gupta, Mr. Akhil Chaturvedi, Mr. Nigam Patel and Mr. Rakesh Rawat as Whole Time Directors and appointed Mr. Salil Chaturvedi as Dy. Managing Director with effect from April 1, 2010 for a period of 5 years.

The Board recommends their reappointment.

- Mr. Rakesh Jhunjhunwala resigned from the Board of the Company with effect from 24th February, 2010. The Board acknowledges its deep appreciation for the services rendered by him during his tenure.

### CORPORATE GOVERNANCE:

Report on Corporate Governance of the Company and Management Discussion and Analysis Report for the year under review, as per the requirements of Clause 49 of the Listing Agreement(s), have been given under a separate section and forms part of this Annual Report.

### AUDITORS:

The Auditors M/s Singrodia Goyal & Co., Chartered Accountants, Mumbai hold the office till the conclusion of the ensuing Annual General Meeting. The Company has received a certificate from them to the effect that their appointment, if made, would be within the prescribed limits under section 224 (1-B) of the Companies Act, 1956. The Board recommends their reappointment. They have also confirmed their compliance pursuant to clause 41(1)(h) of the Listing Agreement in respect of "Peer Review Certificate" issued by the Peer Review Board of the ICAI.

### FIXED DEPOSITS:

The Company has not accepted any deposits, within the meaning of Section 58-A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 made there under.

### PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A):

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report.

However, having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto.

Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

As required under Section 217 (2AA) of the Companies Act, 1956 your Directors' confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year as on March 31, 2010 and of the profit of the Company for that year.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the annual accounts on a going concern basis.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information in accordance with the provisions of Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure forming part of this report.

#### **ACKNOWLEDGEMENT:**

Board of Directors wish to express their gratitude and record sincere appreciation for the dedicated efforts of all the employees of the Company. Directors are thankful to the esteemed share holders for their continued support and confidence reposed in the Company. The Board takes this opportunity to express its gratitude for the valuable assistance and co-operation extended by Government Authorities, Financial Institutions and Banks, Vendors, Customers, Advisors and other business partners.

For and on behalf of Board of Director

Place: Mumbai	<b>Nikhil Chaturvedi</b>	<b>Deep Gupta</b>
Date: 25th May, 2010	Managing Director	Whole Time Director

## ANNEXURE TO THE DIRECTORS' REPORT

Particulars Required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

### A. CONSERVATION OF ENERGY

- Energy Conservation Measures Taken
- Additional investments and Proposals, if any, being implemented for reduction of consumption of energy and
- Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.  
Disclosure for (a) to (c): The operations of the Company do not involve high energy consumption. However the Company has for many years now been laying great emphasis on the Conservation of Energy and has taken several measures including regular monitoring of consumption, implementation of viable energy saving proposals, improved maintenance of systems etc.
- Particulars of Energy consumption etc in respect of specified industries. The disclosure on particulars regarding consumption of energy etc are given below in the prescribed Form A.

### B. TECHNOLOGY ABSORPTION

The particulars regarding absorption of technology is given below as per Form B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

#### Research and Development (R & D):

- Specific areas in which R&D is carried out by the Company:  
Manufacture of fashion garments as per international trends and standards are the areas in which general research and development work is carried out by the Company.
- Benefits derived as a result of the above R&D:  
Product improvement
- Future Plan of Action:  
Appropriate actions are being planned

#### 4) Expenditure on R & D:

- |   |   |                                       |
|---|---|---------------------------------------|
| (a) Capital   | ) |                                       |
| (b) Recurring   | ) | : Included in the manufacturing cost. |
| (c) Total   | ) |                                       |
| (d) Total expenditure as a percentage of total turnover | ) |                                       |

#### Technology absorption, adaptation and innovation:

- Efforts in brief, made towards technology absorption, adaptation and innovation**  
The Company is monitoring the technological up-gradation taking place in other countries in the field of garment manufacturing and the same are being reviewed for implementation.
- Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.**  
Product improvement
- In case of Imported Technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:**

(a) Technology Imported	}	
(b) Year of Import	}	
(c) Has technology been fully absorbed	}	
(d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action	}	Nil

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign Exchange Earned	Rs. 19,596.49 lacs
Total Foreign Exchange Used	Rs. 9,559.95 lacs

## FORM A

### Form for disclosure of particulars with respect to supervision of energy

A.	Power and fuel consumption	Current year	Previous year
1.	Electricity		
	(a) Purchased Unit	314620	275520
	Total amount	1079474	894213
	Rate/unit	3.43	3.24
	(b) Own generation	N.A	N.A
	(i) Through diesel generator Unit	-	-
	Unit per ltr. Of diesel oil Cost/unit		(ii)
	Through steam turbine/generator Units	-	-
	Units per ltr. Of fuel oil/gas Cost/units		
2.	Coal (specify quality and where used)	N.A	N.A
	Quantity (tonnes)		
	Total cost		
	Average rate		
3.	Furnace oil	N.A	N.A
	Quantity (k. Ltrs.)		
	Total amount		
	Average rate		
4.	Others/internal generation (please give details)	N.A	N.A
	Quantity		
	Total cost		
	Rate/unit		

Consumption of production\*\*

	Standards (if any)	Current year 1	Previous year 2
Electricity	N.A	0.26	0.24
Furnace oil	N.A	Nil	Nil
Coal (specify quality)	N.A	Nil	Nil
Others (specify)			

\*\*Total no. of units consumed/No. of garments manufactured

### ECONOMIC OVERVIEW

The Indian economy is showing signs of robust longer term fundamentals. According to the estimates by the Ministry of Statistics and Programme Implementation, the Indian economy registered a growth of 7.4 per cent in 2009-10, with 8.6 per cent year-on-year (y-o-y) growth in its fourth quarter. The growth is driven by robust performance of the manufacturing sector on the back of government and consumer spending. GDP growth rate of 7.4 per cent in 2009-10 has exceeded the government forecast of 7.2 per cent for the full year. According to government data, the manufacturing sector witnessed a growth of 16.3 per cent in January-March 2010, from a year earlier.

Economic activities which showed significant growth rates in 2009-10 over the corresponding period last year were mining and quarrying (10.6 per cent), manufacturing (10.8 per cent), electricity, gas and water supply (6.5 per cent), construction (6.5 per cent), trade, hotels, transport and communications (9.3 per cent), financing, insurance, real estate and business services (9.7 per cent), community, social and personal services (5.6 per cent). The Gross National Income is estimated to rise by 7.3 per cent in 2009-10 as compared to 6.8 per cent in 2008-09. The per capita income is estimated to grow at 5.6 per cent in 2009-10.

The number of registered foreign institutional investors (FIIs) was 1710 as on May 31, 2010 and the total FII inflow in equity during January to May 2010 was US\$ 4606.50 million while it was US\$ 5931.80 million in debt. Net investment made by FIIs in equity between June 1, 2010 and June 14, 2010 was US\$ 530.05 million while it was US\$ 875.73 million in debt.

As on June 4, 2010, India's foreign exchange reserves totalled US\$ 271.09 billion, an increase of US\$ 9.88 billion over the same period last year, according to the Reserve Bank of India's (RBI) Weekly Statistical Supplement.

Moreover, India received foreign direct investment (FDI) worth US\$ 25,888 million during April-March, 2009-10, taking the cumulative amount of FDI inflows during August 1991 - March 2010 to US\$ 1, 32,428 million, according to the Department of Industrial Policy and Promotion (DIPP).

### INDUSTRY OVERVIEW

The BMI India Retail Report for the third-quarter of 2010, forecasts that the total retail sales will grow from US\$ 353 billion in 2010 to US\$ 543.2 billion by 2014. With the expanding middle and upper class consumer base, there will also be opportunities in India's tier II and III cities. The greater availability of personal credit and a growing vehicle population to improve mobility also contribute to a trend towards annual retail sales growth of 11.4 per cent. Mass grocery retail (MGR) sales in India are forecast to undergo enormous growth over the forecast period. BMI further predicts that sales through MGR outlets will increase by 154 per cent to reach US\$ 15.29 billion by 2014. This is a

consequence of India's dramatic, rapid shift from small independent retailers to large, modern outlets.

China and India are predicted to account for almost 91 per cent of regional retail sales in 2010 and by 2014 their share of the regional market is expected to be more than 92 per cent. Growth in regional retail sales for 2010-2014 is estimated by BMI at 72.2 per cent, an annual average of 14 per cent. India should experience the most rapid rate of growth in the region, followed by China. For India, its forecast market share of 13.9 per cent in 2010 is expected to increase to 14.3 per cent by 2014.

Moreover, for the 4th time in five years, India has been ranked as the most attractive nation for retail investment among 30 emerging markets by the US-based global management consulting firm, A T Kearney in its 8th annual Global Retail Development Index (GRDI) 2009. India remains among the leaders in the 2010 GRDI and presents major retail opportunities. India's retail market is expected to be worth about US\$ 410 billion, with 5 per cent of sales through organised retail, meaning that the opportunity for organized retail growth in India remains immense. Retail should continue to grow rapidly-up to US\$ 535 billion in 2013, with 10 per cent coming from organised retail, reflecting a fast-growing middle class, demanding higher quality shopping environments and stronger brands, the report added. Furthermore, according to a report titled 'India Organised Retail Market 2010', published by Knight Frank India in May 2010 during 2010-12, around 55 million square feet (sq ft) of retail space will be ready in Mumbai, national capital region (NCR), Bengaluru, Kolkata, Chennai, Hyderabad and Pune. Besides, between 2010 and 2012, the organised retail real estate stock will grow from the existing 41 million sq ft to 95 million sq ft.

India continues to be among the most attractive countries for global retailers. Foreign direct investment (FDI) inflows between April 2000 and April 2010, in single-brand retail trading, stood at US\$ 194.69 million, according to the Department of Industrial Policy and Promotion (DIPP).

In 2009-10, the apparel sector witnessed a rebound in growth mainly during the Q4 (Jan-Mar'10). Among the reasons for improvement in sales were a continued switch to ready-to-wear branded garment and general higher consumer spending sentiment. In addition, rentals have fallen around 25-35% from their peak in 2007-08. This background of lower rentals has given more comfort to the expansion plans of organized retail and this is fuelling the apparel brands' store expansion in retail operations.

### BUSINESS OVERVIEW

#### Business Policy

Provogue maintains generally accepted standards of corporate conduct towards our employees, consumers and society at large. We believe that the policies must balance individual interest with corporate goals and operate within the accepted norms of propriety, equity and sense of justice.

The Company believes that it is rewarding to be better managed and governed and to align and intensify its activities with the national interest. The Company makes all round efforts in its pursuit to enhance market share and enhance shareholders value in the industry.

### Provogue

Provogue commenced operations as a manufacturer and retailer of apparel for men & women under the brand Provogue. Over time, the brand has gained strong recognition and has grown to become a leading retailer of fashion apparel and accessories for men and women. Projecting itself as a customer-first company, Provogue constantly strives to provide the Indian consumer complete satisfaction when it comes to their fashion and retail needs.

Provogue retails its products through exclusive Provogue Stores and by opening Shop-in Shop outlets in National Chain Stores (NCS) and Multi Brand Outlets (MBO). As of March 2010, Provogue fashions and accessories were available across 127 Provogue Stores, and 119 Shop-in Shops.

### Prozone

To capitalize the opportunities in the retail business, the Company through its subsidiary, Prozone Enterprises Pvt. Ltd, is in the process of developing properties for commercial purposes including development of regional shopping malls. Prozone has collaborated with UK based, Capital Shopping Centres Group Plc to develop shopping malls. Being associated with one of the leaders of retail real estate development, the Company is aiming to open international scale shopping centres across India designed and built to international standards. The first to open will be in Aurangabad housing approximately 0.8 million square feet of India's best retailers, entertainment centers and restaurants.

### Internal Control System and Adequacies

The Company has adequate internal control procedures commensurate with the size and nature of businesses. The internal control system is supplemented by extensive internal audits, regular reviews by the management and well-documented policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. Moreover, the Company continuously upgrades these systems in line with the best accounting practices. The Company has independent audit systems to monitor the entire operations and the Audit Committee of the Board regularly review the findings and recommendations of the internal auditors.

## OPPORTUNITIES AND THREATS

### Opportunities

The retail sector in India is today one of the fastest growing business segments in the country, comprising 13 million outlets and employing over 18 million people. Rise in disposable income, changing lifestyles and favorable demographics are the key factors driving this growth.

With organised retail expected to grow at a steady rate of over 20% per annum, India's new consumption story continues to provide the Company immense opportunities. Our strong brand positioning and state of the art manufacturing capabilities further help us to leverage this position. Large investments in new retail concepts are changing the rapidly evolving organized retail landscape in India. This is not just restricted to the metros but has also spread to Tier-2 and Tier-3 cities. The business units, namely Provogue and Prozone, are expected to benefit significantly from a combination of the growth in retail and as the rise of the consuming class in Tier-2 and Tier-3 cities continues.

### Threats

Apart from ever moving fashion trends and the emergence of new retail players, demand for talent in India and abroad may result in increasing attrition of staff. China may too emerge as a rival in the longer run to the Indian retail industry as it has rapidly been increasing its manufacturing base and the demand for skilled manpower outstrips the supply. The Company has adopted policies that will attract and retain the best talent and has implemented an ESOPS scheme in order to retail its high record of loyalty.

## RISK MANAGEMENT

### Economic Risk

A slowdown in economic growth in India could cause the business to suffer as the Company's performance is highly dependent on the growth of the economy, which in turn leads to a rise in disposable incomes and resultant consumption. Favourable population growth, a large pool of highly skilled workers, greater integration with the world economy and increasing domestic and foreign investment suggest that the Indian economy will continue its growth momentum for several years to come. This will also provide impetus to the retail industry, which is estimated to grow to \$430 billion in 2010 from \$330 billion in 2007.

### Business Risk

The Company operates in upper market lifestyle products associated with high advertisement costs and risk related to brand management. The inventory cost related to lifestyle garments is traditionally a matter of risk, however through effective inventory management the Company has reduced the risk to a minimal level.

The Company has a low debt equity ratio and is well placed to take care of its borrowings. The foreign exchange transactions of the Company are suitably covered and there are no materially significant exchange rate risks associated with international trade.

### Fashion Risk

This risk would arise through the Company's inability to set trends and understand changing fashion styles, which can lead to lower sales and profitability. However, it is the Company's constant endeavour to be closer to and

understand the customer through its diversified retail outlets. We also have a talented design team in place that is in step with the latest national and international fashion trends and ensures that they are reflected in designs for our customers. Though the Company has its mitigation in place, fashion risk cannot be completely eliminated.

#### **Brand Risk**

Any event that tarnishes the image of the brand can lower the value of the brand and adversely affect the Company's business.

The Company's business model revolves around its brands and, therefore, the Company ensures that none of the characteristics and attributes of the brand are compromised within the Company's communication to its customers. The Company also gives wide focus on customer preferences and conducts extensive in-house research to maintain top-of-the-mind recall with the customer base with respect to the brand. The Company believes that it has an appropriate mitigation plan in place to handle brand risk.

#### **HUMAN RESOURCES**

The Company regards its human resources as amongst its most valuable assets and proactively reviews policies and processes by creating a work environment that encourages initiative, provides challenges and opportunities and recognizes the performance and potentials of its employees. Focused and organized investment in training and development, continuance of productivity improvement efforts and an employee satisfaction survey are some of the highlights of our ongoing HR activities.

Industrial relations across different locations of the Company were cordial during the year. The Company continues to maintain its focus on human resources development.

#### **OUTLOOK**

A strong brand image, presence in retail infrastructure and diversifying into new retail formats position the Company as

an integrated player in the growing domestic consumption story. With the Indian economy on a strong foothold and the organized retail industry surging, the Company is confident that it is well placed to take advantage of the growth opportunities in the coming years.

#### **FINANCIAL PERFORMANCE**

##### **Total Income**

The Company achieved total revenues of Rs. 501.41 crores, against last year's Rs. 385.99 crores, which translates to growth of about 30%. This reflects increasing consumer confidence following recovery from the economic downturn and the robust nature of the growing middle to upper consumption market segment as referred to earlier.

##### **Operating Profit**

The Company achieved operating profit of Rs. 38.97 crores against last year's Rs. 29.01 crores, depicting growth of 34.33%. This reflects better operating efficiency and improved utilization of resources.

##### **EBIDTA**

The Company earned an EBIDTA margin of Rs. 71.99 crores up from Rs. 64.78 crores in the previous year. The growth in EBIDTA margin of 11% is due to improvement in gross margins earned by the Company during the year.

##### **Profit after Tax**

The Profit after tax for FY10 was Rs. 28.35 crores as against Rs. 29.45 crores in the previous year. This represents 5.6% and 7.6% for FY09 and FY09 respectively.

##### **Cautionary Statement**

This report contains forward-looking statements based on certain assumptions and expectations of future events. Actual performance, results or achievements may differ from those expressed or implied in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

## A. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The philosophy of Corporate Governance is implemented in the Company with the objective of attaining highest standards of transparency of its accounting policies and a strong independent Board to respect its fiduciary responsibilities to the shareholders. The policies and guidelines of Corporate Governance have been implemented in all facets of its operations to build up an environment of trust and confidence amongst the stakeholders of the Company. The cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosure, credibility among others serve as the means of implementing the philosophy of Corporate Governance in both letter and spirit.

We believe that sound Corporate Governance is critical to enhance and retain investor trust. Accordingly, we always seek to ensure that we attain our performance with integrity and the Board exercises its fiduciary responsibilities while maximizing long corporate term values.

## B. BOARD OF DIRECTORS

### Composition, Number of Board Meetings, Attendance of Directors, etc.

#### Composition

The Board's composition is in conformity with the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Board of Directors of the Company consists of distinguished personalities with considerable professional expertise and experience in the fields of business, industry, finance, law and management.

The strengths of the Board is eleven directors comprising of 6 Executive Directors (ED) and 5 Non-Executive Directors whose composition along with personal details are given below:

Category	Name of the Director	Age	Qualification
Independent Non- Executive Chairman	Mr. Arun Bhargava	63	IRS(Rtd)
Promoter & MD	Mr. Nikhil Chaturvedi	41	B.Com
Promoter & Dy. MD	Mr. Salil Chaturvedi	39	B.Sc
Promoter &	Mr. Deep Gupta	41	MBA, B.E
Whole time	Mr. Akhil Chaturvedi	44	MMS, B.Sc
Directors	Mr. Rakesh Rawat	40	B.Com, MBA
	Mr. Nigam Patel	40	B.Com
Independent	Mr. S.L. Hiranandani	55	B.Com
Directors	Mr. Shahid Balwa	36	B.Com
	Mr. Amitabh Taneja	42	B.A
	Mr. Punit Goenka	35	B.Com and P.G in Management

- Six Board Meetings were held during the year ended 31st March, 2010 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

1. 28.05.2009	2. 26.06.2009	3. 28.07.2009
4. 14.08.2009	5. 29.10.2009	6. 28.01.2010

The following table gives the attendance of the Directors at Board meetings of the Company and also other directorship other than the Company and Chairmanship/Membership in Board Committees of public limited companies.

Name of the Director	No. of Board meetings attended during the Financial Year 2009-2010	Attend-ance at last AGM	No. of directorship in other public limited comp-anies <sup>1</sup>	No. of commi-tee position held in other limited comp-anies <sup>2</sup>
Mr. Arun Bhargava <sup>3</sup>	4	No	Nil	Nil
Mr. Nikhil Chaturvedi	6	Yes	Nil	Nil
Mr. Salil Chaturvedi	5	Yes	1	Nil
Mr. Deep Gupta	5	Yes	Nil	Nil
Mr. Akhil Chaturvedi	5	Yes	4	Nil
Mr. Rakesh Rawat	5	Yes	Nil	Nil
Mr. Nigam Patel	6	Yes	Nil	Nil
Mr. Rakesh Jhunhunwala <sup>5</sup>	0	No	12	Nil
Mr. S.L. Hiranandani	0	No	1	Nil
Mr. Shahid Balwa	0	No	2	1
Mr. Amitabh Taneja	3	No	4	2
Mr. Punit Goenka <sup>4</sup>	0	No	12	1

- Excludes Directorships in Private Limited Companies (including Private Limited Companies which are subsidiary of a Public Limited Company), Foreign Companies and Government Bodies.
- In accordance with Clause 49, Membership / Chairmanship of only Audit Committees and Shareholder's / Investor's Grievance Committees of all Public Limited Companies have been considered.
- Appointed as a Director of the Company w.e.f. 28th May, 2009

4. Appointed as a Director of the Company w.e.f. 27th November, 2009
5. Resigned as a Director of the Company w.e.f. 24th February, 2010.
6. None of the non Executive Directors hold any shares in the Company.

#### Details of Directors seeking appointment / reappointment at the forthcoming Annual General Meeting

##### Mr. Akhil Chaturvedi

Mr. Akhil Chaturvedi, son of Late. Anupendranath Chaturvedi, is a B.Sc. and MMS. Mr. Akhil Chaturvedi Leads all retail activities of Provogue and Promart divisions, driving future expansion plans, sales and operating strategies and other retail business development initiatives. Mr. Akhil Chaturvedi holds 2912830 shares of the Company.

##### Mr. Nigam Patel

Mr. Nigam Patel, son of Mr. Anil Patel, leads the Prozone - Liberty location sourcing, mall management and customer relationship teams, joint-ventures, tenant mix strategy, leasing policy and new revenue creation. Mr. Nigam Patel holds 2912830 shares of the Company.

##### Mr. Rakesh Rawat

Mr. Rakesh Rawat, son of Mr. Ghanashyam Rawat, leads the Prozone-Liberty design, project management and construction teams and the health, safety and environmental initiatives. He also leads the international trade division. Mr. Rakesh Rawat holds 4111750 shares of the Company.

##### Mr. Punit Goenka

Mr. Punit Goenka, son of Mr. Subhash Chandra - Chairman Essel Group, is a young professional with an entrepreneurial background. A Bombay University Graduate, he began his career with Essel Group which has diversified business interest in the areas of media, entertainment, and telecommunications. Since 1997, he has been involved in ASC Enterprises Ltd., a diversified multi venture corporate with interests in the field of satellite infrastructure & services, retail & public mobile radio trunking. He has participated in various intensive management education programs viz. young managers program at INSEAD, France and MIT Enterprises Forum, INC., Boston, USA. Mr. Punit Goenka does not hold any shares of the Company.

None of the Directors on the Board is a member of more than 10 Committees or a Chairman of more than 5 Committees (as specified in Listing Agreement) across all the companies in which he is a Director. The Directors have made necessary disclosures regarding Committee positions.

As on 31st March, 2010, none of the Directors are disqualified under the provisions of Section 274(1)(g) of the provisions of the Companies Act, 1956.

None of the Directors have material pecuniary relationship with the Company apart from those mentioned in the Annual Report.

#### C COMMITTEES OF THE BOARD

The Board has set up four level committees in accordance with the Listing Agreement with the Stock Exchanges to

monitor the activities and to deal with the terms of reference of the respective Committees namely:

- (i) Audit Committee
- (ii) Remuneration/Compensation Committee
- (iii) Loans and Investment Committee
- (iv) Share holders'/Investors' Grievance Committee

##### (i) Audit Committee

###### Terms of reference:

The Audit Committee at the Board level with powers and role that are in accordance with Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The Audit Committee of the Company supported by professional Internal Auditors, inter alia, provides reassurance to the Board on the effective internal control and compliance that ensures:

- a. Efficiency and effectiveness of operations, both domestic and overseas;
- b. Reliability of financial and management information and adequacy of disclosures and internal control;
- c. Safeguarding of assets and adequacy of provisions of all liabilities; and
- d. Compliance with all relevant statutes.

###### The role of the Audit Committee includes the following:

- a. To review quarterly, half-yearly un-audited financial statements and yearly audited financial statements particularly, the investments made by the unlisted Indian subsidiary Company and pre-publication announcements before submission to the Board.
- b. To ensure compliance of Internal Control Systems and action taken on Internal Audit reports.
- c. To appraise the Board on the impact of accounting policies, auditing standards and legislation.
- d. To hold periodical discussions with statutory auditors on the nature and scope of the audit.
- e. To review the Company's financial and risk management policies.
- f. To approve the payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- g. To recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and to finalise their remuneration (and Internal Auditors, if any).
- h. To review the Whistle Blower mechanism.
- i. Management Discussion and Analysis of financial condition and results of operations;
- j. Statement of significant related party transactions submitted by the management.
- k. Internal audit reports issued by Auditors, if any.

###### Composition:

The members of the Committee are well versed in finance, accounts, company law and general business practices. The Independent members of the Audit Committee are paid sitting fees of Rs.5000/- for every meeting of the Committee attended by them. The Company Secretary of the Company is the Secretary of this Committee. The Committee met 5 times during the year, viz.

1. 17.04.2009
2. 26.06.2009
3. 28.07.2009
4. 24.10.2009
5. 27.01.2010

The Composition of the Audit Committee as on 31st March, 2010 and the attendance of the members at the Meetings held are as follows:

Name of the Director	Category	Status	No. of Meetings held during the Tenure	No. of Meetings attended
Mr. Amitabh Taneja	Non-Executive Director	Chairman	5	5
Mr. Shahid Balwa	Non-Executive Director	Member	5	5
Mr. Akhil Chaturvedi	Executive Director	Member	5	4
Mr. Punit Goenka <sup>1</sup>	Non-Executive Director	Member	0	0

1. Appointed as a Member of the Committee w.e.f 15th May, 2010

- Administration of Employee Stock Option Scheme of the Company.

#### (ii) Remuneration/Compensation Committee

##### Terms of Reference:

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing/Whole time Directors.
- Reviewing the performance of the Managing/ Whole time Directors and recommending to the Board, the quantum of annual increments and annual commission.

- During the year, Remuneration Committee met once on 27th January, 2010

##### Composition:

The Committee comprises of three Directors, the Chairman of the Committee is an Independent, Non Executive Director nominated by the Board. The Composition of the Remuneration Committee as on 31st March, 2010 and the attendance of the members at the Meetings held are as follows:

Name of the Director	Category (Executive/ \Non-Executive)	Status	No. of Meetings held during the Tenure	No. of Meetings attended
Mr. Shahid Balwa	Non-Executive Director	Chairman	1	1
Mr. Amitabh Taneja	Non-Executive Director	Member	1	1
Mr. Akhil Chaturvedi	Executive Director	Member	1	1

#### (iii) Loans and Investment Committee

The Committee approves making of loans and investment, disinvestment, purchase and sale of moveable and immoveable properties, borrowing moneys and related aspects of fund management in accordance with the guidelines prescribed by the Board.

The Committee consists of the following Directors:

Name of the Director	Status	No. of Meetings attended
Mr. Nikhil Chaturvedi	Member	4
Mr. Salil Chaturvedi	Member	8
Mr. Deep Gupta	Member	8
Mr. Rakesh Rawat	Member	8

The Committee had 8 Meetings during the Financial Year 09-10. The Directors are not paid any sitting fees for attending the meeting of the Committee.

#### (iv) Shareholders' / Investors' Grievance Committee

The Shareholders' / Investors' Grievance Committee functions with the objective of looking into redressal of Shareholders' and Investors' grievances relating to non-receipt of dividend, refund orders, shares sent for registration of transfer, Annual Report etc. Shareholders' / Investors' Grievance Committee met once during the year on 28th July 2009

The Committee consists of the following Directors:

Name of the Director	Category (Executive/ Non-executive Director)	Status	No. of Meetings attended
Mr. Amitabh Taneja	Non-Executive Director	Chairman	1
Mr. Akhil Chaturvedi	Executive Director	Member	1
Mr. Deep Gupta	Executive Director	Member	1

The Directors are not paid any sitting fees for attending the meeting of the Committee.

Based on the report received from the Company's Registrars and Transfer Agent, during the year ended 31st March 2010, 10 complaints were received and all the complaints were replied / resolved to the satisfaction of the shareholders. No complaints were pending as on 31st March, 2010.

#### (D) DETAILS OF DIRECTORS REMUNERATION PAID DURING THE YEAR 2009-2010.

Name of the Director	Salary Paid (Rs.)	Sitting Fees paid (Rs.)
Mr. Arun Bhargava <sup>1</sup>	-	80,000
Mr. Nikhil Chaturvedi	24,00,000	-
Mr. Salil Chaturvedi	36,00,000	-
Mr. Deep Gupta	36,00,000	-
Mr. Akhil Chaturvedi	36,00,000	-
Mr. Rakesh Rawat	-	-
Mr. Nigam Patel	-	-
Mr. Rakesh Jhunjunwala <sup>2</sup>	-	-
Mr. S.L. Hiranandani	-	-
Mr. Shahid Balwa	-	25,000
Mr. Amitabh Taneja	-	85,000
Mr. Punit Goenka <sup>1</sup>	-	-

1. Mr. Arun Bhargava and Mr. Punit Goenka were appointed as a Director of the Company with effect from 28th May, 2009 and 27th November, 2009 respectively.
2. Mr. Rakesh Jhunjunwala resigned from the Board of the Company with effect from 24th February, 2010

#### (E) GENERAL BODY MEETING

Location, date and time of General Meeting held during the last 3 years

##### Annual General Meetings:

Financial Year	Date	Time	Location	No. of Special Resolution passed
2006-2007	14.09.2007	3.30 p.m.	Walchand Hirachand Hall, 4th Floor, IMC Building, IMC Marg, Churchgate, Mumbai 400 020	1
2007-2008	15.09.2008	4.30 p.m.	Colonial Hall, The Club, D.N. Nagar, Andheri (W), Mumbai 400 053	3
2008-2009	18.09.2009	4.00 p.m.	Eden Hall, The Classique Club, behind Infinity Mall, New Link Road, Andheri (West), Mumbai - 400 053	0

#### EXTRA ORDINARY GENERAL MEETING

Financial Year	Date	Time	Location	No. of Special Resolution passed
2006-2007	16.02.2007	4.30 p.m.	The Club, 197, D.N. Nagar, Andheri (W), Mumbai 400 053	4
2008-2009	09.05.2008	4.30 p.m.	The Club, 197, D.N. Nagar, Andheri (W), Mumbai 400 053	4

- Whether any special resolution passed last year through postal ballot - details of voting pattern

Yes.

The Postal Ballot was conducted pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, on the Special Resolutions set out in Notice dated 29th October, 2009 seeking consent of the Members of your Company for:

1. Resolution No. 1: Resolution under Section 17 of the Companies Act, 1956, according members' approval for Alteration of the Clause III C of the Object Clause by inserting new sub clauses 79 to 85 in the Other Object Clause of the Memorandum of Association of the Company.
2. Resolution No. 2: Resolution under section 149(2A) of the Companies Act, 1956, according members' approval to commence the activities and/or the business as detailed under sub clauses 50, 66, 71 and 79 to 85 of the Other Objects under Clause III C of the Object Clause of Memorandum of Association of the Company.

The results of the Postal Ballot are:

Sl. No.	Particulars	Resolution No. 1			Resolution No. 2		
		No. of Postal Ballot Forms	Votes in Aggregate (No.)	% of valid votes cast	No. of Postal Ballot Forms	Votes in Aggregate (No.)	% of valid votes cast
1	Total Postal Ballot forms received	411	5,79,00,756	-	411	5,79,00,756	-
2	Less: Invalid Postal Ballot Forms	32	54,42,211	-	41	54,45,312	-
3	Net Valid Postal Ballot forms	379	5,24,58,545	-	370	5,24,55,444	-
4	Postal Ballot Forms with assent for the Resolution	369	5,24,57,067	99.99	358	5,24,53,578	99.99
5	Postal Ballot Forms with dissent for the Resolution	10	1,478	0.01	12	1,866	0.01

- Person who conducted the postal ballot exercise

Mr. Hemant Shetye, Practicing Company Secretary, Mumbai was appointed as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.

#### (F) DISCLOSURES:

- During the financial year 2009-10, there were no transactions of material nature with the directors or the management or their subsidiaries or relatives that had potential conflict with the interest of the Company. Further, details of related party transactions are presented at Note No. 24 of Schedule 18 of the Annual Report.
- The Company has complied with the requirements of the Stock Exchanges/SEBI and other Statutory Authorities on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authorities.
- Proceeds from IPO & Preferential Issues:  
The Company discloses to audit Committee, the uses / applications of proceeds / funds raised from initial public offer and subsequent preferential issues made by the company in the year 2007 and 2008 as part of quarterly review of financial results.

The status of utilization of proceeds of the said issues have been disclosed in the Directors' Report and under note 26-27 of schedule 18 of the Balance Sheet forming part of the Annual Report.

#### (G) MEANS OF COMMUNICATION:

- Quarterly Results were published in prominent daily newspapers, viz., Business Standard, Free Press Journal, Navshakti and Sakal.
- The Company has its own web site and all vital information relating to the Company and its products etc have been uploaded on the web site for the benefit of the public at large. Company's web site address is [www.provogue.net](http://www.provogue.net)

- Management Discussion and Analysis forms part of the Annual Report.

#### (H) SUBSIDIARY COMPANY

The Company has 26 subsidiary companies as on 31st March 2010 and Prozone Enterprises Private Limited is a Material non listed Indian subsidiary, pursuant to the definition given under Clause 49 of the Listing Agreement, as on that date.

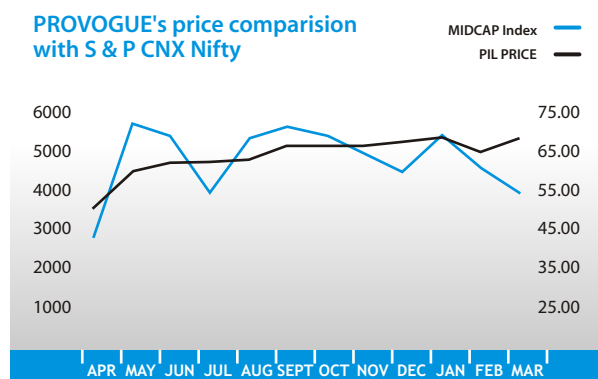
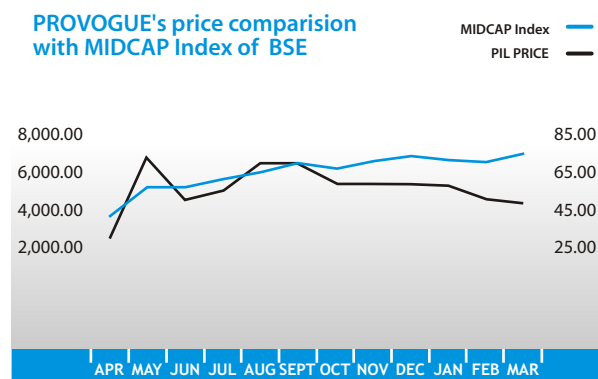
#### (I) GENERAL SHAREHOLDERS INFORMATION:

- Annual General Meeting is to be held on 24th September 2010 at 11.00 A.M.
- Financial Calendar (tentative) :**
  - First Quarterly Results : Declared on 29th July 2010
  - Second Quarterly Results : On or Before 15th November 2010
  - Third Quarterly Results : On or Before 15th February 2011
  - Financial year ending : End of May 2011
- Date of Book Closure** : 20th Sep. 2010 to 24th Sep. 2010 (both days inclusive for the purpose of AGM and dividend)
- Dividend Payout Date** : On or after 28th Sep. 2010
- Listing of Stock Exchange** : Bombay Stock Exchange Ltd (BSE). National Stock Exchange of India Ltd. (NSE).
- Scrip Code** :
  - Bombay Stock Exchange Ltd. (Demat segment) : 532647
  - National Stock Exchange of India Ltd. (Demat segment) : PROVOGUE
  - Demat ISIN in NSDL and CDSL for Equity Shares : INE968G01025

## 7. Stock Market Price data for the year 2009-2010

Month	On BSE( in Rs)		On NSE(in Rs)	
	High	Low	High	Low
Apr 2009	44.00	30.20	44.50	30.10
May 2009	75.50	30.00	75.20	29.75
Jun 2009	73.30	43.00	73.90	43.30
Jul 2009	54.05	38.70	54.20	38.70
Aug 2009	68.45	51.55	68.30	51.05
Sep 2009	73.30	59.85	73.40	60.85
Oct 2009	72.20	55.00	72.15	56.05
Nov 2009	71.85	53.15	67.35	53.00
Dec 2009	61.10	52.40	60.95	52.10
Jan 2010	69.65	53.90	69.50	54.00
Feb 2010	62.75	46.80	62.95	46.75
Mar 2010	54.90	47.00	54.90	47.65

## 8. Performance in comparison to broad based indices such as BSE MIDCAP Index & NSE S & P CNX Nifty



9. Physical Shares are transferred at the office of M/s Link Intime India Pvt Ltd., C/13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W) Mumbai-400 078, the Registrar & Transfer Agent of the Company. Any query or complaint may be referred to the said address.

## 10. Share Transfer system:

The Company's shares are traded in Stock Exchange compulsorily in demat mode. Shares in physical

mode which are lodged for transfer are processed and returned to the shareholders within 15-20 days from the date of receipt.

## 11. Dematerialization of shares:

As on 31.03.2010, 11,34,46,265 Equity shares of the Company, representing 99.20% of its issued capital, were held in dematerialized form and the balance 0.80% representing 9,10,830 equity shares were held in physical form.

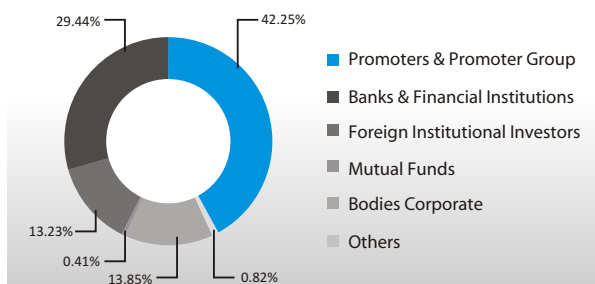
## 12. Distribution of shareholding as on 31.03.2010

Shareholding (in Rs.)	Shareholders		Shareholding	
	Nos.	%	Amount (Rs.)	%
1 - 5000	33145	96.55	19566622	8.56
5001 - 10000	577	1.68	4407892	1.93
10001 - 20000	277	0.81	4129054	1.81
20001 - 30000	76	0.22	1917006	0.84
30001 - 40000	62	0.18	2226936	0.97
40001 - 50000	35	0.10	1643962	0.72
50001 - 100000	64	0.19	4490138	1.96
Above 100001	93	0.27	190332580	83.22
<b>Total</b>	<b>34329</b>	<b>100.00</b>	<b>228714190</b>	<b>100.00</b>

## 13. Categories of Shareholders as on 31.03.2010

Category	No. Of Shares	% of Shareholding
Promoters & Promoter Group	48318430	42.25
Banks & Financial Institutions	942148	0.82
Foreign Institutional Investors	15833822	13.85
Mutual Funds	473000	0.41
Bodies Corporate	15127517	13.23
Others	33662178	29.44
<b>Total</b>	<b>114357095</b>	<b>100.00</b>

## SHAREHOLDING AS ON 31.03.2010



**14. Outstanding Number of GDRs /ADRs /Warrants etc:**

The Company has not issued any GDRs/ADRs.

Pursuant to the approval of members of the Company at the Extra Ordinary General Meeting held on 9th May, 2008, the Board allotted 14,84,000 convertible warrants on preferential basis to the Promoter Group and others on 24th May, 2008. The aforesaid warrants pending for conversion were not converted by the promoter group and others. Therefore, the 14,84,000 warrants allotted to them were lapsed on 24th November 2009. Resultantly, the advance money received towards these warrants was forfeited by the company.

**15. Location of Manufacturing Units:**

- 98/8 Ground Floor Daman Industrial Estate Kadaiya Village, Nani Daman, Daman, UT
- Village Gullarwala Sai Road, Baddi 173 205, Himachal Pradesh

**16. Address for correspondence****i. Any Query on Annual Report:**

Company Secretary & Compliance Officer  
Provogue House  
105/106 New Link Road  
Andheri (W), Mumbai 400 052  
Phone: 022-3062 0000  
Fax: 022-3068 0570  
Email id for investors:  
investorservice@provogue.net

**ii. Shareholders correspondence should be addressed to:**

M/s Link Intime India Pvt. Ltd.  
C/13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (W)  
Mumbai-400078  
Phone: 022-2594 6970  
Fax: 022-2594 6969  
Email id :rnt.helpdesk@linkintime.co.in

Shareholders holding shares in electronic mode should address their correspondence to their respective Depository Participants.

**17. Code of Conduct:**

The Board of Directors of the Company has approved and adopted a Code of Conduct for the members of the Board and senior management of the Company. The Code of Conduct is posted on the website of the Company and the members of the Board and senior management have affirmed the annual compliance of the Code.

**18. Insider Trading**

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a code of conduct for prohibition of insider trading. The Code is applicable to all Directors and such designated employees who are expected to have access to unpublished price sensitive information relating to the Company.

**19. Compliance on Clause 49 of the Listing Agreement**

In so far as compliance with the requirements of Clause 49 of the listing agreement with the stock exchanges for the year ended 31st March 2010, the Company has complied with the mandatory norms and disclosures that have to be made in Corporate Governance report. The Company has adopted non-mandatory requirements in respect of Whistle Blower Policy and Remuneration Committee. The Statutory Auditors have certified that the Company has complied with conditions of Corporate Governance as stipulated in Clause 49 and the certificate is annexed to this report.

For and on behalf of Board of Directors

Place: Mumbai	<b>Nikhil Chaturvedi</b>	<b>Deep Gupta</b>
Date: 25th May, 2010	Managing Director	Whole Time Director

## Auditors Certificate on Compliance of Conditions of Corporate Governance under Clause 49 of the Listing Agreement:

**To the Members  
Provogue (India) Limited**

We have examined the compliance of the conditions of Corporate Governance procedures implemented by Provogue (India) Limited, for the year ended on March 31, 2010, as stipulated in Clause 49 of the listing agreement of the said company with the Stock Exchange of India.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the listing Agreement), issued by the institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us, and the representations made by the directors and the management, we hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above - mentioned listing agreement during the year 2009-2010.

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

**For Singrodia Goyal & Co.**  
Chartered Accountants

**Suresh Murarka**  
Partner  
Mem. No. : 44739

Place : Mumbai  
Date : 25th May, 2010

## To the Members of Provogue (India) Limited,

We have audited the attached Balance Sheet of **Provogue (India) Limited** as at 31st March 2010, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors Report) Order, 2003 and amendments thereto issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- d) In our opinion the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply in all material aspects with the applicable Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
- e) On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board, we report that none of the director is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with notes appearing thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,
  - ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date, and
  - iii) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**For Singrodia Goyal & Co.**  
Chartered Accountants  
Firm Reg No. 112081W

**Suresh Murarka**  
Place : Mumbai  
Date : 25th May 2010.

Partner  
Mem. No.: 44739

Annexure referred to in Paragraph 2 of the Auditors Report for the year ended 31st March 2010.

As required by the Companies (Auditors Report) Order, 2003 and amendments thereto and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (including all records which in the previous year were misplaced) except quantitative details in respect of Furniture and Fixtures
- b) The Company has a programme for physical verification of fixed assets on a rotational basis, which in our opinion, is reasonable having regard to the size of the Company and the nature of its business. Accordingly, physical verification of the fixed assets has been carried out by management during the year and no material discrepancies were noticed on such verification.
- c) During the year, there is no substantial disposal of fixed assets.
- (ii) a) The inventories have been physically verified by the management during the year at reasonable intervals.
- b) The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of its inventories. No material discrepancies were noticed on physical verification as compared to book records.
- (iii) a) The Company has granted unsecured loans to ten subsidiary companies covered in the register maintained under Section 301 of the Companies Act, 1956 on call basis. The maximum amount outstanding during the year was Rs. 3215.08 lacs and the year-end balance was Rs. 3052.13 lacs.
- b) The said loans are interest free except in one case where interest has been charged. Other terms and conditions on which the loans have been granted are prima facie, not prejudicial to the interest of the Company;
- c) In view of our comments in para (iii) (a) and (b) above, clauses 4 (iii) (c) and (d) of the said Order are not applicable.
- d) The Company has taken unsecured loans from four parties covered in the register maintained under Section 301 of the Companies Act, 1956 on call basis. The maximum amount outstanding during the year was Rs. 57.56 lacs and the year-end balance was Rs. Nil.
- e) The said loans are interest free except in two cases where interest has been charged. Other terms and conditions on which the loans have been taken are prima facie, not prejudicial to the interest of the Company;
- f) In view of our comments in para (iii) (d) and (e) above, clause 4 (iii) (g) of the said Order is not applicable.
- (iv) There are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- (v) a) The particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that needs to be entered into the register maintained under that section have been so entered.
- b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The Company has an adequate internal audit system commensurate with its size and nature of its business.
- (viii) We have been informed that the Central Government has not prescribed for maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the Company.
- (ix) a) Accordingly to the records of the Company, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess have generally been regularly deposited with the appropriate authorities. There are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2010 for a period more than six months from the date they became payable.
- b) According to the records of the Company, Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute with the relevant authorities are given below:

Name Of Statute	Amount (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
Sales Tax	5.11	2001-02 to 2009-10 (except 2008-09)	Deputy Commissioner/ Joint Commissioner -Appeals

- (X) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses during the financial year and in the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of its dues to banks and financial institutions.
- (xii) The Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. The Company has invested temporary surplus funds in shares, securities and mutual funds. Proper records have been maintained of the transactions and contracts and timely entries have been made therein. The marketable securities and mutual funds have been held by the Company, in its own name.
- (xv) The Company has not given any guarantee for loans taken by others from banks and financial institutions.

- (xvi) To the best of our knowledge and belief, in our opinion term loan availed by the company were, prima facie, applied by the company during the year for the purpose for which the loans were obtained other than temporary deployment pending application.
- (xvii) On an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investments.
- (xviii) The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under Section 301 of the Act.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised money through a public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of any material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For Singrodia Goyal & Co.**  
Chartered Accountants  
Firm Reg No. 112081W

**Suresh Murarka**  
Partner  
Mem. No.: 44739

Place : Mumbai  
Date : 25th May, 2010.

# Balance Sheet

As at March 31st, 2010

(Rs. in Lacs)

Particulars	Schedules	As at 31.03.10	As at 31.03.09
<b>I. SOURCES OF FUNDS</b>			
Shareholder's Funds			
Share Capital	1	2,287.14	2,328.13
Share Warrants	1A	-	1,632.40
Reserves & Surplus	2	67,972.97	64,970.41
		<b>70,260.11</b>	<b>68,930.94</b>
<b>Loan Funds</b>			
Secured Loans	3	21,190.30	14,502.49
Unsecured Loans	4	779.76	863.24
		<b>21,970.06</b>	<b>15,365.73</b>
		<b>92,230.17</b>	<b>84,296.67</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	5		
Gross Block		10,544.92	9,017.62
Less : Depreciation		3,644.54	2,780.12
<b>Net Block</b>		6,900.38	6,237.50
Capital Work in progress including Capital Advances		45.00	1,203.30
		<b>6,945.38</b>	<b>7,440.80</b>
<b>Investments</b>	6	<b>28,986.44</b>	<b>34,639.20</b>
<b>Deferred Tax Assets (Net) (Note 21, Schedule "18")</b>		<b>238.67</b>	<b>207.65</b>
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	7	22,035.74	18,938.78
Sundry Debtors	8	14,099.48	9,128.78
Cash & Bank Balances	9	2,984.44	1,318.32
Loans & Advances	10	23,513.36	17,916.56
		<b>62,633.02</b>	<b>47,302.44</b>
<b>Less : Current Liabilities &amp; Provisions</b>	11	6,573.34	5,293.42
<b>Net Current Assets</b>		<b>56,059.68</b>	<b>42,009.02</b>
		<b>92,230.17</b>	<b>84,296.67</b>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	18		

As per our report of even date attached

For Singrodia Goyal & Co.  
Chartered Accountants

Suresh Murarka  
Partner  
Mem. No. 44739

Place : Mumbai  
Date : 25th May 2010

For & On behalf of the Board

Nikhil Chaturvedi  
Managing Director

Anil Cherian  
Company Secretary

Deep Gupta  
Whole Time Director

J.K.Jain  
Vice President Finance

## Profit and Loss Account

For the year ended March 31st, 2010

(Rs. in Lacs)

Particulars	Schedules	Year ended 31.03.10	Year ended 31.03.09
<b>A. INCOME</b>			
Operational Income	12	48,066.70	35,972.66
Other Income	13	2,074.24	2,625.98
		<b>50,140.94</b>	<b>38,598.64</b>
<b>B. EXPENDITURE</b>			
Cost of Materials	14	30,051.54	20,443.95
Personnel Expenses	15	1,661.34	1,522.80
Manufacturing & Other Expenses	16	11,228.79	10,153.55
Interest & Financial Charges	17	1,994.50	1,497.05
Depreciation		1,228.43	951.05
		<b>46,164.60</b>	<b>34,568.40</b>
<b>Profit before tax and prior period items</b>		<b>3,976.34</b>	<b>4,030.25</b>
Prior Period Items (Note "5", Schedule 18)		38.18	4.02
<b>Profit before tax</b>		<b>4,014.52</b>	<b>4,034.27</b>
<b>Less : Provision for Tax</b>			
-Current Tax		1,224.93	1,120.00
-Deferred Tax Liability / (Asset)		(31.01)	(70.16)
-Fringe Benefit Tax		-	45.00
-Tax of earlier years		(14.66)	(6.42)
<b>Profit after tax</b>		<b>2,835.26</b>	<b>2,945.85</b>
Balance brought forward		<b>7,376.44</b>	<b>5,039.16</b>
<b>Appropriations :</b>			
Amount utilised for Share Buy Back ( Note "8" , Schedule 18 )		709.39	-
Proposed Dividend		228.71	349.22
Dividend Distribution Tax		37.99	59.35
Transfer to General Reserve		200.00	200.00
Balance Carried to Balance Sheet		<b>9,035.61</b>	<b>7,376.44</b>
<b>Earning Per Share (of Rs. 2 each)</b>			
<b>Basic</b>		<b>2.45</b>	<b>2.59</b>
<b>Diluted</b>		<b>2.45</b>	<b>2.59</b>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	18		

As per our report of even date attached

For Singrodia Goyal & Co.  
Chartered Accountants

Suresh Murarka  
Partner  
Mem. No. 44739

Place : Mumbai  
Date : 25th May 2010

For & On behalf of the Board

Nikhil Chaturvedi  
Managing Director

Anil Cherian  
Company Secretary

Deep Gupta  
Whole Time Director

J.K.Jain  
Vice President Finance

## Cash Flow Statement

For the year ended March 31st, 2010

(Rs. in Lacs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax and before extraordinary items	3,976.34	4,030.25
Adjustments for :		
Depreciation	1,228.43	951.05
Provision for Doubtful Debts	9.26	47.22
Financing Charges	1,994.50	1,497.05
Interest Received	(1,688.48)	(1,666.07)
Loss on sale/discard of Fixed Assets	27.45	4.20
Dividends	(153.11)	(594.18)
Profit on sale of Investments	(200.36)	(308.60)
Unrealised (Gain) / Loss Foreign Exchange Fluctuations	51.44	277.98
<b>Operating profit before working capital changes</b>	<b>5,245.47</b>	<b>4,238.90</b>
Adjustments for :		
Trade and Other Receivables	(4,979.96)	(1,787.94)
Inventories	(3,096.95)	(3,571.95)
Trade Payables	1,421.77	(1,216.27)
Loans and Advances	(1,892.75)	(1,139.72)
<b>Net Cash from operating activities</b>	<b>(3,302.42)</b>	<b>(3,476.99)</b>
Direct Tax (Net of Refunds)	(1,156.30)	(1,303.53)
<b>Cash (Outflow) before Prior Period Adjustments</b>	<b>(4,458.72)</b>	<b>(4,780.52)</b>
Prior Period adjustments	38.18	4.02
<b>Net Cash from Operating Activities</b>	<b>(4,420.54)</b>	<b>(4,776.50)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(1,929.62)	(2,846.59)
Capital Work in Progress	1,158.30	(1,163.04)
Loans Others	249.41	(7,754.79)
Investments in Subsidiaries	(68.04)	(8,138.57)
Advances to Subsidiaries	(2,694.93)	(21.97)
Share Application Money (To Subsidiaries)	-	751.55
Advance against Property	(1,312.50)	(428.84)
Purchase of Investments	(69,869.35)	(139,677.72)
Sale of Investments	75,790.49	127,706.54
Dividends	153.11	594.18
Sale of fixed assets	10.86	7.58
Interest Received	1,688.48	1,666.07
<b>Net Cash used in Investment Activities</b>	<b>3,176.21</b>	<b>(29,305.60)</b>

## Cash Flow Statement

For the year ended March 31st, 2010

(Rs. in Lacs)		
Particulars	Year ended 31.03.2010	Year ended 31.03.2009
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Issue of Share Capital	(1,239.39)	285.00
Proceeds from Issue of Convertible Warrants	-	1,632.40
Proceeds from Borrowings	6,604.34	572.19
Proceeds from Securities Premium	-	32,821.62
Share Issue Expenses	-	(361.49)
Financing Charges	(1,994.49)	(1,497.05)
Dividend Paid including tax thereon	(408.57)	(467.78)
<b>Net Cash used from Financing Activities</b>	<b>2,961.89</b>	<b>32,984.89</b>
<b>Net (decrease)/ increase in Cash and Cash Equivalents</b>	<b>1,717.56</b>	<b>(1,097.21)</b>
Add/(Less):- Unrealised Foreign Exchange Fluctuation	(51.44)	(277.98)
<b>Cash and Cash Equivalents (Opening)</b>	<b>1,318.32</b>	<b>2,693.52</b>
<b>Cash and Cash Equivalents (Closing)</b>	<b>2,984.44</b>	<b>1,318.32</b>

### Note :

1. Cash and Cash Equivalent at the end of the year consists of Cash in Hand and Balances with Banks are as follows :

(Rs. in Lacs)		
Particulars	As at 31.03.2010	As at 31.03.2009
Cash in Hand	33.76	34.63
Balances with Bank	2,950.68	1,283.68
	<b>2,984.44</b>	<b>1,318.32</b>

2. Previous year's figures have been regrouped and rearranged wherever necessary in order to confirm to current year's figures.

As per our report of even date attached

For Singrodia Goyal & Co.  
Chartered Accountants

Suresh Murarka  
Partner  
Mem. No. 44739

Place : Mumbai  
Date : 25th May 2010

For & On behalf of the Board

Nikhil Chaturvedi  
Managing Director

Anil Cherian  
Company Secretary

Deep Gupta  
Whole Time Director

J.K.Jain  
Vice President Finance

## Schedules to the Balance Sheet

As at March 31st, 2010

(Rs. in Lacs)

Particulars	As at 31.03.2010	As at 31.03.2009
<b>Schedule "1" : Share Capital</b>		
Authorised		
165,000,000 Equity Shares of Rs. 2/- each	3,300.00	3,300.00
	<b>3,300.00</b>	<b>3,300.00</b>
Issued, Subscribed & Paid up		
114,357,095 Equity Shares of Rs. 2/- each fully paid up (PY 116,406,705 Equity Shares of Rs. 2/- each) fully paid up)	2,287.14	2,328.13
	<b>2,287.14</b>	<b>2,328.13</b>
Of the above		
i) 7,057,886 Equity Shares (of Rs 10 each fully paid) have been issued as Bonus Shares by Capitalisation of Reserves in the financial year 2004-05		
ii) 2,900,000 Equity Shares (of Rs 10 each fully paid) have been issued as preferential allotment at a premium of Rs 440 per share in the financial year 2006-07		
iii) 1,333,733 Equity Shares (of Rs 10 each fully paid) have been issued on conversion of the share warrant issued at Rs 450 in ratio of one share per warrant in the financial years 2007-08 and 2008-09		
iv) 2,850,000 Equity Shares (of Rs 10 each fully paid) have been issued as preferential allotment at a premium of Rs 1090 per share in the financial year 2008-09		
v) The Company has sub divided the Equity Share of Rs 10 each (fully paid up) into 5 (five) equity shares of Rs 2 each (fully paid up) based on the approval of the share holders in the Annual General Meeting held on 15th September 2008.		
vi) 2,049,610 Equity Shares of Rs 2 each have been extinguished under Buy Back Scheme (Refer Note "9", Schedule 18)		
<b>Schedule "1A" : Share Warrants</b>		
<b>(Note "27", Schedule 18)</b>		
74,20,000 warrants of Rs.22/- each paid up ( Each warrant carry option /entitlement to subscribe to one equity share of Rs.2/- each at a price of not less than Rs.220/- per share.)	-	1,632.40
	-	<b>1,632.40</b>
<b>Schedule "2" : Reserves &amp; Surplus</b>		
<b>Capital Reserve</b>		
Opening Balance	209.82	-
Add: On forfeiture of warrants	1,632.40	209.82
Closing Balance	<b>1,842.22</b>	<b>209.82</b>
<b>Capital Redemption Reserve</b>		
<b>(Refer Note "8", Schedule 18)</b>		
Opening Balance	-	-
Add: Transferred from General Reserve	40.99	-
Closing Balance	<b>40.99</b>	-
<b>Securities Premium</b>		
Opening Balance	56,854.15	24,242.21
Add : On further issue of shares	-	32,973.43
	56,854.15	57,215.64
Less : Share issue expenses	-	361.49
Closing Balance	<b>56,854.15</b>	<b>56,854.15</b>

## Schedules to the Balance Sheet

As at March 31st, 2010

Particulars	(Rs. in Lacs)	
	As at 31.03.2010	As at 31.03.2009
<b>General Reserve</b>		
Opening Balance	530.00	330.00
Add: Transfer during the year	200.00	200.00
Less: Amount transferred to Capital Redemption Reserve	40.99	-
Less: Amount withdrawn for Shares Buy Back (Refer Note "8", Schedule 18)	489.01	-
Closing Balance	<b>200.00</b>	<b>530.00</b>
<b>Balance of Profit &amp; Loss Account</b>	<b>9,035.61</b>	<b>7,376.44</b>
	<b>67,972.97</b>	<b>64,970.41</b>
<b>Schedule "3" : Secured Loans</b>		
(See Note "6" Schedule 18)		
Term Loan From Banks	8,520.60	5,304.52
Interest Accrued & Due	48.64	26.92
	8,569.24	5,331.44
Working Capital Loans from Banks	12,445.24	9,040.01
Hire Purchase Loans	175.82	131.04
	<b>21,190.30</b>	<b>14,502.49</b>
<b>Schedule "4" : Unsecured Loans</b>		
<b>Short Term Loans &amp; Advances</b>		
Intercompany Deposits	10.00	63.05
From Banks	438.77	497.54
From Directors	-	4.51
<b>Other Loans &amp; Advances</b>		
Trade Deposits	330.99	298.14
	<b>779.76</b>	<b>863.24</b>

# Schedules to the Balance Sheet

As at March 31st, 2010

Schedule "5" : Fixed Assets (At Cost less Depreciation)										(Rs. in Lacs)	
Description	Gross Block			Depreciation					Net Block		
	As At 01.04.2009	Additions during the year	Deductions during the year	As At 31.03.2010	Upto 31.03.2009	Provided for the year	Adjustments during the year	Upto 31.03.2010	As At 31.03.2010	As At 31.03.2009	
- Tangible Assets :											
Owned Assets :											
Land	850.36	-	-	850.36	-	-	-	-	850.36	850.36	
Buildings	1,366.62	399.92	-	1,766.54	225.19	96.93	-	322.12	1,444.42	1,141.43	
Plant & Machinery	328.01	277.03	-	605.04	72.58	62.46	-	135.04	470.00	255.43	
Furniture & Fixtures - Studios	4,091.73	610.84	96.16	4,606.41	1,318.17	725.01	67.86	1,975.32	2,631.09	2,773.56	
Furniture & Fixtures - Others	777.02	356.18	-	1,133.20	227.99	145.56	-	373.55	759.65	549.04	
Office Equipments	334.79	24.74	-	359.53	99.88	34.15	-	134.03	225.50	234.92	
Vehicles	522.50	176.79	-	699.29	263.43	86.13	-	349.56	349.73	259.06	
Computers	440.44	26.22	-	466.66	283.67	65.46	-	349.13	117.53	156.77	
Leased Assets :											
Plant & Machinery	168.51	-	168.51	-	168.51	-	168.51	-	-	-	
Computers	25.67	-	25.67	-	25.67	-	25.67	-	-	-	
Office Equipments	111.97	-	111.97	-	95.03	6.94	101.97	-	-	16.94	
- Intangible Assets :											
Trade Mark	-	57.89	-	57.89	-	5.79	-	5.79	52.10	-	
Total	9,017.62	1,929.61	402.31	10,544.92	2,780.12	1,228.43	364.01	3,644.54	6,900.38	6,237.51	
Previous Year	6,198.28	2,846.61	27.27	9,017.62	1,844.25	951.35	15.48	2,780.12	6,237.51	4,354.04	

Note: Out of the Depreciation provided in the previous year, Rs. 0.31 Lac included in capital work in progress.

## Schedules to the Balance Sheet

As at March 31st, 2010

Particulars	(Rs. in Lacs)	
	As at 31.03.2010	As at 31.03.2009
<b>Schedule "6" : Investments</b>		
<b>(A) Long Term Investments</b>		
<b>(a) Non Trade, Unquoted</b>		
<b>I) Investment in Subsidiaries</b>		
(All a face value of Rs 10 each fully paid otherwise stated)		
i) Prozone Enterprises Private Limited 27,313,260 Equity Shares	20,511.20	20,511.20
ii) Sporting & Outdoor Ad Agency Private Limited 4,18,102 Equity Shares	132.61	132.61
iii) Pronet Interactive Private Limited 1,00,002 Equity Shares	10.00	10.00
iv) Millenium Acessories Limited 25,500 Equity Shares	2.55	2.55
v) Oasis Fashion Limited 50,000 Equity Shares	5.00	5.00
vi) Probrand Enterprises Limited 1,00,000 Equity Shares	10.00	10.00
vii) Profab Fashions (India) Limited 50,000 Equity Shares	5.00	5.00
viii) Provogue Infrastructure Private Limited 10,000 Equity Shares	1.00	1.00
ix) Flower, Plants & Fruits (India) Private Limited. 10,000 Equity Shares	637.57	637.57
x) Provogue Holding Limited (Singapore) 9,385 (PY 1) Ordinary Shares of S \$ 1 fully paid up (PY Rs 44)	4.44	0.00
xi) Acme Advertisements Private Limited 10,000 (PY Nil) Equity Shares	1.00	-
xii) Faridabad Festival City Private Limited (formerly known as Ahmedabad Festival City Private Limited) 10,000 (PY Nil) Equity Shares	1.00	-
xiii) Merrut Festival City Private Limited (Formerly known as Ranchi Festival City Private Limited) 10,000 (PY Nil) Equity Shares	1.00	-
xiv) Elite Team Trading Limited (Hongkong) 10,00,000 (PY Nil) Equity Shares of face value of 1 HKD\$ fully paid up	60.60	-
<b>II) Investments in Others</b>		
(All a face value of Rs 10 each fully paid otherwise stated)		
i) Parkville Multiplex Cinema Private Limited 2500 Equity Shares	0.25	0.25
ii) Indian Real Opportunity Venture Capital Fund (Scheme: Milestone Domestic) 7,500 units of face value of Rs. 1000 each fully paid up	75.00	75.00
iii) Sneha Shares & Securities Private Limited 40,00,000 (PY Nil) Equity Shares	690.00	-
iv) Ojas Industries Limited 3,10,000 (PY Nil) Equity Shares	310.00	-

## Schedules to the Balance Sheet

As at March 31st, 2010

Particulars	(Rs. in Lacs)	
	As at 31.03.2010	As at 31.03.2009
<b>III) Investment in Debentures</b>		
i) Ajanta Infrastructure Limited Nil (PY 40,00,000) Optionally Fully Convertible Debentures of Rs. 100 each	-	4,000.00
ii) DSP Merrill Lynch Capital Limited Nil (P.Y 1,000) Non- Convertible Debenture of Rs 1,00,000 each	-	1,000.00
<b>(b) Non-Trade, Quoted</b>		
Andhra Bank (4,505 Equity Shares of face value of Rs. 10 each fully paid up) (Market Value Rs.4,86,990 PY Rs. 202,500)	4.05	4.05
<b>(B) Current Investments</b>		
(a) Investments in Liquid Mutual Funds (Refer Annexure "B")	3,317.57	6,021.09
(b) Investments in Bonds (Refer Annexure "C")	3,206.60	2,223.88
	<b>28,986.44</b>	<b>34,639.20</b>
Note:		
Market Value of Quoted Investments	4.87	2.03
Aggregate Value of Quoted Investments	4.05	4.05
Aggregate Value of Unquoted Investments	28,982.39	34,635.15
<b>Schedule "7" : Inventories</b> (As taken, valued & certified by the Management)		
Finished Goods	13,213.78	10,599.20
Raw Materials	8,379.73	7,930.20
Accessories & Packing Materials	120.26	116.55
Work-in-Process	321.97	279.04
Publicity Materials	-	13.79
	<b>22,035.74</b>	<b>18,938.78</b>
<b>Schedule "8" : Sundry Debtors</b> (Unsecured)		
(a) Debts due for more than six months		
Considered Good	233.19	1,336.28
Considered Doubtful	30.62	47.22
	263.81	1,383.50
Less : Provision for Doubtful Debts (Note "10" Shedule 18)	30.62	47.22
	233.19	1,336.28
(b) Other Debts (Considered Good)	13,866.29	7,792.50
	<b>14,099.48</b>	<b>9,128.78</b>
<b>Schedule "9" : Cash &amp; Bank Balances</b>		
Cash on Hand	33.76	34.64
Balance with Scheduled Banks		
i) In Current Accounts	2,475.97	450.98
ii) In Fixed Deposit Accounts (Note 28, Schedule 18)	474.71	832.70
	<b>2,984.44</b>	<b>1,318.32</b>
<b>Schedule "10" : Loans &amp; Advances</b> (Unsecured, Considered Good)		
Loan to Subsidiaries	3,052.13	357.20
Loan to Others ( Note "3 (iii)", Schedule 18)	12,514.52	12,763.93
Advance Against Property	2,225.00	912.50
Advance recoverable in cash or in kind or for value to be received	4,452.34	2,500.34

## Schedules to the Balance Sheet

As at March 31st, 2010

(Rs. in Lacs)

Particulars	As at 31.03.2010	As at 31.03.2009
Share Application Money ( Note "7" , Schedule 18 )	48.45	48.45
Deposits	1,211.99	1,271.24
Advance Tax & TDS (Net of Provisions)	8.93	62.90
	<b>23,513.36</b>	<b>17,916.56</b>
<b>Schedule "11" : Current Liabilities &amp; Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors		
Due to Micro, Small & Medium Enterprises (Note "17", Schedule 18)	21.36	106.49
Due to Others	5,784.24	4,266.75
Other Liabilities	442.25	466.25
<b>Provisions</b>		
Provision for Gratuity	20.97	11.37
Provision for Leave Encashment	37.82	33.99
Proposed Dividend	228.71	349.22
Provision for Dividend Distribution Tax	37.99	59.35
	<b>6,573.34</b>	<b>5,293.42</b>

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
<b>Schedule "12" : Operational Income</b>		
Sales	46,536.12	34,695.82
Export Benefits & Incentives	1,354.88	841.94
Gain on Foreign Exchange Fluctuations (Net)	-	296.33
Other Operating Income	175.70	138.57
	<b>48,066.70</b>	<b>35,972.66</b>
<b>Schedule "13" : Other Income</b>		
Dividends	153.11	594.18
Profit on sale of Investments	200.36	308.60
Interest Income ( TDS Rs. 162.32 lacs, P.Y Rs. 392.25 lacs)	1,688.48	1,666.07
Miscellaneous Income	32.29	57.13
	<b>2,074.24</b>	<b>2,625.98</b>
<b>Schedule "14" : Cost of Materials</b>		
<b>(a) Raw Materials</b>		
Opening Stocks	7,930.20	5,440.89
Add : Purchases	17,643.36	13,651.84
	25,573.56	19,092.73
Less : Closing Stocks	8,379.73	7,930.20
	<b>17,193.83</b>	<b>11,162.53</b>
<b>(b) Accessories &amp; Packing Materials</b>		
Opening Stocks	116.55	129.30
Add : Purchases	545.38	419.96
	661.93	549.26
Less : Closing Stocks	120.26	116.55
	<b>541.67</b>	<b>432.71</b>
<b>(c) Traded Goods</b>	<b>14,973.55</b>	<b>9,949.46</b>
<b>(d) Inventory Adjustments</b>		
Opening Stock		
- Work-in-Process	279.04	473.05

## Schedules to the Balance Sheet

As at March 31st, 2010

		(Rs. in Lacs)	
Particulars	Year ended 31.03.2010	Year ended 31.03.2009	
- Finished Goods	10,599.20	9,304.44	
	<b>10,878.24</b>	<b>9,777.49</b>	
Less : Closing Stock			
- Work-in-Process	321.97	279.04	
- Finished Goods	13,213.78	10,599.20	
	<b>13,535.75</b>	<b>10,878.24</b>	
	<b>(2,657.51)</b>	<b>(1,100.75)</b>	
<b>Cost of Materials (a+b+c+d)</b>	<b>30,051.54</b>	<b>20,443.95</b>	
<b>Schedule "15" : Personnel Expenses</b>			
Salaries, Wages & Bonus	1,534.41	1,376.12	
Contribution to PF & Other Funds	68.95	62.35	
Workmen & Staff Welfare	57.98	84.33	
	<b>1,661.34</b>	<b>1,522.80</b>	
<b>Schedule "16" : Manufacturing &amp; Other Expenses</b>			
Processing Charges	3,033.20	2,002.98	
Power & Fuel	38.71	25.53	
Rent ( Net) (Note "11" , Schedule 18)	1,831.80	2,122.21	
Rates & Taxes	105.50	60.96	
Insurance	39.72	46.12	
Repairs & Maintenance	-	-	
- Building	7.05	2.27	
- Plant and Machinery	9.76	15.79	
- Others	399.99	412.80	
Travelling & Conveyance	335.44	301.66	
Communication Costs	140.55	132.75	
Printing & Stationery	67.50	47.64	
Electricity Charges	385.41	418.38	
Legal & Professional Fees	404.32	291.01	
Directors' Remuneration	106.32	119.26	
Auditors Remuneration	55.81	42.48	
Commission	345.39	621.03	
Advertisement & Sales Promotion Expenses	1,942.55	1,600.95	
Customer Relationship Expenses	50.49	69.07	
Studio Expenses	182.70	188.43	
Transportation, Freight & Handling Charges	751.49	759.66	
Sales Tax / VAT	713.94	694.40	
Provision for Doubtful Debts	9.26	47.22	
Loss on Foreign Exchange Fluctuations (Net)	43.28	-	
Loss on sale/discard of Fixed Assets	27.45	4.20	
Miscellaneous Expenses	201.16	126.75	
	<b>11,228.79</b>	<b>10,153.55</b>	
<b>Schedule "17" : Interest &amp; Financial Charges</b>			
Interest on Fixed Loans	651.74	832.01	
Interest on Other Loans	1,065.47	493.04	
Lease Charges	0.63	4.65	
Bank Charges	276.66	167.35	
	<b>1,994.50</b>	<b>1,497.05</b>	

## Schedule "18": Significant Accounting Policies & Notes on Accounts

### A. Significant Accounting Policies

#### 1. Basis of Accounting:

- i) The Financial Statements have been prepared in compliance with the Accounting Standards notified by Companies (Accounting Standard) Rules 2006 and the relevant provisions of the Companies Act, 1956 in all material aspects
- ii) Financial Statements are based on historical cost convention and are prepared on accrual basis

#### 2. Revenue Recognition:

- i) Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.
- ii) Revenue in respect of export sales is recognised on shipment of products.
- iii) Interest is recognised on a time proportion basis taking in to account the amount outstanding and the rate applicable.
- iv) Dividend income is recognised when the right to receive payment is established.

#### 3. Fixed Assets:

Fixed Assets are stated at actual cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

#### 4. Impairment of Fixed Assets:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### 5. Depreciation:

##### a) Tangible Assets

- i) Depreciation on all Fixed Assets, except Furniture and Fixtures at Studios, is provided on 'Written Down Value Method' at the rates and in the manner prescribed in the Schedule XIV of the Companies Act, 1956.
- ii) Depreciation on Furniture and Fixtures at Studios is amortized equally over a period of six years from the date of capitalisation.
- iii) Fixed assets acquired on lease basis are amortised over the period of the lease term.

##### b) Intangible Assets

- i) Trade Mark is amortised on Straight Line Method over a period of ten years

#### 6. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Profit and Loss Account.

#### 7. Inventories:

Inventories are valued as follows:

- i) Finished Goods are valued at lower of cost or net realisable value. \*
- ii) Work-in-Process are valued at lower of cost or net realisable value. \*
- iii) Raw Materials are valued at lower of cost or net realisable value. \*\*
- iv) Accessories and Packing Materials are valued at lower of cost or net realisable value.
- v) Publicity Materials are valued at cost.

\*Cost is arrived at on full absorption basis as per Accounting Standard - 2 "Valuation of Inventories.

\*\*Cost is arrived at on weighted average cost method.

#### 8. Investments:

Investments that is intended to be held for more than a year from the date of acquisition are classified as long term investments and are carried at cost less any provision for permanent diminution in value. Investments other than long term investments being current investments are valued at cost or fair market value whichever is lower

### 9. Miscellaneous Expenditure:

- i) Preliminary expenses are amortised in the year in which they are incurred.
- ii) Expenses on preferential issue of shares/warrants are written off against the securities premium received.

### 10. Employee Benefits:

- i) Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Profit & Loss Account for the year.
- ii) Liability for leave encashment benefits has been provided on accrual basis.
- iii) Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation, using the projected unit credit method as at the date of the Balance Sheet.

### 11. Provisions and Contingent Liabilities:

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

### 12. Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the financial statements and the reported amounts of revenues and expenses during the reporting period.

Difference between actual results and estimates are recognized in the periods in which the results are known/materialize.

### 13. Foreign Currency Transactions:

- i) The transactions in foreign currencies on revenue accounts are stated at the rate of exchange prevailing on the date of transactions.
- ii) The difference on account of fluctuation in the rate of exchange, prevailing on the date of transaction and the date of realisation is charged to the Profit & Loss Account.
- iii) Non monetary foreign currency items are carried at cost
- iv) Differences on translation of Current Assets and Current Liabilities remaining unsettled at the year-end are recognised in the Profit and Loss Account.
- v) The premium in respect of forward exchange contract is amortised over the life of the contract. The net gain or loss on account of any exchange difference, cancellation or renewal of such forward exchange contracts is recognised in the Profit & Loss Account.

### 14. Accounting for Taxation of Income:

#### Current Taxes

Provision for current income-tax is recognized in accordance with the provisions of Indian Income-tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

#### Deferred Taxes

Deferred tax assets resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

## B. Notes to Accounts

### 1. Contingent Liabilities not provided for:

- i) Letters of Credit outstanding Rs. 389.52 lacs. (PY Rs. Nil)
- ii) Guarantee given by Banks on behalf of the Company Rs. 131.95 lacs. (PY Rs. 58.95 lacs)
- iii) Estimated amount of contracts remaining to be executed on capital account Rs. 1405.00 lacs. (PY Rs. 1987.50) (Net of advances).

- iv) Sales Tax Liability contested in appeals Rs 5.11 lacs (PY Rs. 2.10 lacs)
  - v) Stamp duty liability not acknowledged as debt Rs.10 lacs. (PY Rs. 10 lacs)
  - vi) a. The provisions in respect to service tax on renting of immovable properties to be used for commercial/business purpose have been recently amended by the Finance Act, 2010 with retrospective effect from 1st June 2007. However the High Court of Delhi has granted interim relief in relation to the said amendments vide its Order dated 18th May 2010 payable in the case of another petitioner as no value addition is discernible in so far renting of immovable property is concerned. In view of this, the Company has been advised not to pay/provide service tax liability amounting to Rs 140.47 lacs for the year (PY Rs Nil) in respect of rent of various immovable properties and the same is reflected as contingent liability.
  - b. In view of (a) above, service tax in respect of rent earned on immovable properties rented out during the year by the Company, the Company has not charged service tax on the same. Contingent Liability in case of the same amounts to Rs 16.95 lacs (PY Rs Nil)
2. As at 31st March 2010, the Company has unutilised service tax input credit of Rs.196.61 lacs (PY Rs. 196.61 lacs). The above credit shall be utilised against the taxable service provided by the Company in future.
3. i) In the opinion of the Board the Current Assets, Loans & Advances are approximately of the value stated and are realisable in the ordinary course of business except for those which are considered doubtful and provided for. The provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.
- ii) The Balances in some of the Sundry Debtors, Sundry Creditors, and Loans and Advances are as per their respective ledger accounts and subject to confirmation and reconciliation. Consequential impact thereof, if any, will be considered as and when determined.
- iii) "Loan Others" under the Schedule 10 "Loan & Advances" includes loans to various parties amounting to Rs. 12,514.52 lacs (PY Rs.12,763.93 lacs) out of unutilised surplus funds from the preferential issue of equity shares/warrants. Interest income amounting to Rs 1444.06 lacs (PY Rs. 1,650.93 lacs) has been earned on such loans. In view of the management the amount as reflected is fully realisable and hence considered good.
4. Sales are inclusive of sales tax and are stated net of discounts, returns and rebates. Purchases are stated net of discounts, returns, VAT and rate differences.
5. **Prior Period Items**  
 Prior Period Items of Rs.38.18 lacs (PY Rs 4.02 lacs) includes prior period expenses of Rs Nil (PY Rs 3.18 lacs) , prior period income of Rs 18.18 lacs (PY Rs.7.20 lacs) and earlier year depreciation written back Rs 20.00 lacs (PY Rs. Nil)
6. **Secured Loans:**
- i) Term Loans from Banks:  
 Rs.491.22 lacs (PY Rs. 660.25 lacs) Secured by charge on factory land and building and hypothecation on P&M and other moveable assets acquired at Baddi and personal guarantee of promoter directors.  
 Rs.Nil (PY Rs.18.37 lacs) Secured by specified assets.  
 Rs.8,078.02 lacs\*# (PY Rs. 4,652.82 lacs) Secured by first charge on Credit Card Receivable Escrow account.  
 \*The loans are further secured by pledge of listed shares held by promoter group and personal guarantee of promoter directors.
  - ii) Working Capital Loans from Banks:  
 a) Cash Credit Loan\*\*:  
 Rs.8,414.10 lacs (PY Rs. 7,086.78 lacs) - Secured by hypothecation of stocks and book debts and the personal guarantee of promoter directors.
  - b) Packing Credit Loan and Foreign Bills Purchased:  
 Rs.3,013.19 lacs (PY Rs. 1,199.58 lacs) Secured by hypothecation of stocks and book debts of export division and the personal guarantee of promoter directors.
  - c) Short Term Loan
    - Rs. Nil lacs (PY Rs. 753.65 lacs) Secured by pledge of fixed deposit receipts and personal guarantee of promoter directors.
    - Rs. 1,017.95 lacs (PY Rs. Nil) Secured by lien of approved mutual funds for export working capital requirements.

## Schedules Forming Part of Accounts

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iii) Hire Purchase Loans:

Rs.175.82 lacs (PY Rs. 131.04 lacs) Secured by specific assets financed (Vehicles)

\*\*Cash Credit Loans are further collaterally secured by equitable mortgage of office and factory premises of the Company.

#Term Loans are further collaterally secured by second charge on the entire fixed assets of the Company other than the assets which are specifically charged to other lenders.

7. Share Application Money in Schedule "10" denotes Rs. 48.45 lacs (PY Rs.48.45 lacs) amounts given to the subsidiaries of the Company pending allotment/refund.

8. Buy Back of shares:

During the year the Company has under Sec 77A of the Companies Act 1956 brought back 20,49,610 equity shares of the Company through open market transactions for an aggregate amount of Rs 1239.39 lacs, by utilising the General Reserve and Profit & Loss A/C of Rs 530.00 lacs & Rs 709.39 lacs respectively. The Capital Redemption Reserve has been created out of General Reserve for Rs 40.99 lacs, being the nominal value of shares bought back in terms of Section 77A of the Companies Act, 1956. All the above equity shares bought back have been extinguished.

9. Subsidiary Companies

- i) During the year the Company has acquired 100% Equity Shares Capital of Acme Advertisements Private Limited, Faridabad Festival City Private Limited (Formerly known as Ahmedabad Festival City Private Limited) & Meerut Festival City Private Limited (Formerly known as Ranchi Festival City Private Limited) and Elite Team Trading Limited. (Incorporated in Hongkong) whereby these 4 Companies have become wholly owned subsidiaries of the Company.
- ii) Sundry Debtors & Advances recoverable in cash or in kind or value to be received includes Rs.25.30 lacs (PY Rs.40.11 lacs) & Rs.219.79 lacs (PY Rs. Nil) respectively due from subsidiary companies.
- iii) Sundry Creditors & Other Liabilities includes Rs. 114.45 lacs (PY 188.23 lacs) & Rs. 25.00 lacs (PY 25.00 lacs) respectively due to subsidiary Companies.

10. Provision for Doubtful Debts/ Bad-debts written off:

- i) During the year, provisions for doubtful debts amounting to Rs.25.86 lacs created in the earlier years has been reversed due to realisation/ write off of the respective debtors and the said amount has been netted off from the Miscellaneous Expenses.
- ii) During the year a sum Rs.9.26 lacs out of Rs 61.73 lacs of debtors due for more than six months has been considered doubtful and fully provided for.
- iii) Miscellaneous Expenses also includes Rs. 78.94 lacs being bad debts written off during the year.

11. Rent under Schedule "17" reflected is net of rent received Rs. 164.55 lacs (PY Rs. 152.07 lacs) including TDS Rs.32.46 lacs (PY Rs. 37.79 lacs).

12. Loans and advances in the nature of loans given to subsidiaries and associates as required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of Listing Agreement is under:

a) Details of Loans to Subsidiaries:

(Rs. in Lacs)

Name of the Subsidiary	31st March 2010		31st March 2009	
	Amount	Maximum Amount	Amount	Maximum Amount
Prozone Enterprises Private Limited	2576.55	2576.55	70.28	918.99
Sporting and Outdoor Ad Agency Private Limited	291.73	303.24	279.40	358.69
Pronet Interactive Private Limited	0.18	0.18	0.18	0.18
Faridabad Festival City Private Limited (Formerly known as Ahmedabad Festival City Private Limited)	176.87	176.87	Nil	Nil
Millennium Accessories Private Limited	2.90	2.90	2.90	2.90
Meerut Festival City Private Limited (Formerly known as Ranchi Festival City Private Limited)	Nil	9.00	Nil	Nil
Oasis Fashions Limited.	0.27	0.27	Nil	Nil
Provogue Holding Limited - (Singapore)	Nil	4.44	4.44	4.44
Elite Team Trading Limited - (Hongkong)	3.13	3.13	NIL	NIL
Provogue Infrastructure Private Limited.	0.50	138.50	NIL	NIL

## Schedules Forming Part of Accounts

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### b) Details of Investments in Subsidiaries:

Name of the Subsidiary Company	(No. of Shares)	
	31st March 2010	31st March 2009
Prozone Enterprises Private Limited	2,73,13,260	2,73,13,260
Sporting and Outdoor Ad Agency Private Limited	4,18,102	4,18,102
Pronet Interactive Private Limited	1,00,002	1,00,002
Probrand Enterprises Limited	1,00,000	1,00,000
Profab Fashion (India) Limited	50,000	50,000
Provogue Infrastructure Private Limited	10,000	10,000
Oasis Fashion Limited	50,000	50,000
Millennium Accessories Limited	25,500	25,500
Flowers, Plants & Fruits (India) Private Limited	10,000	10,000
Acme Advertisements Private Limited	10,000	Nil
Faridabad Festival City Private Limited (Formerly known as Ahmedabad Festival City Private Limited)	10,000	Nil
Meerut Festival City Private Limited (Formerly known as Ranchi Festival City Private Limited)	10,000	Nil
Provogue Holding Limited (Singapore)	9,385	1
Elite Team Trading Limited (Hongkong)	10,00,000	Nil
<b>Investments through Prozone Enterprises Private Limited</b>		
Faridabad Festival City Private Limited (Formerly known as Ahmedabad Festival City Private Limited)	Nil	10,000
Alliance Mall Developers Co Private Limited	10,000	10,000
Castle Mall Private Limited	10,000	10,000
Jaipur Festival City Private Limited	10,000	10,000
Meerut Festival City Private Limited (Formerly known as Ranchi Festival City Private Limited)	Nil	10,000
Standard Mall Private Limited	10,000	10,000
Royal Mall Private Limited	10,000	10,000
Prozone Liberty International Limited (Singapore)	3,77,45,594	3,22,12,898
<b>Investments through Prozone Liberty International Limited (Singapore)</b>		
Prozone International Limited (Singapore)	2,64,92,145	2,64,92,145
Prozone Overseas Pte Limited (Singapore)	1	1
Prozone International Coimbatore Limited (Singapore)	1	Nil
<b>Investments through Prozone International Limited (Singapore)</b>		
Empire Mall Private Limited	4,72,09,412	2,53,88,000
Omni Infrastructure Private Limited	24,000	24,000
Hagwood Commercial Developers Private Limited	94,80,235	94,80,235

## Schedules Forming Part of Accounts

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**13. Other Liabilities in Schedule "11" include Unclaimed Dividends amounting to Rs.2.03 lacs (PY Rs.1.05 lacs)**

**14. Directors' Remuneration:**

(Rs. in Lacs)

Particular	31st March 2010	31st March 2009
Directors Remuneration	106.32	119.26
Contribution to Provident fund and other funds	0.37	0.56
Perquisites	25.31	24.75
<b>Total</b>	<b>132.00</b>	<b>144.57</b>

**15. Auditor's Remuneration**

(Rs. in Lacs)

Particular	31st March 2010	31st March 2009
Audit Fees	27.58	24.27
Taxation Matters	15.00	18.14
Other Services	13.23	0.07
<b>Total</b>	<b>55.81</b>	<b>42.48</b>

**16. Additional Information Pursuant to the Provisions of Part II of the Schedule VI of the Companies Act 1956**

i) Quantitative Information:

a) Installed Capacity

Not Applicable

b) Purchase / Production, Consumption / Sales / Stock: As per Annexure "A" Attached

ii) Value of Imported and Indigenous Raw Materials consumed during the year:

(Rs. in Lacs)

Description	31st March 2010		31st March 2009	
	In %	In Rs.	In %	In Rs.
Imported	30.59	5,426.09	4.22	488.82
Indigenous	69.41	12,309.41	95.78	11,106.42
<b>Total</b>	<b>100.00</b>	<b>17,735.50</b>	<b>100.00</b>	<b>11,595.24</b>

iii) C.I.F. Value of Imports, Expenditure and Earnings in Foreign Exchange

(Rs. in Lacs)

Particulars	31st March 2010	31st March 2009
<b>C.I.F. Value of Imports</b>		
Capital Goods ( current year Trade Mark)	57.89	56.39
Raw Materials	5,427.45	279.20
Trading Goods	3717.48	526.39
<b>Expenditure in Foreign Exchange</b>		
Foreign Travelling	87.95	78.52
Commission	4.95	6.77
Professional Fees	Nil	46.90
Membership & Subscription	1.25	Nil
Interest on Foreign Currency Loans	161.63	162.01
<b>Earnings in Foreign Exchange</b>		
Export Sales - FOB	19,596.49	10,639.41

## Schedules Forming Part of Accounts

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### iv) Remittance in foreign currency on account of dividends:

(Rs. in Lacs)

Particulars	31st March 2010	31st March 2009
Year to which the dividend relates	2008-09	2007-08
Number of non-resident shareholders to whom remittances were made	154	109
Number of shares on which remittances were made (of Face Value Rs.2)	33,783,273	39,524,145
Dividend amount (Rs. In lacs)	101.35	138.33

### 17. Amounts due to Micro, Small and Medium Enterprises:

As per the requirement of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 following information have been disclosed. This information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose.

(Rs. in Lacs)

Sr. No.	Particulars	31st March 2010	31st March 2009
i)	a) Principal amount remaining unpaid to any supplier at the end of the accounting year included in sundry creditors.	9.98	84.51
	b) The interest due on above	0.46	1.18
ii)	The amount of interest paid by the buyer in terms of Section 16 of the Act	21.98	NIL
iii)	The amount of the payment made to the supplier beyond the appointed day during the accounting year.	203.74	218.65
iv)	The amount of interest accrued and remaining unpaid at the end of financial year	11.38	21.98
v)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act.	10.92	20.80

18. The Company has set up a manufacturing unit at Baddi in the State of Himachal Pradesh to manufacture ready finished garments. During the year the project has been completed and following "Pre Operative Expenditure" pending Capitalisation has been capitalised during the year. Necessary details as per Part II of Schedule VI of the Companies Act, 1956 have been disclosed below:

(Rs. in Lacs)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
Opening Balance	14.40	-
Staff Welfare	-	0.28
Repairs & Maintenance	1.53	1.10
Rent	1.61	1.43
Rates & Taxes	0.60	3.00
Travelling & Conveyance	1.52	1.66
Communication	0.26	0.24
Printing & Stationery	0.36	0.42
Electrical Expenses	0.02	1.64
Professional Fees	0.05	2.28
Advertisement & Sales Promotion Expenses	-	0.36
Transportation, Freight & Handling Charges	0.17	0.25
Miscellaneous Expenses	2.50	1.43
Employee Cost	6.93	-
Power & Fuel Charges	1.20	-
Depreciation	-	0.31
Less: Amount Capitalised	(31.15)	-
<b>Total</b>	<b>-</b>	<b>14.40</b>

## Schedules Forming Part of Accounts

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### 19. Employees Defined Benefits:

Defined Benefit Plans - As per Actuarial Valuation on 31st March 2010.

(Rs. in Lacs)

Particulars	31st March 2010	31st March 2009
<b>a)</b>		
<b>i) Present value of obligation</b>		
As at 1 April 2009	32.12	19.92
Service Cost	11.79	11.21
Interest Cost	2.25	1.59
Actuarial loss on obligation	(1.81)	0.25
Benefits paid	(1.14)	(0.85)
As at 31 March 2010	<b>43.21</b>	<b>32.12</b>
<b>Less:</b>		
<b>ii) Fair Value of Plan Assets</b>		
As at 1 April 2009	20.76	12.32
Expected Return on Plan Assets less Loss on Investments	1.45	0.86
Actuarial Gain / (Loss) on Plan Assets	(0.28)	0.83
Employers' Contribution	1.45	7.60
Benefits paid	(1.14)	(0.85)
Expected Return on Plan Assets less Loss on Investments	22.24	20.76
<b>Amount recognized in Balance Sheet</b>	<b>20.97</b>	<b>11.37</b>
<b>b) Expenses during the year</b>		
Service Cost	11.79	11.21
Interest Cost	2.25	1.59
Expected Return on Plan Assets	(1.45)	(0.86)
Actuarial (Gain) / Loss	(1.53)	(0.58)
<b>Total</b>	<b>11.06</b>	<b>11.36</b>
<b>c) Actual Returns on Plan Assets</b>	<b>1.17</b>	<b>1.69</b>
<b>d) Break up of Plan Assets as a percentage of total Plan Assets</b> (Percentage or Value)		
Insurer Managed Funds	100%	100%
<b>e) Principal actuarial assumptions</b>		
Rate of Discounting	8.00%	7.00%
Expected Return on Plan Assets	8.00%	7.00%
Rate of increase in Salaries	5.00%	4.00%

### 20. Earning Per Share:

In accordance with Accounting Standard 20- Earning Per Share, the computation of earning per share is set below:

(Rs. in Lacs)

Sr. No.	Particulars	31st March 2010	31st March 2009
i)	Weighted average number of Equity Shares of Rs. 2 each		
a)	Number of shares at the beginning of the year	116,406,705	99,988,040
b)	Number of shares at the end of the period	114,357,095	116,406,705
c)	Weighted average number of shares outstanding during the year	115,728,487	113,422,529
ii)	Net Profit after tax available for equity shareholders (Rs. In lacs)	2,835.26	2941.83
iii)	Basic Earning Per Share (In Rs.)	2.45	2.59
iv)	Diluted Earning Per Share (In Rs.)	2.45	2.59

#### Note:

The Company does not have any dilutive potential equity shares. Consequently the basic and diluted earning per share of the Company remain the same.

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### 21. Taxation:

- Provision for taxation for the year has been made in accordance with the provisions of the Income Tax Act, 1961.
- In terms of Accounting Standard 22 on "Accounting for Taxes on Income", the Company has recognised Deferred Tax Assets amounting to Rs. 31.01 lacs (PY Rs. 70.16 lacs) for the year ended 31st March 2010 in the Profit & Loss Account.

The accumulated balance in Net Deferred Tax Liability / (Assets) comprises of:

(Rs. in Lacs)

Particulars	31st March 2010	31st March 2009
Depreciation	(197.04)	(134.94)
Provision for Doubtful Debts	(10.17)	(16.05)
Provision for Bonus	(11.92)	(7.28)
Provision for Gratuity	(6.97)	(10.92)
Tax Disallowances	-	(26.91)
Leave Encashment Provision	(12.57)	(11.55)
Deferred Tax Liability / (Assets)	(238.67)	(207.65)

- In accordance with Accounting Standard 19: "Leases", the assets acquired on Finance Lease on or after April 1, 2001 are capitalized and a liability is recognised for an equivalent amount. Consequently depreciation is provided on such leases. Lease rentals paid are allocated to the liability and the interest charged to Profit & Loss Account.

The minimum lease rentals payable as at 31st March, 2010 are as follows:

(Rs. in Lacs)

Particulars	31st March 2010	31st March 2009
<b>Minimum Lease Payment</b>		
Not later than one year	Nil	18.67
Later than one year but not later than five years	Nil	-
<b>Total</b>	<b>Nil</b>	<b>18.67</b>
Less: Future Finance Charges	Nil	0.30
<b>Present Value of Minimum Lease Payment</b>	<b>Nil</b>	<b>18.37</b>

Present value of Minimum Lease Payment

(Rs. in Lacs)

Particulars	31st March 2010	31st March 2009
<b>Present value of Minimum Lease Payment</b>		
Not later than one year	Nil	18.37
Later than one year but not later than five years	Nil	-
<b>Total</b>	<b>Nil</b>	<b>18.37</b>

### 23. Segmental Information:

- Primary (Business) Segment:**  
In accordance with the requirements of Accounting Standard 17 "Segment Reporting", the Company's business consists of one reportable business segment i.e., "Manufacturing & Trading of Textile Products", hence no separate disclosures pertaining to attributable Revenues, Profits, Assets, Liabilities, Capital Employed are given.
- Secondary (Geographical) Segment:**  
Secondary segment reporting is on the basis of geographical location of the customers. The operation of the Company comprises local sales and export sales. The management views the Indian market and Export market as distinct geographical segments. The following is the distribution of the Company's sales by geographical markets:

(Rs. in Lacs)

Sales	31st March 2010	31st March 2009
India	26,561.89	23,762.18
Exports	19,974.23	10,933.64
<b>Total</b>	<b>46,536.12</b>	<b>34,695.82</b>

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The following is the carrying amount of segment assets and additions to fixed assets by geographical area in which the assets are located:

(Rs. in Lacs)

Carrying Amount of Segment Assets	31st March 2010	31st March 2009
India	85,727.10	80,224.14
Outside India*	6,503.07	4,072.53
<b>Total</b>	<b>92,230.17</b>	<b>84,296.67</b>

\*Carrying amount of segment assets outside India represents receivables from export sales

### 24. Related Party Disclosures:

#### I. For the year ended 31st March, 2010

##### i) List of Related Parties and Relationships

##### a) Key Management Personnel

Mr. Nikhil Chaturvedi	Director
Mr. Akhil Chaturvedi	Director
Mr. Salil Chaturvedi	Director
Mr. Deep Gupta	Director
Mr. Nigam Patel	Director
Mr. Rakesh Rawat	Director

##### b) Relative of Director and Name of the enterprises having same Key Management Personnel and / or their relatives as the reporting enterprise with whom the Company has entered into transactions during the year.

- Floro Mercantile Private Limited
- Topspeed Trading Company Private Limited
- Acme Exports

##### c) Subsidiary - The Ownership, Directly or Indirectly through Subsidiary/ Subsidiaries

- Prozone Enterprises Private Limited
- Sporting and Outdoor Ad Agency Private Limited
- Pronet Interactive Private limited
- Probrand Enterprises Limited
- Profab Fashions (India) Limited
- Oasis Fashions Limited
- Millennium Accessories Limited
- Flowers Plant & Fruits (India) Private Limited
- Acme Advertisements Private Limited
- Meerut Festival City Private Limited
- Faridabad Festival City Private Limited
- Provogue Holding Limited (Singapore)
- Elite Team Trading Limited (Hongkong)
- Alliance Mall Developers Co Private Limited
- Castle Mall Private Limited
- Jaipur Festival City Private Limited
- Standard Mall Private Limited
- Royal Mall Private Limited
- Prozone Liberty International Limited (Singapore)
- Prozone International Limited (Singapore)
- Prozone Overseas Pte Limited (Singapore)
- Prozone International Coimbatore Limited (Singapore)
- Empire Mall Private Limited
- Omni Infrastructure Private Limited
- Hagwood Commercial Developers Private Limited

## Schedules Forming Part of Accounts

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### d) Joint Venturer

- Emerald Buildhome Private Limited
- Moontown Trading Company Private limited

### e) Co-Venturer.

- Ajanta Infrastructure Limited (Upto 29th September 2009)

### ii) Disclosures required for related parties transaction :

(Rs. in Lacs)

Nature of Transactions	In relation to (a) above	In relation to (b) above	In relation to (c) above	In relation to (d) above	In relation to (e) above
Purchases	Nil	4.06	29.98	Nil	Nil
Rent Paid	Nil	Nil	24.00	Nil	Nil
Advertisement Expenses	Nil	Nil	311.14	Nil	Nil
Directors Remuneration	132.00	Nil	Nil	Nil	Nil
Rent Received	Nil	Nil	120.00	Nil	Nil
Sales	Nil	Nil	102.44	Nil	Nil
Interest Paid on Unsecured Loans	Nil	4.67	Nil	Nil	Nil
Repayment of Loans Taken	4.51	57.72	Nil	Nil	Nil
Loans Granted	Nil	Nil	3273.36	Nil	Nil
Loans Received Back	Nil	Nil	588.39	Nil	Nil
Interest Received on Loans Granted	Nil	Nil	9.97	Nil	Nil
Advance against Purchases	Nil	Nil	219.79	Nil	Nil
Investment in Shares	Nil	Nil	68.04	Nil	Nil
Redemption of Debentures	Nil	Nil	Nil	Nil	4,000
Purchase of Shares	1.00	Nil	2.00	Nil	Nil
<b>Amount outstanding as on 31st March 2010</b>					
Sundry Creditors	Nil	2.25	114.45	Nil	Nil
Other Liabilities	1.38	Nil	25.00	Nil	Nil
Advance Against Expenses	Nil	Nil	219.79	Nil	Nil
Loans Payable	Nil	Nil	Nil	Nil	Nil
Loan Receivable	Nil	Nil	3052.13	Nil	Nil
Sundry Debtors	Nil	Nil	25.30	Nil	Nil
Investments	Nil	Nil	21382.97	Nil	Nil
Share Application Money Paid	Nil	Nil	48.45	Nil	Nil

Note: Related Parties are as disclosed by the Management and relied upon by the Auditors.

## II. For the year ended 31st March, 2009

### i) List of Related Parties and Relationship :

#### a) Key Management Personnel

Mr. Nikhil Chaturvedi	Director
Mr. Akhil Chaturvedi	Director
Mr. Salil Chaturvedi	Director
Mr. Deep Gupta	Director
Mr. Nigam Patel	Director
Mr. Rakesh Rawat	Director

## Schedules Forming Part of Accounts

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b) Relative of Director and Name of the enterprises having same Key Management Personnel and / or their relatives as the reporting enterprise with whom the Company has entered into transactions during the year.

- Mrs. Shital Chaturvedi
- Floro Mercantile Private Limited
- Topspeed Trading Company Private Limited

c) Subsidiary - The Ownership, Directly or Indirectly through Subsidiary/ Subsidiaries

- Prozone Enterprises Private Limited
- Sporting and Outdoor Ad Agency Private Limited
- Pronet Interactive Private limited
- Probrand Enterprises Limited
- Profab Fashions (India) Limited
- Oasis Fashions Limited
- Millennium Accessories Limited
- Empire Mall Private Limited
- Omni Infrastructure Private Limited
- Flowers Plant & Fruits (India) Private Limited (from 5-2-2009)
- Provogue Holding Limited (Singapore)
- Meerut Festival City Private Limited
- Faridabad Festival City Private Limited
- Alliance Mall Developers Co Private Limited
- Castle Mall Private Limited
- Jaipur Festival City Private Limited
- Standard Mall Private Limited
- Royal Mall Private Limited
- Prozone Liberty International Limited (Singapore)
- Prozone International Limited (Singapore)
- Prozone Overseas Pte Limited (Singapore)
- Empire Mall Private Limited
- Omni Infrastructure Private Limited
- Hagwood Commercial Developers Private Limited

d) Joint Venturer

- Emerald Buildhome Private Limited
- Moontown Trading Company Private limited

e) Co-Venturer

- Ajanta Infrastructure Limited

ii) Disclosures required for related parties transaction :

(Rs. in Lacs)

Nature of Transactions	In relation to (a) above	In relation to (b) above	In relation to (c) above	In relation to (d) above	In relation to (e) above
Purchases	Nil	Nil	87.30	Nil	Nil
Rent Paid	Nil	50.38	4.00	Nil	Nil
Advertisement Expenses	Nil	Nil	67.27	Nil	Nil
Directors Remuneration	119.54	Nil	Nil	Nil	Nil
Rent Received	Nil	Nil	60.00	Nil	Nil
Unsecured Loans Taken	29.58	19.83	1494.27	Nil	Nil
Interest Paid on Unsecured Loans	Nil	7.11	Nil	Nil	Nil
Repayment of Loans Taken	25.07	18.39	1494.27	Nil	Nil
Loans Granted	Nil	Nil	1173.67	Nil	4,000
Loans Received Back	Nil	Nil	1189.45	Nil	4,000
Interest Received on Loans Granted	Nil	Nil	37.74	Nil	376.28

## Schedules Forming Part of Accounts

March 31st, 2010

Nature of Transactions	(Rs. in Lacs)				
	In relation to (a) above	In relation to (b) above	In relation to (c) above	In relation to (d) above	In relation to (e) above
Advance against Purchases	Nil	Nil	25.00	Nil	Nil
Equity Contribution	1624.99	Nil	Nil	Nil	Nil
Contribution towards Share Warrants	Nil	1,469.60	Nil	Nil	Nil
Investment in Shares	Nil	Nil	7500.00	Nil	Nil
Investment in Debentures	Nil	Nil	Nil	Nil	4,000
Share Application Money Given	Nil	Nil	48.45	Nil	Nil
Purchase of Shares	319.78	318.78	Nil	Nil	Nil
<b>Amount outstanding as on 31st March 2009</b>					
Sundry Creditors	Nil	2.39	188.23	Nil	Nil
Other Liabilities	11.43	Nil	25.00	Nil	Nil
Loans Payable	4.51	53.05	Nil	Nil	Nil
Loan Receivable	Nil	Nil	357.21	Nil	Nil
Sundry Debtors	Nil	Nil	40.11	Nil	Nil
Investments	Nil	Nil	20676.36	Nil	4,000
Share Application Money Paid	Nil	Nil	48.45	Nil	Nil

Note: Related Parties are as disclosed by the Management and relied upon by the Auditors.

25. The details of purchases, sales and closing stock of investments in Mutual Funds and Bonds during the year are given in Annexure "B" & "C".
26. During the years 2006-07 to 2008-09 the Company has raised an aggregate amount of Rs. 52,244 lacs through preferential issue of shares and allotment of convertible warrants. Upto 31st March 2010, the Company has utilized Rs. 35,568 lacs towards investment in its subsidiaries, towards other objects and general corporate purposes. Pending utilization of the balance funds as at 31st March 2010 of Rs. 16,676 lacs has been invested in Mutual Funds, Bonds, Other Loans and in fixed deposits/current account with Banks.
27. During the year 2008-09, the Company had made a preferential issue of 74.20 lacs Convertible Warrants at a premium of Rs 218 per warrants in accordance with SEBI guidelines. The above warrants were not converted into equity shares on non-exercise of option before the due dates and accordingly, the upfront subscription amount of Rs. 1632.40 lacs on issue of these 74.20 lacs Convertible warrants have been forfeited during the current year and credited to Capital Reserve Account.
28. Fixed Deposit of Rs. 474.71 Lacs (PY 832.70 Lacs) are pledged with bank as security towards Bank Guarantee / Letter of credit /short term loans.
29. Figures less than Rs. 500/- have been shown at actual wherever statutory required to be disclosed since figures stated have been rounded off to the nearest thousands.
30. Figures of the previous year have been regrouped, reclassified and/or rearranged wherever necessary.

As per our report of even date attached

**For Singrodia Goyal & Co.**  
Chartered Accountants

**Suresh Murarka**  
Partner  
Mem. No. 44739

Place : Mumbai  
Date : 25th May 2010

**For & On behalf of the Board**

**Nikhil Chaturvedi**  
Managing Director

**Anil Cherian**  
Company Secretary

**Deep Gupta**  
Whole Time Director

**J.K.Jain**  
Vice President Finance

Quantitative Information (Note No. 16 (i) (b) Schedule No. 18)

Purchases/Production, Consumption/Sales/Stocks

## a) Raw Materials

(Figures in Lacs)

Particulars	Qty Unit	Current Year		Previous Year	
		Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
Fabric	In Mtrs.	588.59	17,193.83	479.75	11,162.53
Accessories & Packing Materials	-	-	541.67	-	432.71

## b) Finished Goods

(Figures in Lacs)

Particulars	Qty Unit	Current Year		Previous Year	
		Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
A. Opening Stock					
Garment/Fabric	In Pcs.	26.50	9,671.09	23.33	8,745.76
Fabric	In Mtrs.	7.85	255.01	4.28	65.19
Chemicals	In Kgs	0.11	11.93	0.36	23.12
Others	-	-	661.17	-	470.37
B. Purchase/Production*					
Garment/Fabric	In Pcs.	22.07	3,013.92	21.49	2,560.72
Fabric	In Mtrs.	613.07	6,315.76	492.16	5,129.34
Chemicals	In Kgs	24.60	437.09	24.60	583.41
Others	-	-	5,206.78	-	1,675.99
C. Sales**					
Garment/Fabric	In Pcs.	19.41	15,261.96	18.32	14,769.66
Fabric	In Mtrs.	563.29	19,048.90	488.59	16,506.58
Chemicals	In Kgs	24.33	488.30	24.85	741.64
Others	-	-	11,736.96	-	2,677.94
D. Closing Stock					
Garment/Fabric	In Pcs.	29.16	10,690.57	26.50	9,671.09
Fabric	In Mtrs.	57.63	1,573.16	7.85	255.01
Chemicals	In Kgs	0.38	22.21	0.11	11.93
Others	-	-	927.83	-	661.17

\*Purchase Quantity includes Production Quantity Garments 13.87 lakhs pcs & Fabrics 566.45 lakhs meters (P.Y Garments 13.22 lakhs pcs & Fabrics 459.15 lakhs meters)

\*\*Sales Quantity is inclusive of samples, free gifts, shortages etc.

## Details of purchases / sales / Closing Balance of Investments in Mutual Funds during the period 1st April 2009 to 31st March 2010

(Rs. in Lacs)

Name of Mutual Fund	Opening Balance		Purchase During Period		Sold during Period		Balance as on 31.03.2010	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount
<b>LIQUID FUNDS</b>								
Birla Sun life - Institutional Premium - Daily Dividend - Re-investment	10,980,252.862	1,100.17	42,813,319.025	4,289.68	41,317,899.448	4,139.85	12,475,672.439	1,250.00
BirlaSun Life short term fund - Institutional Daily Dividend	2,133,242.868	213.44	3,953.711	0.40	2,137,196.579	213.84	-	-
Birla Sun Life Income Plus - Quarterly Dividend - Reinvestment	4,402,598.672	509.16	80,028.685	8.97	4,482,627.357	505.63	-	-
Birla Sun life Savings Fund - Institutional - Daily Dividend - Reinvestment	852,621.348	85.32	23,212,863.295	2,322.86	24,065,484.643	2,408.18	-	-
Birla Sun Life Saving Fund - Retail - Daily Dividend - Reinvestment	179,877.683	18.00	469.184	0.05	180,346.856	18.05	-	-
Birla Sun Life Dynamic Bond Fund - Retail - Quarterly Dividend	-	-	4,576,168.587	512.62	4,576,168.587	509.84	-	-
DWS Twin Advantage Fund - Growth Plan - Quarterly Dividend	-	-	1,319,000.198	200.00	-	-	1,319,000.198	200.00
ICICI Prudential Income Plan - Dividend Quarterly	6,237,456.044	794.60	-	-	6,237,456.044	813.30	-	-
ICICI Prudential Institutional Liquid plan - Super Institutional Daily Dividend (Rs10)	10,501,329.151	1,050.19	29,002,747.196	2,900.91	39,504,076.347	3,951.10	-	-
ICICI Prudential Institutional Liquid plan - Super Institutional Daily Dividend (Rs100)	-	-	2,861,309.294	2,861.94	2,861,309.294	2,861.94	-	-
*ICICI Prudential Flexible Income Plan Premium - Daily Dividend	-	-	6,163,245.784	6,516.71	4,449,894.180	4,705.10	1,713,351.604	1,811.61
ICICI Prudential Income Plan - Dividend	7,823,354.727	950.00	6,820,032.167	813.30	14,643,386.894	1,759.01	-	-
JM High Liquidity Fund Institutional Plan - Daily Dividend	-	-	7,269,541.837	728.11	7,269,541.837	728.11	-	-
JM High Liquidity Fund -Super Institutional Plan - Daily Dividend	-	-	59,431,467.934	5,952.95	59,431,467.934	5,952.95	-	-
JM Money Manager Fund Super Plus Plan - Daily Dividend (171)	-	-	55,368,458.591	5,539.78	55,340,786.132	5,537.01	27,672.459	2.77
Principal Income Fund-Short term Plan-weekly Dividend	-	-	1,883,400.033	203.89	1,883,400.033	204.03	-	-
Reliance Short Term Fund-Daily Dividend Plan	-	-	1,909,960.594	203.06	1,409,602.210	150.00	500,358.384	53.20
Reliance Liquidity Fund-Daily Dividend Reinvestment Option	7,998,766.829	800.12	30,412,823.316	3,042.23	38,411,590.145	3,842.35	-	-
Reliance Money Manager Fund-Institutional Option - Daily Dividend Plan	-	-	377,305.000	3,777.31	377,305.000	3,777.31	-	-
Reliance Medium Term Fund - Daily Dividend Plan	-	-	11,194,603.000	1,913.77	11,194,603.000	1,913.77	-	-
TFLD TATA Floater Fund - Daily Dividend	-	-	5,012,654.335	503.05	5,012,654.335	503.05	-	-
TATA Liquid Super High Investment Fund - Daily Dividend	44,870.191	500.09	41.968	0.47	44,912.159	500.55	-	-
<b>TOTAL LIQUID FUNDS</b>	<b>51,154,370.375</b>	<b>6,021.09</b>	<b>289,713,393.734</b>	<b>42,292.06</b>	<b>324,831,709.014</b>	<b>44,994.96</b>	<b>16,036,055.084</b>	<b>3,317.57</b>

Details of purchases / sales / Closing Balance of Investments in Mutual Funds during the period 1st April 2008 to 31st March 2009							(Rs. in Lacs)	
Name of Mutual Fund	Opening Balance		Purchase During Period		Sold during Period		Balance as on 31.03.2010	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount
<b>LIQUID FUNDS</b>								
Birla Cash Plus	-	-	173,749,973.269	17,408.88	162,769,720.407	16,308.71	10,980,252.862	1,100.17
Birla Interval Income Monthly Dividend Series -2	-	-	11,971,887.539	1,197.19	11,971,887.539	1,197.19	-	-
Birla Interval Income Monthly Dividend Series -1	-	-	25,150,875.000	2,515.09	25,150,875.000	2,515.09	-	-
Birla Short Term Fund	-	-	15,325,986.860	1,533.44	13,192,743.992	1,320.00	2,133,242.868	213.44
Birla Sun Life Income Plus	-	-	4,402,598.672	509.16	-	-	4,402,598.672	509.16
Birla Sun Life Liquid Plus	-	-	7,436,786.434	1,197.19	7,436,786.434	1,200.56	-	-
Birla Sun Life Liquid Plus	-	-	146,948,556.580	14,704.85	146,095,935.232	14,619.53	852,621.348	85.32
Birla Income Plus	-	-	263,088.662	30.00	263,088.662	30.15	-	-
Birla Life Savings Fund	-	-	2,183,611.113	218.51	2,003,733.430	200.51	179,877.683	18.00
Birla Life Savings Fund	-	-	749,958.675	75.14	749,958.675	75.10	-	-
ICICI Prudential Floating Rate Plan	-	-	19,177,976.969	1,918.20	19,177,976.969	1,918.20	-	-
ICICI Prudential Income Plan	-	-	8,211,212.972	1,046.42	1,973,756.928	250.00	6,237,456.044	794.60
ICICI Prudential Liquid Plan	-	-	200,095,453.180	20,010.55	189,594,124.029	18,960.36	10,501,329.151	1,050.19
ICICI Prudential- Gift Fund	-	-	7,786,706.533	1,000.00	7,786,706.533	1,046.25	-	-
ICICI Prudential Income Plan	-	-	16,352,953.837	1,985.76	8,529,599.110	1,050.00	7,823,354.727	950.00
ICICI Flexible Income Plan	-	-	172,161,080.142	18,203.45	172,161,080.142	18,203.45	-	-
LIC MF Liquid Fund	9,109,130.350	1,000.19	31,905.350	3.50	9,141,035.701	1,003.69	-	-
Reliance Money Manager Fund	-	-	764,791.819	7,656.61	764,791.819	7,656.61	-	-
Reliance Liquidity Fund	-	-	89,322,906.562	8,935.06	81,324,139.733	8,134.94	7,998,766.829	800.12
Mirae Asset Liquid Fund	-	-	355,414.676	3,556.69	355,414.676	3,556.69	-	-
Mirae Asset Liquid Plus	-	-	359,305.311	3,598.08	359,305.311	3,575.06	-	-
Tata Floter Fund	-	-	48,075,820.201	4,824.70	48,075,820.201	4,824.70	-	-
Tata Liquid Fund	-	-	475,665.812	5,301.39	430,795.621	4,801.30	44,870.191	500.09
<b>TOTAL LIQUID FUNDS</b>	<b>9,109,130.350</b>	<b>1,000.19</b>	<b>951,354,516.158</b>	<b>117,429.86</b>	<b>909,309,276.144</b>	<b>112,448.09</b>	<b>51,154,370.375</b>	<b>6,021.09</b>
<b>FIXED MATURITY FUNDS</b>								
ICICI Prudential Interval Fund IV	-	-	10,238,400.000	1,023.84	10,238,400.000	1,023.84	-	-
Prudential ICICI Interval Plan V	-	-	19,153,900.000	1,915.39	19,153,900.000	1,915.39	-	-
HSBC Interval Fund II	-	-	25,456,949.353	2,545.72	25,456,949.353	2,545.72	-	-
S B N PP -FIIF -PLAN -A	-	-	35,691,733.243	3,569.65	35,691,733.243	3,569.17	-	-
<b>TOTAL FIXED MATURITY FUNDS</b>	<b>-</b>	<b>-</b>	<b>90,540,982.596</b>	<b>9,054.60</b>	<b>90,540,982.596</b>	<b>9,054.12</b>	<b>-</b>	<b>-</b>
<b>TOTAL MUTUAL FUND INVESTMENTS</b>	<b>9,109,130.350</b>	<b>1,000.19</b>	<b>1,041,895,498.754</b>	<b>126,484.45</b>	<b>999,850,258.740</b>	<b>121,502.22</b>	<b>51,154,370.375</b>	<b>6,021.09</b>

## Details of purchases / Sales / Closing Balance of Bonds during the year 1st April 2009 to 31st March 2010 :

(Rs. in Lacs)

Name of Company	Face Value	Opening Balance		Purchase during Period		Sold during Period		Balance as on 31.03.2010	
		Units	Amount	Units	Amount	Units	Amount	Units	Amount
10% WBIDFC Bonds 31.08.2010	1	-	-	365	373.91	365	374.22	-	-
10.10% SBI Upper Tier II Bonds	10	-	-	30	331.34	30	334.24	-	-
10.20% IFCI Bonds 30.06.2019	-	-	-	104	1,040.15	104	1,085.30	-	-
10.20% SBI Upper Tier II Bonds 2022	10	-	-	30	332.41	30	334.41	-	-
10.40% TISCO Bonds 15.05.2019	10	-	-	100	1,033.87	100	1,039.10	-	-
10.90% Tata Motors Finance Limited	5	-	-	200	1,000.60	106	531.28	94	470.28
11.25% PFC Bonds 28/11/2018	10	-	-	95	1,189.97	95	1,146.53	-	-
11.25% DCB Bonds 30/4/2015	10	-	-	111	1,110.00	26	269.51	85	850.00
11.95% HDFC Ltd. Bonds 26.11.2018	10	-	-	50	617.97	50	627.94	-	-
12% IIBL SLR Bonds 13.01.2012	0	-	-	22,000	252.08	22,000	254.61	-	-
12.60% Shriram Transport Finance Bond	1	-	-	500	599.11	500	599.97	-	-
6.85% IIFCL Bonds 20.03.2014	1	1,725	1,726.75	-	-	1,725	1,742.93	-	-
7% REC Bonds 02/06/2012	10	-	-	85	840.25	85	843.81	-	-
7.70% REC Bonds 02.06.2014	10	-	-	45	450.08	45	458.16	-	-
7.75% REC Bonds 17.11.2012	10	-	-	40	400.79	-	-	40	-
400.79 7.90% REC Bonds 06.10.2012	-	-	-	50	500.32	50	503.48	-	-
8.10% IIFCL Bonds 08/04/2024	10	-	-	182	1,857.11	182	1,895.68	-	-
8.40% ONGC Vidhesh Ltd Bonds 23/12/2014	10	-	-	76	762.52	76	763.57	-	-
8.50% IRFC Bonds 26.12.2023	10	-	-	100	996.20	100	1,017.70	-	-
8.50% NPCIL Bonds 16/11/2019	10	-	-	32	320.98	32	327.11	-	-
8.55% IIFCL Bonds 03.11.2014	10	-	-	21	210.45	20	204.10	1	10.07
8.55% IRFC Bonds 15.01.2019	10	-	-	6	63.01	6	62.62	-	-
8.60% PFC Bonds 07/08/2014	10	-	-	17	177.25	-	-	17	177.25
8.65% IRFC Bonds 15.01.2024	10	-	-	36	380.38	36	371.09	-	-
8.65% REC Bonds 15.01.2019	10	51	497.13	-	-	51	502.52	-	-
8.70% Punjab & Sindh Bank	10	-	-	72	724.43	72	732.22	-	-
8.75 % IDFC Bonds 17/12/2019	10	-	-	80	800.00	80	800.19	-	-
8.90% IDBI Upper Tier II Bonds 19.11.2024	10	-	-	16	160.35	16	163.32	-	-
9% IDBI Bonds 25.09.2024	10	-	-	46	462.28	46	466.02	-	-
9.10% SBM Perpetual Bonds	10	-	-	15	150.26	15	152.73	-	-
9.15% BOB Perpetual Bonds	10	-	-	42	420.95	42	431.10	-	-
9.20% HDFC Bonds 07.02.2018	10	-	-	46	495.24	46	495.54	-	-
9.20% IDBI Perpetual Bonds	10	-	-	80	800.00	80	800.53	-	-
9.24% IOB Bonds 05/09/2021	10	-	-	72	788.58	72	790.96	-	-
9.30% IOB Perpetual Bond	10	-	-	200	2,000.00	200	2,004.26	-	-
9.30% UBI Bonds 25.03.2019	10	-	-	15	153.95	15	155.34	-	-
9.60% GE Shipping Bonds 10/11/2019	10	-	-	19	190.80	19	195.36	-	-
9.75% IFCI Bonds 25/01/2025	10	-	-	153	1,548.99	53	536.99	100	-
1,018.21 9.85% REC Bonds 28.09.2017	10	-	-	110	1,270.72	110	1,281.27	-	-
PNB Housing Finance Ltd	10	-	-	-	490.00	-	495.58	-	-
The Great Eastern Shipping Co Ltd	10	-	-	100	1,000.00	100	1,004.22	-	-
Tamil Nadu Electricity Board	-	-	-	-	280.00	-	-	-	280.00
<b>Total</b>		<b>1,776</b>	<b>2,223.88</b>	<b>25,341.00</b>	<b>26,577.30</b>	<b>26,780.00</b>	<b>25,795.51</b>	<b>337</b>	<b>3,206.60</b>

## Details of purchases / Sales / Closing Balance of Bonds during the year 1st April 2008 to 31st March 2009

(Rs. in Lacs)

Name of Company	Face Value	Opening Balance		Purchase during Period		Sold during Period		Balance as on 31.03.2009	
		Units	Amount	Units	Amount	Units	Amount	Units	Amount
6.85% IIFCL Bond	1.00	-	-	1,725.00	1,726.75	-	-	1,725.00	1,726.75
10.85% PNB Upper Tier II Bond	10.00	-	-	200.00	1,986.19	200.00	2,234.13	-	-
11.30% IDBI Bond	10.00	-	-	197.00	2,230.89	197.00	2,244.84	-	-
8.65% IFRC Bond	10.00	-	-	170.00	1,717.32	170.00	1,725.34	-	-
8.65% REC Bond	10.00	-	-	51.00	497.13	-	-	51.00	497.13
<b>Total</b>		<b>-</b>	<b>-</b>	<b>2,343.00</b>	<b>8,158.28</b>	<b>567.00</b>	<b>6,204.31</b>	<b>1,776.00</b>	<b>2,223.88</b>

## Schedules Forming Part of Accounts

For the year ended 31st March, 2010

### Balance Sheet Abstract and Company's General Business Profile

#### I. Registration Details

Registration No

State Code

Balance Sheet Date   
Date Month Year

#### II. Capital Raised During the Year (Rs. in Thousands)

Public Issue

Rights Issue

Bonus Issue

Private Placement/  
Promoters Contribution   
(Including Premium & Warrants Issued)

Call Unpaid Received

#### III. Position of Mobilisation and Deployment of Funds (Rs. in Thousands)

Total Liabilities

Total Assets

##### Sources of Funds

Paid-up Capital

Reserves and Surplus

Share Warrants

Deferred Tax Liability

Secured Loans

Unsecured Loans

##### Application of Funds

Net Fixed Assets   
(Including CWIP)

Investments

Net Current Assets

Accumulated Losses

Deferred Tax Assets

#### IV. Performance of the Company (Rs. in Thousands)

Turnover and Income

Total Expenditure

+Profit/Loss Before Tax   
(Please tick appropriate box, +Profit, - for Loss)

Profit/Loss After Tax

Earning per Share in (Rs.)

Dividend %

#### V. Generic Principal Services of the Company(As Per Monetary Terms)

Item Code No. (ITC Code)

Product Description

Signatories to Schedule "1" to "18"

For & On behalf of the Board

Nikhil Chaturvedi  
Managing Director

Deep Gupta  
Whole Time Director

Place : Mumbai  
Date : 25th May 2010

Anil Cherian  
Company Secretary

J.K.Jain  
Vice President Finance

### Auditor's Report to the Board of Directors of Provogue (India) Limited on the Consolidated Financial Statements of Provogue (India) Limited, its Subsidiaries and its interest in Joint Ventures through its Subsidiaries.

We have audited the attached Consolidated Balance Sheet of Provogue (India) Limited (hereinafter referred as "the Company"), the holding Company, its subsidiaries and its interest in joint ventures through its subsidiaries (hereinafter collectively referred to as "the Group") as at 31st March, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date prepared in accordance with the accounting principles generally accepted in India. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit

1. We conducted our audit in accordance with generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, "Consolidated Financial Statements" and Accounting Standard 27 "Financial Reporting of Interest in Joint Ventures" notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on basis of the separate audited financial statement of the Company, its subsidiaries and joint ventures of its subsidiaries included in the Consolidated Financial Statements.
3. We did not audit the financial statements of six subsidiaries viz., Prozone Liberty International Limited, Prozone International Limited, Provogue Holding Limited, Prozone Overseas Pte Ltd., Prozone International Coimbatore Limited (all incorporated in Singapore) and Elite Team Trading Limited (incorporated in Hongkong) whose financial statements reflect the Group share of total net assets of Rs. 48,230.80 lacs as at 31st March 2010 and Group share of total revenue of Rs. 917.10 lacs and net cash outflow amounting to Rs. 3790.92 lacs for the year ended at that date, as considered in the Consolidated Financial Statements.

These Financial Statements and other Financial Information's of the subsidiaries have been audited by other auditors, whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.

4. The financial statements of the joint venture of its subsidiary viz., Emerald Buildhome Private Limited are unaudited for the year and which reflects total net assets of Rs. 2241.72 lacs as at 31st March 2010, total revenue of Rs. Nil and net cash outflow amounting to Rs. 0.53 lacs for the year ended at that date.
5. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company, its subsidiaries and joint ventures of its subsidiaries, we are of the opinion that the consolidated financial statements give a true and fair view:
  - (a) In case of the consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2010;
  - (b) In case of the consolidated Profit and Loss Account, of the consolidated results of operations of the Group for the year then ended; and
  - (c) In case of the consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

**For Singrodia Goyal & Co.**  
Chartered Accountants  
Firm Reg. No. 112081W

**Suresh Murarka**  
Partner  
**Mem No. 44739**

Place : Mumbai  
Date : 25<sup>th</sup> May 2010

# Consolidated Balance Sheet

As at March 31st, 2010

(Rs. in Lacs)

Particulars	Schedules	As at 31.03.10	As at 31.03.09
<b>I. SOURCES OF FUNDS</b>			
<b>Share Holders Funds</b>			
Share Capital	1	2,287.14	2,328.13
Share Application Money		46.55	46.55
Share Warrants	1A	-	1,632.40
Reserves & Surplus	2	80,837.69	78,848.58
		<b>83,171.38</b>	<b>82,855.66</b>
<b>Minority Interest</b>	3	<b>21,237.70</b>	<b>23,224.32</b>
<b>Loan Funds</b>			
Secured Loans	4	37,691.67	22,706.78
Unsecured Loans	5	1,901.33	2,303.02
		<b>39,593.00</b>	<b>25,009.80</b>
		<b>144,002.08</b>	<b>131,089.78</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	6		
Gross Block		39,492.84	33,283.40
Less : Depreciation		4,402.03	3,215.81
<b>Net Block</b>		35,090.81	30,067.59
Capital Work in progress including Capital Advances		29,803.67	22,702.75
Share in Joint Ventures		140.36	139.81
		<b>65,034.84</b>	<b>52,910.15</b>
<b>Goodwill on Consolidation</b>	7	<b>8,484.61</b>	<b>5,427.47</b>
<b>Investments</b>	8	<b>11,061.18</b>	<b>19,566.17</b>
<b>Deferred Tax Assets (Net)</b>		<b>474.37</b>	<b>403.50</b>
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	9	22,469.35	18,958.43
Sundry Debtors	10	15,142.86	9,312.76
Cash & Bank Balances	11	4,142.50	6,351.74
Loans & Advances	12	26,584.77	24,640.17
		<b>68,339.48</b>	<b>59,263.10</b>
<b>Less : Current Liabilities &amp; Provisions</b>	13	9,392.40	6,480.61
<b>Net Current Assets</b>		<b>58,947.08</b>	<b>52,782.49</b>
		<b>144,002.08</b>	<b>131,089.78</b>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	20		

As per our report of even date attached

For Singrodia Goyal & Co.  
Chartered Accountants

Suresh Murarka  
Partner  
Mem. No. 44739

Place : Mumbai  
Date : 25th May 2010

For & On behalf of the Board

Nikhil Chaturvedi  
Managing Director

Anil Cherian  
Company Secretary

Deep Gupta  
Whole Time Director

J.K.Jain  
Vice President Finance

## Consolidated Profit and Loss Account

For the year ended March 31st, 2010

(Rs. in Lacs)

Particulars	Schedules	Year ended 31.03.10	Year ended 31.03.09
<b>A. INCOME</b>			
Operational Income	14	49,328.90	36,356.35
Other Income	15	2,620.80	8,282.73
		<b>51,949.70</b>	<b>44,639.08</b>
<b>B. EXPENDITURE</b>			
Cost of Materials	16	30,888.34	20,392.30
Personnel Expenses	17	1,949.65	1,634.72
Manufacturing and Other Expenses	18	12,335.59	11,803.98
Interest & Financial Charges	19	2,002.24	1,511.47
Depreciation		1,464.05	1,125.56
		<b>48,639.87</b>	<b>36,468.03</b>
<b>Profit before tax and prior period adjustments</b>		<b>3,309.83</b>	<b>8,171.05</b>
Add : Prior Period Items		43.19	2.44
<b>Profit before Tax</b>		<b>3,353.02</b>	<b>8,173.49</b>
<b>Less/(Add) : Provision for Tax</b>			
-Current Tax		1,305.53	1,155.47
-Deferred Tax Liability/ (Assets)		(70.86)	(160.71)
-Fringe Benefit Tax		-	63.50
-Tax of earlier years		(12.74)	19.41
<b>Profit After Tax</b>		<b>2,131.09</b>	<b>7,095.82</b>
Less/( Add) : Minority Interest		32.21	1,175.60
Balance brought forward		10,378.35	5,066.70
<b>Appropriations :</b>			
Amount utilised for Buy Back of Equity Shares		709.39	-
Proposed Dividend		228.71	349.22
Dividend Distribution Tax		37.99	59.35
Transfer to General Reserve		200.00	200.00
Balance Carried to Balance Sheet		<b>11,301.13</b>	<b>10,378.35</b>
<b>Earning Per Share of Rs. 2 each</b>			
Basic		<b>1.81</b>	<b>5.09</b>
Diluted		<b>1.81</b>	<b>5.09</b>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	20		

As per our report of even date attached

For Singrodia Goyal & Co.  
Chartered Accountants

Suresh Murarka  
Partner  
Mem. No. 44739

Place : Mumbai  
Date : 25th May 2010

For & On behalf of the Board

Nikhil Chaturvedi  
Managing Director

Anil Cherian  
Company Secretary

Deep Gupta  
Whole Time Director

J.K.Jain  
Vice President Finance

## Cash Flow Statement

For the year ended March 31st, 2010

(Rs. in Lacs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and before extraordinary items	3,309.83	8,171.05
Adjustments for :		
Depreciation	1,464.05	1,125.56
Provision for Doubtful Debts	21.02	460.95
Debtors written off	-	154.14
Provision for Doubtful Advances	158.00	-
Financing Charges	2,002.24	1,547.70
Loss on sale / discard of fixed assts	27.45	4.20
Profit on sale of Fixed Assets	(0.06)	(0.51)
Interest Received	(1,943.53)	(2,738.42)
Dividends	(429.66)	(882.96)
Profit on sale of investments	(215.26)	(5,156.99)
Exchange difference arising on Consolidation	(276.02)	1,088.6
Unrealised (Gain) / Loss on Foreign Exchange Fluctuations	43.23	275.70
<b>Operating profit before working Capital Changes</b>	<b>4,161.29</b>	<b>4,049.07</b>
Adjustments for :		
Trade and other receivables	(5,851.12)	(1,704.77)
Inventories	(3,510.92)	(3,590.74)
Trade Payables	3,053.65	(2,923.32)
Loans and Advances	(2,489.10)	(867.45)
<b>Cash (Outflow) from Operations</b>	<b>(4,636.21)</b>	<b>(5,037.21)</b>
Direct Tax {Net of Refunds}	(1,388.23)	(1,585.28)
<b>Cash (Outflow) before Prior Period Adjustments</b>	<b>(6,024.44)</b>	<b>(6,622.49)</b>
Prior Period adjustments	43.19	2.44
<b>Net Cash from Operating Activities</b>	<b>(5,981.25)</b>	<b>(6,620.05)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(6,612.40)	(5,064.57)
Capital Work in Progress	(7,003.74)	(9,269.68)
Advance against Capital Goods	(1,312.50)	(1,208.84)
Share Application Money	-	1,276.8
Intercompany Deposits	1,768.09	(10,970.60)
Cost for acquisition of Subsidiaries	(5,075.97)	(638.57)
Loan to Joint Ventures	(0.92)	-
Deposits	27.28	-
Purchase of Investments	(103,979.51)	(243,895.66)
Sale of investments	112,699.76	212,835.01
Dividends	429.66	882.96
Sale of Fixed Assets	-	7.58
Interest Received	1,943.53	2,738.42
<b>Net Cash used in Investment Activities</b>	<b>(7,116.72)</b>	<b>(53,307.09)</b>

## Cash Flow Statement

For the year ended March 31st, 2010

(Rs. in Lacs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Issue of Share Capital	(1,239.39)	12,168.60
Proceeds from Share Application Money	-	(3,727.44)
Proceed from Issue of Convertible Warrants	-	1,632.40
Proceeds from Other Borrowings	14,583.20	4,180.80
Proceeds from Securities Premium	-	50,769.72
Share Issue Expenses	(1.04)	(379.72)
Financing Charges	(2,002.24)	(1,547.70)
Dividend Paid including tax thereon	(408.57)	(467.78)
<b>Net Cash used from Financing Activities</b>	<b>10,931.96</b>	<b>62,628.88</b>
<b>Net (decrease) increase in Cash and Cash Equivalents</b>	<b>(2,166.01)</b>	<b>2,701.72</b>
Add / (Less):- Unrealised Foreign Exchange Fluctuations	(43.23)	(275.70)
<b>Cash and Cash Equivalents (Opening)</b>	<b>6,351.74</b>	<b>3,925.72</b>
<b>Cash and Cash Equivalents (Closing)</b>	<b>4,142.50</b>	<b>6,351.74</b>

### Note :

1. Cash and Cash Equivalents at the end of the year consist of cash in hand and balances with banks are as follows :

Particulars	As at 31.03.2010	As at 31.03.2009
Cash in Hand	71.11	80.81
Balances with Bank	4,071.39	6,270.93
	<b>4,142.50</b>	<b>6,351.74</b>

2. The Previous year's figures have been regrouped, rearranged wherever necessary in order to conform to this year's.

As per our report of even date attached

For Singrodia Goyal & Co.  
Chartered Accountants

Suresh Murarka  
Partner  
Mem. No. 44739

Place : Mumbai  
Date : 25th May 2010

For & On behalf of the Board

Nikhil Chaturvedi  
Managing Director

Anil Cherian  
Company Secretary

Deep Gupta  
Whole Time Director

J.K.Jain  
Vice President Finance

## Schedules to the Consolidated Financial Statements

As at March 31st, 2010

Particulars	(Rs. in Lacs)	
	As at 31.03.2010	As at 31.03.2009
<b>Schedule "1" : Share Capital</b>		
Authorised		
165,000,000 Equity Shares of Rs. 2/- each	3,300.00	3,300.00
	<b>3,300.00</b>	<b>3,300.00</b>
Issued, Subscribed & Paid up		
114,357,095 Equity Shares of Rs. 2/- each fully paid up (PY 116,406,705 Equity Shares of Rs. 2/- each fully paid up)	2,287.14	2,328.13
Of the above		
i) 7,057,886 Equity Shares (of Rs 10 each fully paid) have been issued as Bonus Shares by Capitalisation of Reserves in the financial year 2004-05		
ii) 2,900,000 Equity Shares (of Rs 10 each fully paid) have been issued as preferential allotment at a premium of Rs 440 per share in the financial year 2006-07		
iii) 1,333,733 Equity Shares (of Rs 10 each fully paid) have been issued on conversion of the share warrant issued at Rs 450 in ratio of one share per warrant in the financial years 2007-08 and 2008-09		
iv) 2,850,000 Equity Shares (of Rs 10 each fully paid) have been issued as preferential allotment at a premium of Rs 1090 per share in the financial year 2008-09		
v) The Company has sub divided the Equity Share of Rs 10 each (fully paid up) into 5 (five) equity shares of Rs 2 each (fully paid up) based on the approval of the share holders in the Annual General Meeting held on 15th September 2008.		
vi) 2,049,610 Equity Shares of Rs 2 each have been extinguished under Buy Back Scheme during the year.		
	<b>2,287.14</b>	<b>2,328.13</b>
<b>Schedule "1A" : Share Warrants</b>		
74,20,000 warrants of Rs.22/- each paid up	-	1,632.40
(Each warrant carry option /entitlement to subscribe to one equity share of Rs.2/- each at a price of not less than Rs.220/- per share.)	-	<b>1,632.40</b>
<b>Schedule "2" : Reserves &amp; Surplus</b>		
Capital Reserve		
Opening Balance	9,754.55	9,544.73
Add : Capital Reserve on Forfeiture of Share Warrants	1,632.40	209.82
Closing Balance	<b>11,386.95</b>	<b>9,754.55</b>
<b>Capital Redemption Reserve</b>		
Opening Balance	-	-
Add: Transferred from General Reserve	40.99	-
Closing Balance	<b>40.99</b>	-
<b>Securities Premium</b>		
Opening Balance	56,840.48	24,242.21
Add : On further issue of shares	-	32,973.43
	56,840.48	57,215.64
Less : Share Issue Expenses	1.04	375.16
Closing Balance	<b>56,839.44</b>	<b>56,840.48</b>

## Schedules to the Consolidated Financial Statements

As at March 31st, 2010

Particulars	(Rs. in Lacs)	
	As at 31.03.2010	As at 31.03.2009
<b>General Reserve</b>		
Opening Balance	539.36	339.36
Add: Transfer during the year	200.00	200.00
Less: Amount transferred to Capital Redemption Reserve	40.99	-
Less: Amount withdrawn for Buy Back of Equity Shares	489.01	-
Closing Balance	<b>209.36</b>	<b>539.36</b>
<b>Foreign Exchange Translation Reserve</b>	<b>1,059.82</b>	<b>1,335.84</b>
<b>Balance of Profit &amp; Loss Account</b>	<b>11,301.13</b>	<b>10,378.35</b>
	<b>80,837.69</b>	<b>78,848.58</b>
<b>Schedule "3": Minority Interest</b>		
Opening balance	23,224.32	12,077.93
Add\ (Less) on account of Capital/ Reserve	(2,018.83)	9,970.79
Add\ (Less) on account of Profit & Loss Account	32.21	1,175.60
	<b>21,237.70</b>	<b>23,224.32</b>
<b>Schedule "4" : Secured Loans</b>		
Term Loan From Banks	24,962.49	13,401.59
Interest Accrued & Due	48.64	26.92
	25,011.13	13,428.51
Working Capital Loans From Banks	12,445.25	9,040.02
Hire Purchase Loans	235.29	238.25
	<b>37,691.67</b>	<b>22,706.78</b>
<b>Schedule "5" : Unsecured Loans</b>		
Short Term Loans & Advances		
Intercompany Deposits	877.08	1,155.14
From Banks	438.77	497.54
From Directors/Shareholders	5.56	45.76
Other Loans & Advances		
Trade Deposits	500.96	524.83
	1,822.37	2,223.27
Share in Joint Ventures	78.96	79.75
	<b>1,901.33</b>	<b>2,303.02</b>

# Schedules to the Consolidated Financial Statements

As at March 31st, 2010

Schedule "6" : Fixed Assets (At Cost less Depreciation)											(Rs. in Lacs)			
Description of Assets	Gross Block					Depreciation					Net Block			
	As At 01.04.2009 Adjust	Consol- idation as at	Revised Opening the year	Additions during year	Deductions during the year	As At 31.03.2010	Opening upto 31.3.2009	Consol- idation Adjustment	Revised Opening upto 31.3.2009	Provided for the year	Adjust- ments	Upto 31.03.2010	As At 31.03.2010	As At 31.03.2009
Owned Assets :														
Freehold Land	18,863.31	-	18,863.31	4,527.06	-	23,390.37	-	-	-	-	-	-	23,390.37	18,863.31
Leasehold Land	3,795.75	-	3,795.75	-	-	3,795.75	159.48	-	159.48	63.79	-	223.27	3,572.48	3,636.27
Residential Premises	31.75	-	31.75	-	-	31.75	1.94	-	1.94	1.49	-	3.43	28.32	29.81
Buildings	1,422.37	-	1,422.37	399.92	-	1,822.29	228.82	-	228.82	97.84	-	326.66	1,495.63	1,193.55
Plant & Machinery	755.81	-	755.81	277.03	-	1,032.84	205.06	-	205.06	158.48	-	363.54	669.30	550.75
Furniture & Fixtures	4,092.54	-	4,092.54	610.84	96.17	4,607.21	1318.33	-	1,318.33	725.01	67.86	1,975.48	2,631.73	2,774.21
- Studios														
Furniture & Fixtures	1,191.20	-	1,191.20	454.58	-	1,645.78	261.54	-	261.54	229.07	-	490.61	1,155.17	929.66
- Others														
Office Equipments	393.72	-	393.72	66.57	-	460.29	107.77	-	107.77	45.72	-	153.49	306.80	285.95
Vehicles	742.04	-	742.04	177.28	0.64	918.68	321.58	-	321.58	127.93	0.21	449.30	469.38	420.46
Computers	529.91	-	529.91	41.23	-	571.14	322.08	-	322.08	88.38	-	410.46	160.68	207.83
Leased Assets :														
Plant & Machinery	168.51	-	168.51	-	168.51	-	168.51	-	168.51	-	168.51	-	-	-
Office Equipments	111.97	-	111.97	-	111.97	-	95.03	-	95.03	6.94	101.97	-	-	16.94
Computers	25.67	-	25.67	-	25.67	-	25.67	-	25.67	-	25.67	-	-	-
Intangible Assets :														
Trade Mark	-	-	-	57.89	-	57.89	0	-	-	5.79	-	5.79	52.10	-
Total	32,124.55	-	32,124.55	6,612.40	402.96	38,333.99	3,215.81	-	3,215.81	1,550.44	364.22	4,402.03	33,931.96	28,908.74
Share in Joint Ventures	1,158.85	-	1,158.85	-	-	1,158.85	-	-	-	-	-	-	1,158.85	1,158.85
Grand Total	33,283.40	-	33,283.40	6,612.40	402.96	39,492.84	3,215.81	-	3,215.81	1,550.44	364.22	4,402.03	35,090.81	30,067.59
Previous Year	25,269.39	55.75	25,325.14	7,985.53	27.27	33,283.40	2,020.42	3.50	2,023.92	1,207.39	15.49	3,215.82	30,067.58	23,248.97

Note :- I) Out of the Depreciation provided in current year Rs. 86.39 lacs (PY 81.83 lacs) is included in capital work in progress.

## Schedules to the Consolidated Financial Statements

As at March 31st, 2010

Particulars	(Rs. in Lacs)	
	As at 31.03.2010	As at 31.03.2009
<b>Schedule "7" : Goodwill on Consolidation</b>		
Opening Balance	5,427.47	3,827.21
Add\ (Less) on account of Capital/ Reserve	3,057.14	1,600.26
	<b>8,484.61</b>	<b>5,427.47</b>
<b>Schedule "8" : Investments :-</b>		
<b>(A) Long Term Investments</b>		
<b>(a) Non Trade, Unquoted</b>		
<b>I) Investments in Equity Shares</b>		
(All at face value of Rs 10 each fully paid otherwise stated)		
i) Parkville Multiplex Cinema Private Limited 2500 Equity Shares	0.25	0.25
ii) Anant Trexim Private Limited 40000 Equity Shares	40.00	40.00
iii) Golden Ingots Private Limited 20,000 Equity Shares of face value of Rs. 100 each fully paid up	100.00	100.00
iv) Jorko Polymers Private Limited 50000 Equity Shares	25.00	25.00
v) Madhujas Promotions Private Limited 12500 Equity Shares	10.00	10.00
vi) Trade Winds Impex Private Limited 20,000 Equity Shares	25.00	25.00
vii) Indian Real Opportunity Venture Capital Fund (Scheme: Milestone Domestic) 4,000 Units of face value of Rs. 1,000 each fully paid up	75.00	75.00
viii) Choice Realty Private Limited 1,00,000 Equity Shares	650.00	-
ix) Rigveda Properties Limited 50,000 Equity Shares	1,000.00	-
x) Sojatia Auto Private Limited 16,500 Equity Shares of Face value of Rs 100 each fully paid up	160.88	-
xi) Ojas Industries Limited 3,10,000 Equity Shares	310.00	-
xii) Sneh Shares & Securities Private Limited 40,00,000 Equity Shares	690.00	-
<b>II) Investment in Debentures</b>		
Ajanta Infrastructure Limited	-	4,000.00
Nil (PY 40,00,000) Optionally Fully Convertible Debentures of Rs. 100 each		
DSP Merrill Lynch Capital Limited	-	1,000.00
Nil (P.Y 1,000) Non- Convertible Debenture of Rs 1,00,000 each		
<b>(b) Non-Trade, Quoted</b>		
Andhra Bank (4,505 Equity Shares of face value of Rs. 10 each fully paid up)	4.05	4.05
<b>(B) Current Investments</b>		
(a) Investments in Mutual Funds		
Liquid Funds	4,764.40	12,062.99
(b) Investments in Bonds	3,206.60	2,223.88
	<b>11,061.18</b>	<b>19,566.17</b>
Note:		
Market Value of Quoted Investments	4.87	2.03
Aggregate Value of Quoted Investments	4.05	4.05
Aggregate Value of Unquoted Investments	11,057.13	19,562.16

## Schedules to the Consolidated Financial Statements

As at March 31st, 2010

(Rs. in Lacs)

Particulars	As at 31.03.2010	As at 31.03.2009
<b>Schedule "9" : Inventories</b> (As taken, valued & certified by the Management)		
Finished Goods	13,647.39	10,608.55
Raw Materials	8,379.73	7,940.50
Accessories & Packing Materials	120.26	116.55
Work-in-Process	321.97	279.04
Publicity Materials	-	13.79
	<b>22,469.35</b>	<b>18,958.43</b>
<b>Schedule "10" : Sundry Debtors</b> (Unsecured)		
(a) Debts due for more than six months		
Considered Good	451.61	1,503.92
Considered Doubtful	48.03	47.22
	499.64	1,551.14
Less : Provision for Doubtful Debts	48.03	47.22
	451.61	1,503.92
(b) Other Debts (Considered Good)	14,691.25	7,808.84
	<b>15,142.86</b>	<b>9,312.76</b>
<b>Schedule "11" : Cash &amp; Bank Balances</b>		
Cash on hand	71.11	74.44
Balance with Scheduled Banks		
i) In Current Accounts	3,030.58	1,590.41
ii) In Fixed Deposits Accounts	1,033.46	4,678.05
	4,135.15	6,342.90
Add:- Share in Joint Ventures	7.35	8.84
	<b>4,142.50</b>	<b>6,351.74</b>
<b>Schedule "12" : Loans &amp; Advances</b> (Unsecured, Considered Good)		
Loans Others	15,184.47	16,952.56
Advance Against Property	2,225.00	912.50
Advance recoverable in cash or in kind or for value to be received	6,928.92	4,597.32
Loan to Joint Ventures	313.41	312.49
Deposits	1,245.32	1,272.60
Advance Tax & TDS (Net)	500.40	404.95
	<b>26,397.52</b>	<b>24,452.42</b>
(Unsecured, Considered Doubtful)		
Advance recoverable in cash or in kind or for value to be received	571.73	413.73
Less: Provision for Doubtful Advances	571.73	413.73
	-	-
Add:- Share in Joint Ventures	187.25	187.75
	<b>26,584.77</b>	<b>24,640.17</b>
<b>Schedule "13" : Current Liabilities &amp; Provisions</b>		
Current Liabilities		
Sundry Creditors		
Due to Micro, Small & Medium Enterprises	21.36	106.49
Due to Others	7,349.64	5,228.29
Other Liabilities	1,656.47	673.47
Provisions		
Provision for Gratuity	46.59	14.62
Provision for Leave Encashment	51.60	48.52
Proposed Dividend	228.71	349.22
Provision for Dividend Distribution Tax	37.99	59.35
	9,392.36	6,479.97
Add:- Share in Joint Ventures	0.04	0.64
	<b>9,392.40</b>	<b>6,480.61</b>

## Schedules to the Consolidated Financial Statements

As at March 31st, 2010

Particulars	(Rs. in Lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
<b>Schedule "14" : Operational Income</b>		
Sales	47,418.06	34,712.45
Export Benefits & Incentives	1,354.88	841.94
Gain on Foreign Exchange Fluctuations (Net)	-	323.15
Other Operating Income	555.96	478.81
	<b>49,328.90</b>	<b>36,356.35</b>
<b>Schedule "15" : Other Income</b>		
Dividend	429.66	883.05
Interest Income	1,943.53	2,145.64
Profit on sale of Investments	215.26	5,157.50
Profit on sale of Fixed Assets	0.06	-
Income from Derivatives	-	33.19
Miscellaneous Income	32.29	63.35
	2,620.80	8,282.73
Add: Share in Joint Ventures	-	-
	<b>2,620.80</b>	<b>8,282.73</b>
<b>Schedule "16" : Cost of Materials</b>		
<b>(a) Raw Materials</b>		
Opening Stocks	7,940.50	5,440.89
Add : Purchases	17,643.36	13,583.42
	25,583.86	19,024.31
Less : Closing Stocks	8,379.73	7,940.50
	<b>17,204.13</b>	<b>11,083.81</b>
<b>(b) Accessories &amp; Packing Materials</b>		
Opening Stocks	116.55	129.30
Add : Purchases	545.38	488.38
	661.93	617.68
Less : Closing Stocks	120.26	116.55
	<b>541.67</b>	<b>501.13</b>
<b>(c) Traded Goods</b>	<b>16,224.33</b>	<b>9,917.45</b>
<b>(d) Inventory Adjustments</b>		
Opening Stock		
- Work-in-Process	279.04	473.04
- Finished Goods	10,608.53	9,304.44
	<b>10,887.57</b>	<b>9,777.48</b>
Less : Closing Stock		
- Work-in-Process	321.97	279.04
- Finished Goods	13,647.39	10,608.53
	<b>13,969.36</b>	<b>10,887.57</b>
	<b>(3,081.79)</b>	<b>(1,110.09)</b>
Cost of Materials (a+b+c+d)	<b>30,888.34</b>	<b>20,392.30</b>

## Schedules to the Consolidated Financial Statements

As at March 31st, 2010

Particulars	(Rs. in Lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
<b>Schedule "17" : Personnel Expenses</b>		
Salaries Wages & Bonus	1,809.86	1,483.32
Contribution to PF & Other Funds	71.01	63.43
Workmen & Staff Welfare	68.78	87.97
	<b>1,949.65</b>	<b>1,634.72</b>
<b>Schedule "18" : Manufacturing &amp; Other Expenses</b>		
Processing Charges	3,033.20	2,002.98
Power & Fuel	38.71	25.53
Repairs and Maintenance		
-Building	7.05	2.27
-Plant and Machinery	9.76	15.79
-Others	419.64	431.09
Rent (Net)	1,935.29	2,213.57
Rates & Taxes	393.05	324.02
Insurance	43.04	47.57
Travelling & Conveyance	442.59	403.60
Communication Costs	156.87	158.30
Printing & Stationery	75.61	62.94
Electricity Charges	428.22	434.57
Legal & Professional Fees	612.62	507.75
Directors' Remuneration	232.29	234.17
Auditors Remuneration	91.37	67.93
Commission	363.39	623.27
Advertisement & Sales Promotion Expenses	2,064.07	1,712.79
Customer Relation Expenses	50.89	74.38
Studio Expenses	182.70	188.43
Transportation, Freight & Handling Charges	769.57	761.85
Sales Tax / VAT	722.34	700.90
Gain on Foreign Exchange Fluctuations (Net)	43.23	-
Dimunition in value of Investment	-	4.81
Provision for Doubtful Debts	21.02	47.22
Provision for Doubtful Advances	158.00	413.73
Sundry Debtors written off	-	154.14
Sundry Balance Written Off	-	24.01
Preliminary Expenses written off	3.25	1.77
Loss on sale/discard of Fixed Assets	27.45	4.20
Miscellaneous Expenses	217.19	159.38
	<b>12,542.41</b>	<b>11,802.96</b>
Less: Elimination of the cost of services rendered to subsidiaries	206.86	-
Add:- Share in Joint Ventures	0.04	1.02
	<b>12,335.59</b>	<b>11,803.98</b>
<b>Schedule "19" : Interest &amp; Financial Charges</b>		
Interest on Fixed Loans	656.36	839.61
Interest on Other Loans	1,065.46	493.04
Lease Charges	0.63	4.65
Bank Charges	279.79	169.63
	<b>2,002.24</b>	<b>1,506.93</b>
Add:- Share in Joint Ventures	-	4.54
	<b>2,002.24</b>	<b>1,511.47</b>

Schedule 20: Significant Accounting Policies & Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2010

### 1. (A) BASIS OF ACCOUNTING

- a) The Financial Statements have been prepared in compliance with the Accounting Standards notified by Companies (Accounting Standard) Rules 2006 and the relevant provisions of the Companies Act, 1956 in all material aspects.
- b) Financial Statements are based on historical cost convention and are prepared on accrual basis

### (B) SIGNIFICANT ACCOUNTING POLICIES

#### (a) Principles of Consolidation

The Consolidated Financials Results comprise of the financial statements of Provogue (India) Limited and its subsidiaries, which are consolidated in accordance with Accounting Standard 21 on Consolidated Financial Statements notified pursuant to the Companies (Accounting Standards) Rules, 2006. The Subsidiaries proportionate share in the results of both Joint Venture Companies viz. Emerald Buildhome Private Limited (unaudited) and Moontown Trading Company Private Limited (audited) are consolidated in accordance with Accounting Standard 27 on Financial Reporting of Interests in Joint Ventures.

The Consolidated Financial Statements relate to Provogue (India) Limited ('The Company') and its Subsidiaries and Joint Ventures of Subsidiaries have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the balances of like items of assets, liabilities, income and expenditure after fully eliminating the intra-group balances and intra-group transactions resulting in unrealized profit or loss.
- ii) The financial statements of the Company and its Joint Ventures have been consolidated using the proportionate consolidation method
- iii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- iv) While preparing Consolidated Financial Statements, the foreign exchange adjustments have been carried out as per Accounting Standard 11 "Accounting for effects of changes in Foreign Exchange Rates" on following basis:
  - a) The summarized revenue and expenses transactions at the year-end reflected in Profit and Loss Account of the foreign subsidiaries, which are stated in the currency of their domicile, are translated into Indian Rupees at an average exchange rate.
  - b) All monetary and non-monetary items reflected in the Balance Sheet of the foreign subsidiaries which are stated in the currency of their domicile, are translated into Indian Rupees at the year-end closing exchange rate.
  - c) The resultant translation exchange gain/loss in case of non-integral foreign operations is disclosed as Foreign Exchange Translation Reserve in Reserves & Surplus Schedule in the Accounts.
- v) The excess of cost to the Company of its investments in the subsidiaries over its portion of equity of subsidiaries at the dates they become subsidiaries is recognized in the financial statements as goodwill.
- vi) The excess of Company's portion of equity of the subsidiaries over the cost to the Company of its investments at the dates they become subsidiaries is recognized in the financial statements as capital reserve.

#### (b) Other Significant Accounting Policies

##### a. Revenue Recognition

- i) Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.

- ii) Revenue in respect of export sales is recognized on shipment of products.
- iii) Interest is recognized on a time proportion basis taking in to account the amount outstanding and the rate applicable.
- iv) Dividend income is recognised when the right to receive payment is established.

### **b. Fixed Assets**

Fixed Assets are stated at actual cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

### **c. Impairment of Fixed Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### **d. Depreciation**

#### **a) Tangible Assets**

- i) Depreciation on all Fixed Assets, except Furniture and Fixtures at Studios, is provided on 'Written Down Value Method' at the rates and in the manner prescribed in the Schedule XIV of the Companies Act, 1956.
- ii) Depreciation on Furniture and Fixtures at Studios is amortized equally over a period of six years from the date of capitalization.
- iii) Fixed assets acquired on lease basis are amortized over the period of the lease term.
- vi) Fixed Assets at advertisement sites are amortized over the license period of the respective sites.

#### **b) Intangible Assets**

- i) Trade Mark is amortised on Straight Line Method over a period of ten years.

### **e. Inventories:**

**Inventories are valued as follows:**

- i) Finished Goods are valued at lower of cost or net realizable value. \*
- ii) Work-in-Process are valued at lower of cost or net realisable value. \*
- iii) Raw Materials are valued at lower of cost or net realizable value. \*\*
- iv) Accessories and Packing Materials are valued at lower of cost or net realizable value.
- v) Publicity Materials are valued at cost.

\* Cost is arrived at on full absorption basis as per Accounting Standard - 2 "Valuation of Inventories.

\*\* Cost is arrived at on weighted average cost method.

### **f. Investments:**

Investments that is intended to be held for more than a year from the date of acquisition are classified as long term investments and are carried at cost less any provision for permanent diminution in value. Investments other than long term investments being current investments are valued at cost or fair market value whichever is lower.

### **g. Miscellaneous Expenditure:**

- i) Preliminary expenses are amortized in the year in which they are incurred.
- ii) Expenses on preferential issue of shares/warrants are written off against the securities premium received.

### **h. Employee Benefits:**

- i) Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Profit & Loss Account for the year.
- ii) Liability for leave encashment benefits has been provided on accrual basis.
- iii) Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation, using the projected unit credit method as at the date of the Balance Sheet.

### **i. Provisions and Contingent Liabilities:**

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

### **j. Use of Estimates:**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the financial statements and the reported amounts of revenues and expenses during the reporting period.

Difference between actual results and estimates are recognized in the periods in which the results are known/ materialize.

### **k. Foreign Currency Transactions:**

- i) The transactions in foreign currencies on revenue accounts are stated at the rate of exchange prevailing on the date of transactions.
- ii) The difference on account of fluctuation in the rate of exchange, prevailing on the date of transaction and the date of realization is charged to the Profit & Loss Account.
- iii) Non monetary foreign currency items are carried at cost.
- iv) Differences on translation of Current Assets and Current Liabilities remaining unsettled at the year-end are recognized in the Profit and Loss Account.
- v) The premium in respect of forward exchange contract is amortized over the life of the contract. The net gain or loss on account of any exchange difference, cancellation or renewal of such forward exchange contracts is recognized in the Profit & Loss Account.

### **l. Accounting for Taxation of Income :**

#### **Current Taxes:**

Provision for current income-tax is recognized in accordance with the provisions of Indian Income- tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

#### **Deferred Taxes:**

Deferred tax assets resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

## Schedules to the Consolidated Financial Statements

As at March 31st, 2010

### 2. Companies considered in the consolidated financial statement are

#### a) Subsidiaries:

Name of Company		Date of Becoming Subsidiary	Country of Incor- poration	% Voting Power held	
				As on 31.03.2010	As on 31.03.2009
Prozone Enterprises Private Limited (PEPL)		26-Dec-05	India	75.00 - 2 Shares	75.00 - 2 Shares
Omni Infrastructure Private Limited (OIPL)	(1)	04-May-07	India	59.99	59.99
Hagwood Commercial Developers Private Limited (HCDPL)	(1)	07-May-07	India	100.00	100.00
Alliance Mall Developers Co Private Limited (AMDPL)	(2)	31-Aug-07	India	100.00	100.00
Standard Mall Private Limited (SMPL)	(2)	14-Sep-07	India	100.00	100.00
Castle Mall Private Limited (CMPL)	(2)	14-Sep-07	India	100.00	100.00
Royal Mall Private Limited (RMPL)	(2)	14-Sep-07	India	100.00	100.00
Jaipur Festival City Private Limited (JFCPL)	(2)	14-Sep-07	India	100.00	100.00
Prozone Liberty International Ltd (PLIL)	(2)	17-Oct-07	Singapore	100.00	100.00
Prozone International Ltd (PIL)	(3)	18-Oct-07	Singapore	69.64	69.64
Pronet Interactive Private Limited (PIPL)		7-Nov-07	India	50.23	50.23
Sporting and Outdoor Ad Agency Private Limited (SOAPL)		15-Jan-08	India	50.00+ 2 Share	50.00+ 2 Shares
Prozone Overseas Pte Ltd (POPL)	(3)	23-Jan-08	Singapore	100.00	100.00
Profab Fashions (India) Limited (PFIL)		20-Feb-08	India	100.00	100.00
Oasis Fashion Limited (OFL)		20-Feb-08	India	100.00	100.00
Probrand Enterprises Limited (PEL)		21-Feb-08	India	100.00	100.00
Millennium Accessories Limited (MAL)		24-Feb-08	India	51.00	51.00
Empire Mall Private Limited (EMPL)	(1)	11-Mar-08	India	100.00	55.00
Provogue Infrastructure Pvt. Ltd. (PPL)		2-Sep-08	India	100.00	100.00
Provogue Holding Ltd. (PHL)		2-Sep-08	Singapore	100.00	100.00
Flower Plants & Fruits (India) Pvt. Ltd. (FPFPL)		05-Feb-09	India	100.00	100.00
Acme Advertisements Private Limited (AAPL)		01-April-09	India	100.00	NA
Elite Team Trading Limited - (ETTL)		01-June-09	Hongkong	100.00	NA
Prozone International Coimbatore Limited (PICL)	(3)	01-Oct-09	Singapore	100.00	NA
Faridabad Festival City Private Limited (FFCPL)	(4)	20-Oct-09	India	100.00	100.00
Meerut Festival City Private Limited (MFCPL)	(4)	20-Oct-09	India	100.00	100.00

#### b) Joint Ventures:

Name of Company		Country of Incorporation	% Voting Power held	
			As on 31.03.2010	As on 31.03.2009
Emerald Buildhome Private Limited (EBPL)	(1)	India	50.00	50.00
Moontown Trading Company Private Limited (MTCPL)	(2)	India	25.00	25.00

1. Held through Prozone International Limited
2. Held through Prozone Enterprises Private Limited
3. Held through Prozone Liberty International Limited
4. This was till previous year held through Prozone Enterprises Private Limited

### 3. Related Party Disclosures:

#### i) For the year ended 31st March 2010.

##### (a) Key Management Personnel

Mr. Nikhil Chaturvedi	Director
Mr. Akhil Chaturvedi	Director
Mr. Salil Chaturvedi	Director
Mr. Deep Gupta	Director
Mr. Nigam Patel	Director
Mr. Rakesh Rawat	Director
Mr. Rajesh Javalkar	Director of Subsidiary
Mr. Tanvir Shah	Director of Subsidiary
Mr. Mansoob Haider	Director of Subsidiary

## Schedules to the Consolidated Financial Statements

As at March 31st, 2010

**(b) Shareholders having substantial interest in the Subsidiary Company of Provogue (India) Limited.**

Nailsfiled Limited (Incorporated in Mauritius)  
Ajanta Infrastructure Limited (upto 29th September 2009)  
Calentie Fashions Private Limited

**(c) Relative of Director and Name of the enterprises having same Key Management Personnel and /or their relatives as the reporting enterprise with whom the Company has entered into transactions during the year.**

Winmax Technologies Private Limited  
Amanda Mall Developers Private Limited  
BrightLand Developers Private Limited  
Floro Mercantile Private Limited  
Topspeed Trading Company Private Limited  
Sporting & Outdoor Solutions  
Starlight City Commercial Developers Private Limited  
Acme Exports  
Kruti Multitrade Private Limited

**(d) Joint Ventures & Co-ventures**

Emerald Buildhome Private Limited  
Moontown Trading Company Private Limited  
Shalom Voyagers Private Limited

(Rs. in Lacs)

Name of Transactions	Refer to (a) above	Refer to (b) above	Refer to (c) above	Refer to (d) above
Purchases	Nil	6.54	4.06	Nil
Directors Remuneration	259.20	Nil	Nil	Nil
Unsecured Loans Taken	Nil	Nil	0.13	Nil
Interest Paid on Unsecured Loans	Nil	Nil	4.67	Nil
Repayment of Loans Taken	40.21	Nil	57.85	Nil
Loans Granted	Nil	Nil	Nil	1.22
Loans Received Back	Nil	Nil	Nil	10.00
Redemption of Debentures	Nil	4000.00	Nil	Nil
Acquisition of Shares	1.00	Nil	Nil	Nil
<b>Amount Outstanding as on 31st March 2010</b>				
Sundry Creditors	Nil	Nil	2.25	Nil
Other Liabilities	6.96	Nil	Nil	Nil
Loans Payable	5.56	2.15	0.18	1729.49
Other Receivables	Nil	Nil	26.98	568.71
Share Application Money Given	Nil	Nil	414.19	200.00
Share Application Money Received	Nil	46.55	Nil	Nil

i) For the year ended 31st March, 2009.

**(a) Key Management Personnel**

Mr. Nikhil Chaturvedi	Director
Mr. Akhil Chaturvedi	Director
Mr. Salil Chaturvedi	Director
Mr. Deep Gupta	Director
Mr. Nigam Patel	Director
Mr. Rakesh Rawat	Director
Mr. Rajesh Javalkar	Director of Subsidiary
Mr. Tanvir Shah	Director of Subsidiary
Mr. Mansoob Haider	Director of Subsidiary

**(b) Shareholders having substantial interest in the Subsidiary Company of Provogue (India) Limited.**

Nailsfiled Limited (Incorporated in Mauritius)  
Ajanta Infrastructure Limited  
Calentie Fashions Private Limited

## Schedules to the Consolidated Financial Statements

As at March 31st, 2010

**(c) Relative of Director and Name of the enterprises having same Key Management Personnel and / or their relatives as the reporting enterprise with whom the Company has entered into transactions during the year.**

Winmax Technologies Private Limited  
 Arpit Carriers Private Limited  
 Amanda Mall Developers Private Limited  
 BrightLand Developers Private Limited  
 Everest Plaza Private Limited  
 Floro Mercantile Private Limited  
 Topspeed Trading Company Private Limited  
 Starlight City Commercial Developers Private Limited  
 Acme Exports  
 Appearance International  
 Kruti Multitrade Private Limited  
 Shital Chaturvedi  
 Flower Plants & Fruits Private Limited (Up to 4/02/2009)

**(d) Joint Ventures & Co-ventures**

Emerald Buildhome Private Limited  
 Moontown Trading Company Private Limited  
 Shalom Voyagers Private Limited

(Rs. in Lacs)

Nature of Transactions	Refer to (a) above	Refer to (b) above	Refer to (c) above	Refer to (d) above
Purchases	Nil	55.30	Nil	Nil
Rent Paid	Nil	Nil	50.38	Nil
Directors Remuneration	234.17	Nil	Nil	Nil
Unsecured Loans Taken	30.84	4.90	20.31	Nil
Interest Paid on Unsecured Loans	Nil	Nil	7.11	Nil
Repayment of Loans Taken	25.07	2.75	18.69	Nil
Loans Granted	Nil	4000.00	0.39	185.80
Loans Received Back	Nil	4000.00	0.39	102.00
Interest Received on Loans Granted	Nil	376.28	Nil	Nil
Share Application Money Received	Nil	46.55	Nil	Nil
Share Application Money Given	Nil	Nil	2.48	Nil
Contribution towards Share Warrants	Nil	Nil	1469.60	Nil
Investment in Debentures	Nil	4000.00	Nil	Nil
Equity Contribution	1624.99	8000.00	Nil	Nil
Purchase of Shares	319.78	Nil	318.78	Nil
<b>Amount Outstanding as on 31st March 2009</b>				
Sundry Creditors	Nil	0.51	67.01	Nil
Other Liabilities	12.12	Nil	Nil	Nil
Loans Payable	45.76	2.15	53.24	1,729.29
Other Receivables	Nil	Nil	26.98	577.49
Investments	Nil	4000.00	Nil	Nil
Share Application Money Given	Nil	Nil	414.91	200.00
Share Application Money Received	Nil	46.55	Nil	Nil

## Schedules to the Consolidated Financial Statements

As at March 31st, 2010

### 4. Employees Defined Benefits:

The disclosure as required under Accounting Standard 15 regarding the employee's retirement benefits plan for gratuity is as follows:

Defined Benefit Plans As per Actuarial Valuation on 31st March 2010.

(Rs. in Lacs)

Particulars	31st March 2010	31st March 2009
<b>a)</b>		
<b>i) Present value of obligation</b>		
As at 1 April 2009	40.43	24.38
Service Cost	21.30	15.82
Interest Cost	2.84	1.95
Actuarial loss on obligation	(14.23)	(0.87)
Benefits paid	(1.14)	(0.85)
As at 31 March 2010	<b>49.21</b>	<b>40.43</b>
<b>Less:</b>		
<b>ii) Fair Value of Plan Assets</b>		
As at 1 April 2009	26.03	19.50
Expected Return on Plan Assets less Loss on Investments	1.45	0.86
Actuarial Gain / (Loss) on Plan Assets	(0.28)	(1.08)
Employers' Contribution	1.45	7.60
Benefits paid	(1.14)	(0.85)
Expected Return on Plan Assets less Loss on Investments	27.48	26.03
<b>Amount recognized in Balance Sheet</b>	<b>26.55</b>	<b>14.40</b>
<b>b) Expenses during the year</b>		
Service Cost	21.30	15.82
Interest Cost	2.84	1.95
Expected Return on Plan Assets	(1.82)	(0.86)
Actuarial (Gain) / Loss	(13.54)	(1.86)
<b>Total</b>	<b>8.77</b>	<b>15.11</b>
<b>c) Actual Returns on Plan Assets</b>	<b>1.17</b>	<b>1.69</b>
<b>d) Break up of Plan Assets as a percentage of total Plan Assets</b> (Percentage or Value)		
Insurer Managed Funds	<b>100%</b>	<b>100%</b>
<b>e) Principal actuarial assumptions</b>		
Rate of Discounting	7.00%-8.00%	7.00%-8.00%
Expected Return on Plan Assets	7.00%-8.00%	7.00%-8.00%
Rate of increase in Salaries	4.00%-5.00%	4.00%-5.00%

5. In accordance with Accounting Standard 19: "Leases", the assets acquired on Finance Lease on or after April 1, 2001 are capitalized and a liability is recognized for an equivalent amount. Consequently depreciation is provided on such leases. Lease rentals paid are allocated to the liability and the interest charged to Profit & Loss Account.

The minimum lease rentals payable as at 31st March, 2010 are as follows:

(Rs. in Lacs)

Particulars	31st March 2010	31st March 2009
Minimum Lease Payment		
Not later than one year	Nil	18.67
Later than one year but not later than five years	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>18.67</b>
Less: Future Finance Charges	Nil	0.30
<b>Present Value of Minimum Lease Payment</b>	<b>Nil</b>	<b>18.37</b>

## Schedules to the Consolidated Financial Statements

As at March 31st, 2010

Present value of Minimum Lease Payment:

(Rs. in Lacs)

Particulars	31st March 2010	31st March 2009
<b>Present value of Minimum Lease Payment</b>		
Not later than one year	Nil	18.37
Later than one year but not later than five years	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>18.37</b>

### 6. Segment Reporting:

#### i) Primary (Business) Segment:

The segment of the Company has been identified in line with the Accounting Standard 17 on "Segmental Reporting", taking into account the organization structure as well as the different risks and return of these segments.

The Company's reportable operating segments consists of the following business groups

- Manufacturing & Trading of textile and related products.
- Infrastructure activities.
- Other activities.

Segmental Revenue, Results and Capital Employed include the respective amounts identifiable to each of the segments.

(Rs. in Lacs)

Particulars	31st March 2010	31st March 2009
<b>1. Segmental Revenue</b>		
a. Textile Business	48,976.61	36,103.42
b. Infrastructure Business	206.86	4,848.39
c. Others	690.81	387.93
<b>Total</b>	<b>49,874.28</b>	<b>41,339.75</b>
Less: Inter-Segment Revenue	545.38	135.01
<b>Income from Operations</b>	<b>49,328.90</b>	<b>41,204.75</b>
<b>2. Segment Results</b>		
Profit/ (Loss) before tax and interest from Segment		
a. Textile Business	3,629.17	2,967.95
b. Infrastructure Business	(1,186.35)	3,299.24
c. Others	(27.63)	(19.02)
<b>Total</b>	<b>2,415.19</b>	<b>6,248.17</b>
Add: Unallocable Income	2,620.79	3,434.34
Less: Interest	1,726.14	1,511.48
<b>Total Profit before Tax</b>	<b>3,309.83</b>	<b>8,171.05</b>
<b>3. Capital Employed</b>		
(Segment Assets- Segment Liabilities)		
a. Textile Business	25,449.34	38,336.82
b. Infrastructure Business	42,683.81	46,274.70
c. Others	656.79	459.13
d. Unallocable	26,660.16	15,586.92
<b>Total</b>	<b>95,450.11</b>	<b>100,657.57</b>

## Schedules to the Consolidated Financial Statements

As at March 31st, 2010

### ii) Secondary (Geographical) Segment:

Secondary segment reporting is on the basis of geographical location of the customers. The operation of the Company comprises local sales and export sales. The management views the Indian market and Export market as distinct geographical segments. The following is the distribution of of the Company's sales by geographical markets:

(Rs. in Lacs)		
Sales	31st March 2010	31st March 2009
Domestic	26,561.89	23,778.81
Exports	20,856.17	10,933.64
<b>Total</b>	<b>47,418.06</b>	<b>34,712.45</b>

The following is the carrying amount of segment assets and additions to fixed assets by geographical area in which the assets are located:

(Rs. in Lacs)		
Carrying amount of segment assets	31st March 2010	31st March 2009
India	136,750.64	127,017.24
Outside India*	7,251.54	4,072.54
<b>Total</b>	<b>144,002.18</b>	<b>131,089.78</b>

\* Carrying amount of segment assets outside India represents receivables from export sales.

### 7. Earning Per Share:

(Rs. in Lacs)		
Particulars	31st March 2010	31st March 2009
<b>A</b> Weighted average number of Equity Shares of Rs. 2 each		
<b>I</b> Number of shares at the beginning of the year of)	116,406,705	99,988,040
<b>ii</b> Number of shares at the end of the period	114,357,095	116,406,705
<b>iii</b> Weighted average number of shares outstanding during the year	115,728,487	113,422,529
<b>B</b> Net Profit after tax available for equity shareholders (Rs. In lacs)	2098.88	5,920.21
<b>C</b> Basic and diluted income per share (in rupees) {B/A (iii)}	1.81	5.09

**Note:** The Company does not have any dilutive potential equity shares. Consequently the basic and diluted earning per share of the company remains the same.

### 8. Deferred Tax Liability:

- Provision for taxation for the accounting year has been made in accordance with the provisions of the Income Tax Act, 1961.
- In terms of Accounting Standard on "Accounting for Taxes on Income" (AS 22) the Company has recognized Deferred Tax Assets amounting to Rs. 70.86 lacs (PY Rs 160.71 lacs) for the year ended 31st March 2010 in the Profit & Loss Account.

The accumulated balance in Net Deferred Tax Liability as on 31st March 2010 comprises of:

(Rs. in Lacs)		
Particulars	31st March 2010	31st March 2009
Depreciation	(241.17)	(149.91)
Provision for Doubtful Debts	(200.08)	(156.68)
Bonus Payable	(11.92)	(7.28)
Provision for Gratuity	(6.97)	(13.36)
Tax Disallowance	-	(27.04)
Leave Encashment	(14.23)	(15.94)
Carried Forward Losses	-	(31.65)
Diminution in value of Investments	-	(1.63)
<b>Deferred Tax Liability / (Assets)</b>	<b>(474.37)</b>	<b>(403.50)</b>

## Schedules to the Consolidated Financial Statements

As at March 31st, 2010

### 9. In respect of certain Subsidiaries, the following notes to accounts are disclosed:

- a. The Subsidiary Company PEPL is a co-venturer in the Joint Venture Company (JVC) Moontown Trading Company Private Limited (MTCPL) along with Shalom Voyagers Private Limited (SVPL) to develop a Mall at Mysore. In terms of Shareholding Agreement (SHA) entered in April 2006 between the co venturers and the JVC, PEPL has paid Rs. 200 lacs to MTCPL as Share Application Money. In addition PEPL has also advanced a loan of Rs. 313.71 lacs (PY Rs. 312.43 lacs) to MTCPL. MTCPL in terms of the SHA has in turn paid Rs. 200 lacs to SVPL as advance for Land. An amount of Rs. 50 lacs has also been advanced as Loan to SVPL by MTCPL. MTCPL has incurred preoperative expenses amounting Rs.215.62 lacs (PY Rs. 214.39 lacs) and has also incurred a loss of Rs.49.46 lacs (PY Rs. 49.63 lacs) till the year ended. Till than, in view of PEPL's management, the advances are considered good and fully recoverable.
- b. During the previous year, the Subsidiary Company HCDPL had paid the entire amount of consideration for the Land acquired at Nagpur. However the conveyance in respect of the Land has not been executed in favour of the HCDPL. During the previous years, a writ petition has been filed by the erstwhile owners of the Land against the State Government of Maharashtra challenging Orders under section 8 (3) and 8 (4) of the Urban Land (Ceiling and Regulation) Act, 1976. The said Act has been repealed on 29th November, 2007. The Hon'ble High Court of Judicature at Bombay, Nagpur Bench had earlier granted a stay on the proceedings upon the petitioners having made an application in that behalf. The Writ Petition had come up for admission and has been duly admitted by the Hon'ble High Court of Judicature at Bombay in September, 2008 and since been allowed in favour of the Company by an order dated 20th April 2010.

10. Figures less than Rs. 500/- have been shown at actuals wherever statutory required to be disclosed since figures have been rounded off to the nearest thousands.

11. Figures of the previous year have been regrouped, reclassified and/or rearranged wherever necessary.

As per our report of even date attached

For Singrodia Goyal & Co.  
Chartered Accountants

Suresh Murarka  
Partner  
Mem. No. 44739

Place : Mumbai  
Date : 25th May 2010

For & On behalf of the Board

Nikhil Chaturvedi  
Managing Director

Anil Cherian  
Company Secretary

Deep Gupta  
Whole Time Director

J.K.Jain  
Vice President Finance

## INFORMATION WITH REGARD TO SUBSIDIARY COMPANIES

(Required to be disclosed in the Annual Report Pursuant to letter no. 47/2/16/2010-CL-III dated 5th April 2010 from the Ministry of Corporate Affairs, exempting the Company from attaching the Annual Reports and other particulars of its Subsidiary Companies u/s 212 of the Companies Act, 1956)

Sr. No.	Subsidiary Company	Note	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investments (Except investment in subsidiaries)	Turnover (Including other income)	Profit/(Loss) before taxation	Provision for taxation (Note 6)	Profit/(Loss) after taxation	Proposed dividend
1	Prozone Enterprises Private Limited		INR	1.00	3,641.77	36,936.76	44,834.69	4,256.15	350.33	1,594.52	379.97	49.85	330.12	-
2	Omni Infrastructure Private Limited	3	INR	1.00	4.00	6,036.18	7,848.63	1,808.46	360.88	0.85	(4.07)	-	(4.07)	-
3	Hagwood Commercial Developers Private Limited	3	INR	1.00	948.02	8,161.67	14,034.74	4,925.05	-	0.76	(0.19)	(0.06)	(0.13)	-
4	Alliance Mall Developers Co Private Limited	1	INR	1.00	1.00	1.13	13,248.95	13,246.82	1,650.00	-	(2.56)	0.09	(2.66)	-
5	Standard Mall Private Limited	1	INR	1.00	1.00	(0.59)	0.55	0.15	-	-	(0.22)	-	(0.22)	-
6	Castle Mall Private Limited	1	INR	1.00	1.00	(0.58)	0.56	0.15	-	-	(0.22)	-	(0.22)	-
7	Royal Mall Private Limited	1	INR	1.00	1.00	(0.54)	682.63	682.17	-	-	(0.11)	-	(0.11)	-
8	Faridabad Festival City Private Limited		INR	1.00	1.00	(1.34)	179.58	179.92	-	0.27	(0.97)	-	(0.97)	-
9	Jaipur Festival City Private Limited	1	INR	1.00	1.00	(0.63)	0.52	0.15	-	-	(0.22)	-	(0.22)	-
10	Merut Festival City Private Limited		INR	1.00	1.00	(0.50)	0.72	0.22	-	-	(0.13)	-	(0.13)	-
11	Prozone Liberty International Limited (Singapore)	1	USD	44.89	16,944.00	4,863.70	21,832.38	24.69	-	(45.25)	(0.61)	(44.64)	-	-
12	Prozone International Limited (Singapore)	2	USD	44.89	28,811.72	36,207.01	65,088.31	69.57	-	32.91	(20.71)	0.58	(21.29)	-
13	Pronet Interactive Private Limited		INR	1.00	19.91	(4.87)	15.73	0.68	-	-	(0.13)	-	(0.13)	-
14	Sporting and Outdoor Ad-Agency Private Limited		INR	1.00	83.62	151.26	640.29	405.42	0.17	399.49	(41.10)	(15.40)	(25.70)	-
15	Prozone Overseas Pre Limited (Singapore)	2	USD	44.89	Note (4)	(8.55)	2.89	11.44	-	-	(4.06)	-	(4.06)	-
16	Profab Fashions (India) Limited		INR	1.00	5.00	(0.66)	4.49	0.15	-	-	(0.20)	-	(0.20)	-
17	Oasis Fashion Limited		INR	1.00	5.00	(0.66)	4.76	0.42	-	-	(0.20)	-	(0.20)	-
18	Probrand Enterprises Limited		INR	1.00	10.00	(0.79)	9.36	0.15	-	-	(0.21)	-	(0.21)	-
19	Millennium Accessories Limited		INR	1.00	5.00	(11.77)	97.25	104.01	-	28.28	(21.32)	(0.08)	(21.24)	-
20	Empire Mall Private Limited	3	INR	1.00	4,720.94	815.97	28,562.88	23,025.97	1,096.57	72.29	2.26	-	2.26	-
21	Provogue Infrastructure Private Limited		INR	1.00	1.00	(0.08)	1.74	0.82	-	0.99	0.65	0.31	0.35	-
22	Provogue Holding Limited (Singapore)		S\$	32.08	4.27	(5.83)	1.60	3.16	-	-	(2.52)	-	(2.52)	-
23	Flowers, Plants & Fruits (India) Private Limited		INR	1.00	1.00	94.50	96.49	0.99	-	24.00	22.94	5.31	17.63	-
24	Acme Advertisements Private Limited		INR	1.00	1.00	2.78	317.84	314.06	-	292.46	4.64	1.44	3.20	-
25	Elite Team Trading Limited (Hongkong)		HKD	5.78	57.92	32.08	1,354.73	1,264.73	-	866.67	38.17	5.89	32.28	-
26	Prozone International Coimbatore Limited (Singapore)	2	USD	44.89	Note (4)	(3.71)	1.58	5.29	-	-	(3.71)	-	-	-

Notes:

- (1) Held through Prozone Enterprises Private Limited
- (2) Held through Prozone Liberty International Limited (Singapore)
- (3) Held through Prozone International Limited (Singapore)
- (4) Capital Rs. 44.89
- (5) Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as in 31.03.2010
- (6) Including deferred tax

For and on behalf of the Board

Place : Mumbai

Date : 25th May 2010

Director

Director



**PROVOGUE**  
**Provogue (India) Limited**

Registered Office :

105/106, Provogue House, Off New Link Road, Andheri (W), Mumbai 400053

**PROXY FORM**

Reference Folio /  
DP ID / Client ID No.:

No. of Share held:

I/We ..... of ..... in the district  
of ..... being a Member / Members of the above named Company  
hereby appoint .....  
..... of ..... in the district of  
..... or failing him /  
her ..... of ..... in the district of  
..... as my/our proxy to vote for me / us on my / our behalf at the  
14th Annual General Meeting of Company at Colonial Hall, The Club, D. N. Nagar, Andheri (W) Mumbai - 400 053 at 11.00  
a.m, on Friday, the 24th September 2010 and at any adjournment(s) thereof.

Signed this ..... day of ..... 2010

Affix  
One Rupee  
Revenue  
Stamp

Signature across Revenue Stamp

Note: The proxy form must be deposited at the Registered Office of the Company situated at 105/106, Provogue House, Off New Link Road, Andheri (W), Mumbai 400 053 not less than FORTY EIGHT HOURS before the time for holding of the aforesaid meeting.

**PROVOGUE**  
**Provogue (India) Limited**

Registered Office :

105/106, Provogue House, Off New Link Road, Andheri (W), Mumbai 400053

**ATTENDANCE SLIP**

Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

DP ID \_\_\_\_\_ Client ID \_\_\_\_\_

Mr. / Ms. / Mrs. \_\_\_\_\_

Address: \_\_\_\_\_

I hereby record my presence at the 14th Annual General Meeting of the Company held at Colonial Hall, The Club, D. N. Nagar, Andheri (W) Mumbai - 400 053 at 11.00 a.m on Friday 24th September 2010.

(Proxy's Name in Block letters) \_\_\_\_\_

\_\_\_\_\_  
(Member's / Proxy's Signature#)

1. Strike out whichever is not applicable
2. Please fill in this Attendance Slip and hand it over at the entrance of the meeting hall. Joint shareholders may obtain additional Attendance Slip on request.



# PROVOGUE

S T U D I O

**DISCOUNT VOUCHER**

THIS DISCOUNT VOUCHER ENTITLES YOU TO AVAIL A DISCOUNT ON A SINGLE PURCHASE OF PROVOGUE MERCHANDISE AT ANY PROVOGUE STUDIO THROUGHOUT INDIA



STUDIO STAMP

## 30%\* OFF

VALID UPTO 31<sup>ST</sup> March, 2011

\*Conditions Apply

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STUDIO STAMP

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VALID UPTO 31<sup>ST</sup> March, 2011

\*Conditions Apply

This discount voucher is valid upto 31<sup>st</sup> March 2011 from the date of issue.

- Participation in this scheme is purely voluntary.
- The discount vouchers cannot be encashed under any circumstance.
- No expenses incurred on travel to redeem the voucher will be reimbursed.
- **The discount voucher is not valid in conjunction with any other scheme or promotional offer or markdown sale.**
- The discount voucher **can** be utilized one time only.
- The discount voucher shall be redeemed against Provogue products only.
- Appropriate details if asked for, like the Name, Address, etc. shall be divulged before redeeming the voucher.
- Provogue (India) Ltd. shall have every right to refuse to offer the redemption to the person asking for it, if the details furnished by the invitee are seen to be incorrect, and such decision shall be final and binding on the person.
- PIL will not accept any responsibility whatsoever for the loss of the voucher during transit.
- The decision of PIL in verifying the vouchers submitted for redemption shall be final and no correspondence will be entertained in this regard.
- No person shall have any other right or entitlement other than what is detailed herein above.
- All disputes arising out of or in connection with this scheme are subject to the exclusive jurisdiction of courts in the city of Mumbai only, to the exclusion of all other courts.
- One voucher redeemable against one time purchase only.

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live your dream

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**[www.provogue.net](http://www.provogue.net)**