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# MAKE YOUR MARK

Provogue was founded in 1999 and quickly became a leader in India's Ready-to-Wear Fashion market. Fuelled by a passion to design, manufacture and retail high quality clothing for a contemporary Indian lifestyle, the Provogue Brand today is one of the most recognized labels in the country, across all consumer brands.

Building upon its strong brand name, Provogue is entering several new markets that each offer high headroom for growth. Having already successfully launched Deodorants this year, Provogue plans to extend its range of products into select personal grooming categories that are a strong fit with the brand DNA. The Institutional Sales division has achieved a solid platform of corporate clients and will continue to expand business across the Indian landscape. Provogue has now launched its own ecommerce platform to compliment distribution and expects this to be a major business division going forward.

As a fashion and lifestyle brand for India's youth market, Provogue encourages its customers to 'make your mark' in an evolving economic environment that offers a plethora of opportunities for the future and allows youth to express themselves like never before.

## LETTER TO SHAREHOLDERS

#### Dear Fellow Shareholders

I'm delighted to share with you the results of the Company for the past year and our vision for a strong future. It's been an eventful year. On the one hand we've entered new markets and are rationalizing distribution into a forward looking model, and on the other we've suffered losses and set backs as a result of a fire at our factory in Daman.

The fire in Daman was a major blow to us, as the factory was completely destroyed and we lost huge stocks of fabrics and garments that were ready to go to market for the Spring Summer '14 collection, which hampered our seasonal performance.

Overall however it's the Provogue brand that retains sustainable value and this strength of the brand allows us to extend reach, enter new categories and open new channels that will ensure a strong future.

#### Retail Market Backdrop

The evolving youthful consumer class is spearheading growth of the retail market, forecast to reach \$1,000 billion by 2020 from the current \$500 billion. 64% of India's GDP is from consumption, with retail and services the biggest drivers, and with a new prodevelopment Government in place, forecasted improvement to GDP growth fueled by a renewed confidence in the economy we have the confidence to invest strongly in the future.

It has been a challenging year for the fashion and lifestyle retail sector. Although India's long term consumption story remains positive, most retailers felt the pinch last year as India's value conscious customers sought lower price points for consumer goods such as clothing, accessories and other lifestyle products.

India's retail opportunity has also encouraged entry of several new brands from abroad making the domestic apparel market more competitive, chasing a more cautious consumer wallet. Sustained higher rents and CAM charges from quality retail store properties, driven by rising utilities costs, has also squeezed gross margins.

To offset this the ecommerce wave has arrived and India is no exception. Online retailers are thriving, at least on revenues, and putting pressure on offline retail. It's clear that India will emerge as a major ecommerce market and our forward retail strategy must recognize this.

#### Our Business Model

For us, youth is the trustee of prosperity and the main consumer group driving the consumption-led economy. With our society now an 'earn and spend' culture unlike previous generations and with 72% of the population under 35 years, Provogue is well positioned to capitalize on this youth opportunity.

We have realigned our business into 4 strategic verticals for the future, as follows:

- 1.Fashion and Lifestyle: We're repositioning our collections to be aligned with the youthful target customer and we are focusing on new Franchising and Distribution channels to reach out to more markets more effectively.
- 2.FMCG Personal Care: The launch of Provogue's deodorant range last year has met with a strong reception from retailers and consumers. We plan to launch other categories of Personal Care products this year that can be retailed through the same channels.
- 3.Institutional Sales: The division has seen growth of over 55% last year and is expecting continued growth going forward in the corporate gifting sector and the Canteen Store Department (CSD) market that traditionally delivers consistent revenues year on year.
- 4.Ecommerce: Provogue.com has exhibited consistent growth since its launch in 2013. Provogue products can now be delivered to over 15,000 pin codes across the country. We also see online retail as an opportunity to invite foreign brands into the Indian market on a reduced risk model and we have several exclusive discussions in the pipeline.

Each of these verticals are being driven by dedicated teams motivated to achieve their own goals within specific timelines and I'm sure we'll see great performance results from

The strength of the brand allows us to extend reach, enter new categories and open new channels that will ensure a strong future

each of the 4 divisions in the future.

#### Financial Performance

The Company achieved total revenue of Rs 621.78 Crore against last year's Rs 553.48 Crore, which represents growth of 12.30%. We earned an EBIDTA margin of Rs 42.39 Crore compared to Rs 68.77 Crore in the previous year, largely due to restructuring costs within a softer retail market.

Profit after tax was considerably down at Rs 94.30 Lac as against Rs 12.89 Crore in the previous year. The prime reason for this was the major fire that occurred in February 2014 at the company's plant in Daman where fixed assets, having written down value of Rs14.35 Lac and stocks valuing Rs 1549.18 Lac, were completely destroyed. The Company is however fully secured by insurance and has made claims against these losses. We will report and account for the amount of the claims in our accounts as and when the same is determined by the Insurance Company.

#### **Looking Forward**

We have worked hard to optimize performance against the backdrop of the most challenging economic climate in a decade and I'm confident that our strategy and long term goals will be achieved as we prepare Provogue for a strong future of growth and prosperity.

In closing, my sincere thanks as always to our employees, our shareholders, business partners, vendors and suppliers for your unwavering support. We are one of the pioneers of contemporary Indian branded retail and our experience and commitment to the brand and our business enables us to chart plans for a strong future in a fast changing environment.

Provogue is in my heart, in the hearts of our teams and our partners and our customers. The best is yet to come.

Sincerely,

Nikhil Chaturvedi Managing Director



# **BOARD OF DIRECTORS**







SALIL CHATURVEDI



**DEEP GUPTA** 



AKHIL CHATURVEDI



RAKESH RAWAT



NIGAM PATEL

## INDEPENDENT DIRECTORS

#### DINESH ARYA (Independent Director)

Mr. Arya has over 20 years of experience in financial intermediation. His career spans from primary markets, secondary market, network enhancement, Mutual Funds, Insurance Broking etc. His strategic approach combined with marketing and execution has achieved excellent performance for his many clients and the Board benefits greatly from his expertise.

#### **HETAL HAKANI (Independent Director)**

Mr. Hakani is a business entrepreneur with expertise in manufacturing, marketing and general business development areas. He holds a degree in chemical engineering from The Bombay Institute of Technology and brings a fresh and approach and contribution to the Board. The Company benefits significantly from his advices and experience.



# CORPORATE INFORMATION

#### **Board of Directors**

Mr. Dinesh Arya

Mr. Nikhil Chaturvedi Mr. Akhil Chaturvedi Mr. Deep Gupta Mr. Hetal Hakani

Mr. Salil Chaturvedi Mr. Rakesh Rawat

Mr. Nigam Patel

Independent Director & Chairman (Appointed w.e.f. 26.05.2014)

Managing Director Whole Time Director Whole Time Director Independent Director

(Appointed w.e.f. 26.05.2014)

Non Executive Director Non Executive Director

(Re-designated w.e.f. 29.05.2014)

Non Executive Director

## **Company Secretary**

Mr Ajayendra P Jain

### **Statutory Auditors**

M/s Ajay Shobha & Co. Chartered Accountants A-701, La Chappelle, Evershine Nagar Malad West, Mumbai - 400064

#### Bankers

Andhra Bank | Corporation Bank | HDFC Bank Limited Indusind Bank | Punjab National Bank | Axis Bank Limited

#### Registered Office and Corporate Office

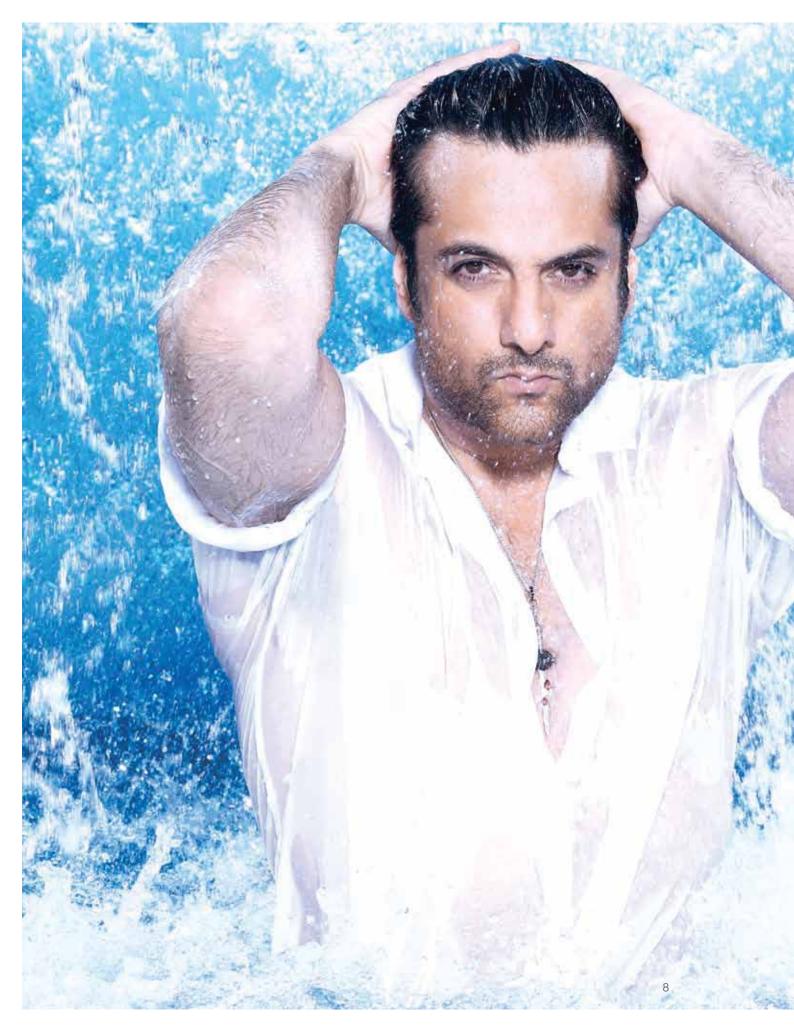
Provogue (India) Limited, 105/106, Provogue House Off New Link Road, Andheri (W), Mumbai 400 053 Website: www.provogue.com

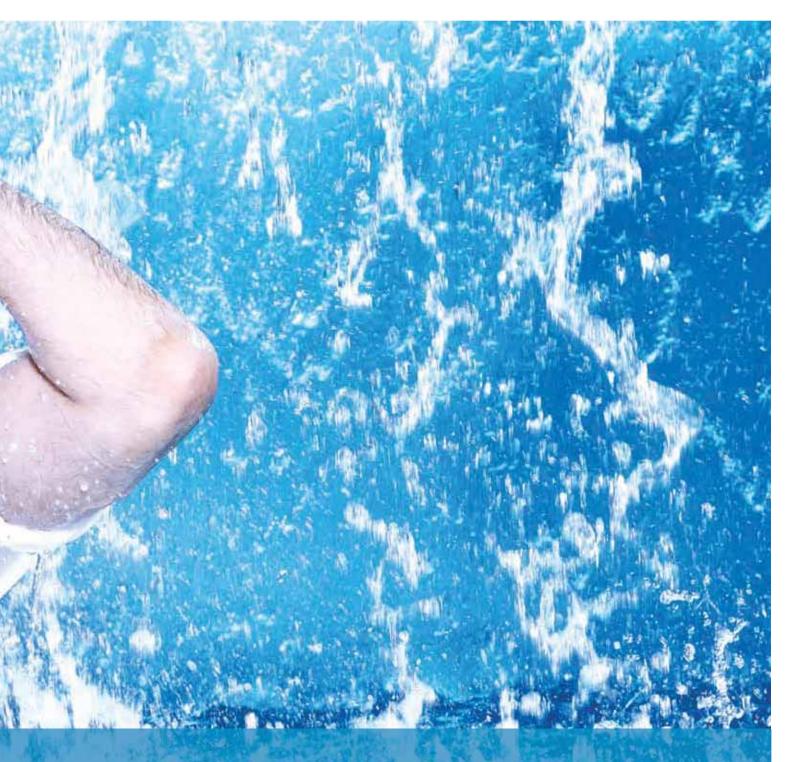
#### Registrar & Transfer Agent

Link Intime India Pvt Ltd C/13, Pannalal Silk Mills Compound LBS Road, Bhandup (W) Mumbai 400 078

#### E-mail ID for Investors' Grievance

investorservice@provogue.com





# PROVOGUE BRAND DNA

Understanding the rapidly evolving needs of the Indian consumer and delivering efficient, aspirational consumer products and solutions is the essence of Provogue. The Provogue brand is one of India's leading fashion labels in the 'bridge to luxury' segment. We consciously introduce cutting-edge garment designs, develop new categories, enhance the in-store consumer experience and extend our reach to new markets in a continuous cycle.

## INDIA'S CONSUMPTION STORY

India has one of the highest growth retail sectors in the world. Powered by a robust and booming consumption story, retail is the prime driver of the new Indian economy and represents approximately one-third of overall consumption. With fashion and lifestyle as one of the prime drivers of the consumption story, opportunities abound for business development at super normal growth rates.

# **OUR BUSINESS PHILOSOPHY**

Understand your customers, deliver what they need - on time, exceed their expectations and your business will flourish. This philosophy is at the core of Provogue's strategy. 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 employees and shareholders. A rigorous focus on 'outperformance' in serving all our relationships is our driving force.

## **OUR BUSINESS MODEL**

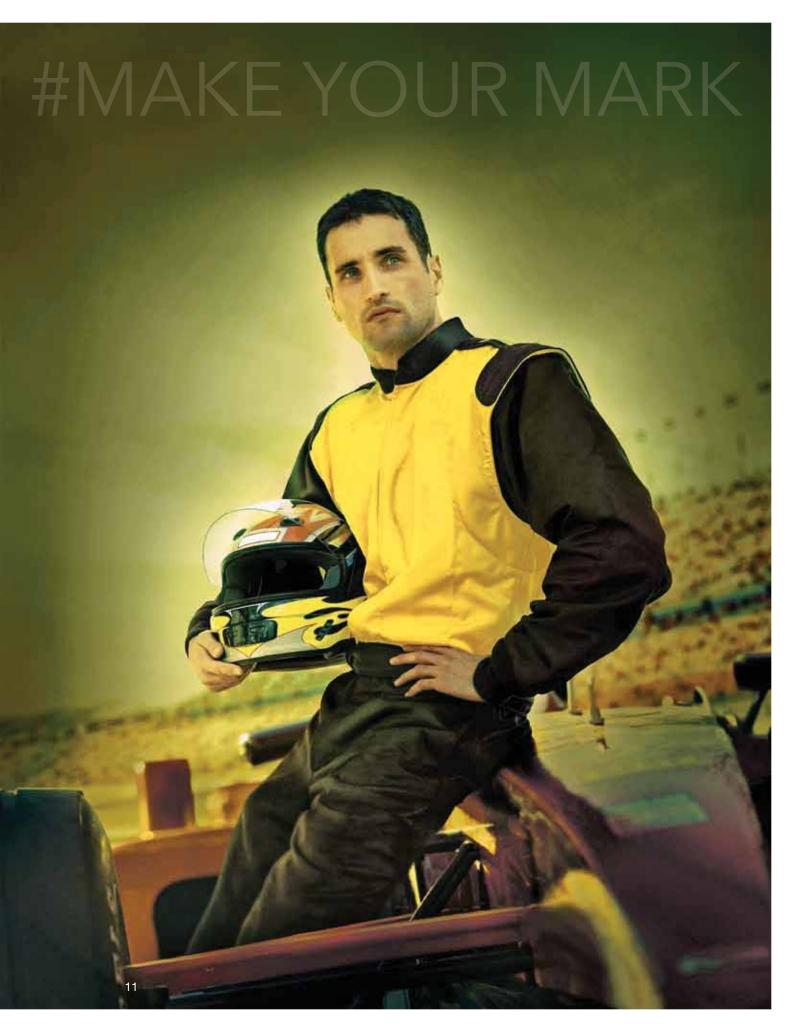
The Provogue business model is built upon global relevant fashion and lifestyle collections delivered through a variety of retail channels, to provide consumers with an exciting and rewarding shopping experience. In 2014, Provogue is available through over 150 doors in more than 80 markets across the Indian geographic landscape.











## **BUSINESS UPDATE 2014**

Provogue has evolved to be one of the best-known fashion labels in India and is now extending the brand into selected new markets that offer high growth potential. Provogue's strong brand recognition is not limited to the large metropolitan cities but runs deep into the country's smaller towns and villages. This high brand awareness, combined with a rapidly growing consumer population, provides a unique opportunity to enter new product categories and extend distribution channels.

The momentum in the organized retail sector, which is forecast to grow from about 6% of total retail to over 10% within 3 years, reinforces the decision to go for an aggressive next phase of channel and product extensions.

In traditional retail we operate over 150 doors across more than 80 markets and we will extend this offline retail platform further with an aggressive programs in franchising and distribution to reach out to more potential Provogue customers. We remain focused on designing our menswear range for the youthful and fashion conscious consumer and to offer

our Provoque customers a complete

wardrobe for every occasion enhanced

by a line of accessories designed to

compliment the look. We plan to enhance

the brand with the introduction of high fashion foreign womenswear lines in 2014.

#### FMCG Personal Care Collections

The Provogue Deodorant range of 10 fragrances is now available in more than 60,000 retail outlets across both modern and general trade channels. We are extending this footprint further over the next year and are reinforcing sales through print, digital and TV advertising and new promotion campaigns aimed at our target customers.

Other personal care categories are under development to be test launched this year. We are gearing up the FMCG business vertical to be one of the major drivers of growth for the next 5 years.

#### Institutional Sales

Successfully launched in 2011, our corporate sales division has reached a critical mass and is now poised for consistent growth over the next few years. To compliment the Provogue brand, a special purpose brand "FLIP by Provogue' has been introduced to cater to other corporate needs outside of the fashion and lifestyle space. In addition we've extending our distribution into the CSD space and achieving significant demand in many categories. We expect





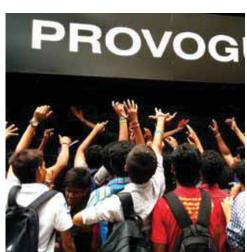
















this market to make a strong contribution to the business going forward.

#### Ecommerce | Provogue.com

Provogue's e-commerce platform was launched in 2013 and initial response has been very encouraging. The business is growing and is integrated with a new digital media multiplatform strategy, where we are creating a host of new ways to interact with our customers and reinforce brand loyalty. Plans are well advanced to extend the product offerings online and we intend to build this into a major business vertical over the medium term.

#### Manufacturing and Back End Infrastructure

Our manufacturing plant in Himachel Pradesh has achieved a total manufacturing capacity of over 500 thousand pieces per annum. This captive manufacturing improves our time to market and is geared to quickly deliver our fast-moving clothing options. We are also continually working with India's premier vendors to extend our ranges and improve time to market.

Retail and Back Office infrastructure is fully integrated and embedded in the systems and processes of our supply chain structure. We are geared for the next phase of growth, that is fully integrated into our SAP information technology platform with resulting benefits to decision-making, overall efficiencies and better store replenishment timelines.

































# FINANCIAL HIGHLIGHTS

(`in Lacs)

						( III Lacs,
DDOFIT AND LOCG ACCOUNT	CONSOLIDATED		STANDALONE			
PROFIT AND LOSS ACCOUNT	2013-14	2012-13	2011-12	2013-14	2012-13	2011-12
INCOME						
Revenue from operations (net)	83,023	78,334	78,805	61,436	54,062	60,972
Other income	1,928	1,509	1,586	743	1,287	1,514
Total Income	84,951	79,844	80,391	62,179	55,349	62,486
EXPENSES						
Cost of materials consumed	38,494	24,937	20,979	38,494	24,937	20,979
Purchases of stock - in - trade	30,037	34,653	37,650	10,765	12,892	19,614
Changes in inventories of finished goods, work in progress and stock in trade	(2,095)	174	996	(2,177)	94	2,028
Employee benefits expenses	1,715	1,876	1,994	1,333	1,612	1,806
Finance costs	5,196	4,054	3,545	3,701	3,557	3,221
Depreciation / Amortisation	939	1,221	1,381	829	1,097	1,181
Other expenses	8,749	9,469	11,137	7,282	8,544	10,564
Total expenses	83,034	76,382	77,683	60,227	52,733	59,392
Profit before tax and prior period adjustments	1,917	3,461	2,708	1,951	2,616	3,094
Exceptional items	2,493	81	133	1,843	32	133
Profit before tax	(576)	3,381	2,576	109	2,584	2,961
Tax Provisions	83	1,432	563	14	1,294	458
Profit After Tax	(658)	1,949	2,013	94	1,289	2,503
Less: Minority Interest	(134)	(74)	(154)	-	-	-
Net Profit	(525)	2,022	2,167	94	1,289	2,503



# FINANCIAL HIGHLIGHTS

(`in Lacs)

	CONSOLIDATED STANDAL			TANDALONE	ONE (* In Lacs)	
BALANCE SHEET	2013-14	2012-13	2011-12	2013-14	2012-13	2011-12
EQUITY AND LIABILITIES						
Shareholders' fund						
Share capital	1,144	1,144	1,144	1,144	1,144	1,144
Reserves & surplus	55,924	56,222	54,275	55,059	54,966	53,809
Net Worth	57,068	57,365	55,419	56,203	56,109	54,953
Minority interest	112	21	94			
Non-current liabilities						
Long-term borrowings	8,817	6,033	4,255	5,818	6,033	4,255
Other long term liabilities	381	301	315	351	281	305
Long-term provisions	17	20	40	15	19	40
Total Loans	9,215	6,355	4,610	6,184	6,333	4,600
Current liabilities						
Short-term borrowings	40,817	28,897	31,775	22,145	21,497	23,835
Trade payables	8,050	9,378	8,525	6,297	8,475	7,470
Other current liabilities	1,190	847	2,081	745	761	2,046
Short-term provisions	408	604	459	345	446	445
Total Current Liabilities	50,464	39,727	42,840	29,532	31,180	33,796
Total Liabilities	1,16,635	1,03,468	1,02,963	91,918	93,622	93,348
ASSETS						
Non-current assets						
Fixed assets						
Tangible assets	4,849	5,827	6,751	3,646	4,516	5,689
Intangible assets	47	86	123	151	85	122
Capital work in progress		-	6	-	-	6
Goodwill on consolidation	3,336	3,336	3,336	-	-	-
Non-current investments	3,347	5,283	3,993	10,783	13,468	12,128
Deferred tax assets (net)	962	918	664	962	918	664
Long-term loans and advances	6,046	5,609	3,969	5,703	5,096	5,623
Other non-current assets	-	-	5	-	-	105
Total Non Current Assets	18,587	21,059	18,848	21,245	24,084	24,337
Current assets						
Current investments	1,336	1,552	1,532	1,319	1,536	1,486
Inventories	35,277	33,424	30,445	34,358	32,418	29,364
Trade receivables	33,899	30,530	31,489	23,535	20,357	21,518
Cash & cash equivalents	2,603	3,053	2,624	971	1,722	759
Short-term loans and advances	23,939	13,962	17,085	9,495	12,769	14,945
Other current assets	995	737	940	995	737	938
Total Current Assets	98,048	83,258	84,116	70,672	69,538	69,011
Total Assets	1,16,635	1,03,468	1,02,963	91,918	93,622	93,348

## CORPORATE SOCIAL RESPONSIBILITY

#### SPECIAL CHILDREN IN INDIA

The definition of special children refers to those who show persistent slow learning of basic motor and language skills, often with IQs below 80. Causes range from hereditary, brain damage, malnutrition, infection during pregnancy, excessive drug intake or RH incompatibility. There are over 30 million special children living in India today, with very limited access to basic education, primary health facilities and employment opportunities. The government has initiated various measures to offer these children the basics of education and health care and various agencies are working hard to make these and other services available to every child in need.

#### VALABHDAS DAGARA INDIAN SOCIETY

VDISMR has been working with special children since 1973. Over the years more than 8,200 students have benefited from the various services offered by the institute.

Services such as early detection, intervention, education, training, remedial training, vocational rehabilitation, job placements etc. VDISMR is one of the few societies in Mumbai. which covers the entire spectrum from training and rehabilitating of special children to systematic medical research for cures to for these diseases. Some of the programs 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 infants to 18 years, when they are considered rehabilitated and ready to re-enter society as productive

individuals. Presently more than 500 students are benefiting from various services.

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 sporting competitions in Mumbai in and have won 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.

To help support Special Children in India, please visit www.vdis.org









#### **UTTARAKHAND VICTIMS**

Collection of old clothes for Gunj NGO to support the victims of the Uttarakhand disaster

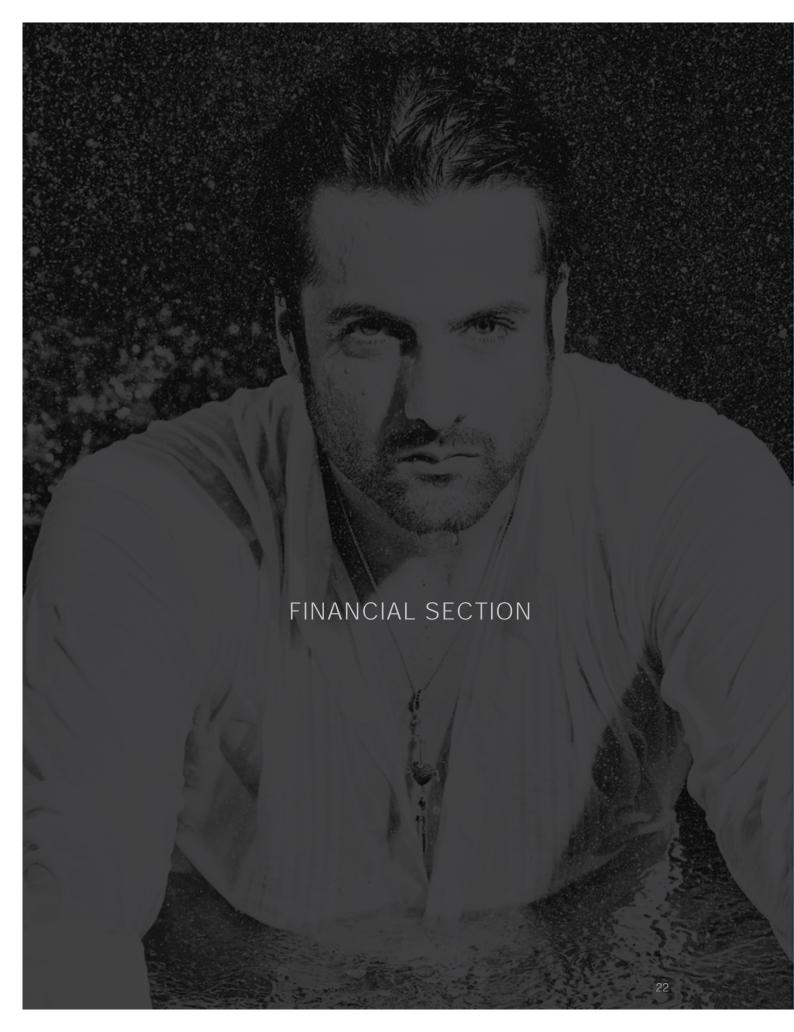
#### **BLOOD DONATION**

As our CSR Initiative, Blood donation camp

was organised on 16th March 2013 in the Company's premises .The Blood Donation Camp was organised in collaboration with BSES MG Global Hospital, Andheri West. Managed by Brahma Kumaris' Global Hospital and Research Centre.







#### NOTICE

Notice is hereby given that the 18th Annual General Meeting of the members of Provogue (India) Limited will be held on Tuesday, 30th September 2014 at Eden Hall, The Classique Club, Behind Infinity Mall, New Link Road, Andheri (West) at 2.00 p.m. to transact the following business:

#### **AS ORDINARY BUSINESS:**

- To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014, the Profit & Loss Account and Cash Flow Statement for the year ended on that date along with the Reports of the Directors' and Auditors' thereon.
- To appoint a Director in place of Mr. Deep Gupta (holding DIN 00004788), who retires by rotation and being eligible, offers himself for re-appointment.

# 3. To appoint Statutory Auditors and fix their remuneration

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

"Resolved that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, M/s Ajay Shobha & Co. [Firm registration No. 317031E], the retiring Auditors of the Company, be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 22nd AGM of the Company to be held in the year 2018 (subject to ratification of their appointment at every AGM), to examine and audit the accounts of the Company, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors plus reimbursement of taxes as applicable and other out-of-pocket expenses on actual basis."

#### AS SPECIAL BUSINESS:

# 4. Appointment of Mr. Hetal Hakani as an Independent Director of the Company

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

**"Resolved that** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Mr. Hetal Hakani (holding DIN 06878540)**, be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years

with effect from 26th May 2014 to 25th May, 2019, not liable to retire by rotation."

#### Appointment of Mr. Dinesh Arya as an Independent Director of the Company

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

**"Resolved that** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Mr. Dinesh Arya (holding DIN 02704435)**, be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years with effect from 26th May 2014 to 25th May, 2019, not liable to retire by rotation."

#### 6. Borrowing limits of the Company

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

"Resolved that in supersession of earlier resolution passed by the members of the company in their extra ordinary general meeting held on 15th March 2005 and pursuant to the provisions of section 180(1)(c) and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification and re-enactment thereof for the time being in force) the Company hereby accords its consent to the Board of Directors (hereinafter referred to as the "Board" and which may include any committee of the Board of Directors made thereof), for borrowing whether fund based and/ or no-fund based, secured and/ or unsecured from anyone or more of the Company's Bankers, any persons, firms, bodies corporate or financial institutions etc. from time to time, whereby the moneys to be borrowed together with moneys already borrowed by the company [apart from temporary loans obtained/ to be obtained from Company's bankers in the ordinary course of business] will or may exceed the aggregate of the paid-up capital and its free reserves of the company, provided that the total amount upto which the amounts may be borrowed by "the Board" and outstanding at any point of time shall not exceed the sum of ₹ 1000 Crore [Rupees One Thousand Crore] exclusive of interest and any other charges, if any levied by the lenders on the amount borrowed from them.

Resolved further that for the purpose of giving effect to this resolution, the Board and/or its committee be and is hereby authorised to do all such acts, deeds, matters and things as the Board may in

its absolute discretion deem necessary, desirable or expedient and to settle any questions and difficulties that may arise in the matter and incidental thereto, without being required to seek any further consent or approval of the members of the Company and members of the Company shall be deemed to have given their consent, authority and approval thereto expressly by the authority of this resolution.

**Resolved further that** the Board be and is hereby authorised to take all steps as may be necessary, proper and expedient to give effect to this resolution."

# 7. Creation of mortgage and charge over the properties of the Company pursuant to section 180(1)(a) of the Companies Act, 2013

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

"Resolved That pursuant to provisions of Section 180(1)(a) and other applicable provisions, if any (including any statutory modification or re-enactment thereof, for the time being in force), of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" and which may include any Committee of the Board of Directors made thereof) of the Company to create such charges, mortgages, hypothecations, lien or pledge etc. in addition to the existing charges, mortgages, hypothecations, lien or pledge etc. created/ to be created by the Company, on any property(ies) 9. whether movable and immovable, present or future, fixed or floating, tangible or intangible which may or may not include the transfer of whole or substantially the whole of undertaking(s) of the Company whether such charge(s) rank pari passu with or second, subsequent, subservient and sub ordinate to all the mortgages, charges etc. created/ to be created by the Company for all existing and future borrowings and facilities what so ever in favour of the lender(s), provided that the total amount of borrowings shall not exceed the limit as may be approved by the members pursuant to Section 180(1)(c) of the Companies Act, 2013.

Resolved further that the Board of Directors be and is hereby empowered to authorise any director(s) or other official(s) from time to time to execute any deeds of mortgage, pledge, charge, hypothecation, lien, promissory notes, deposit receipts and any other deeds, instruments, writings and other papers as may be required on case to case basis and to do all such acts, deeds, things and matters to give effect to this resolution and incidental thereto.

Resolved further that for the purpose of giving effect to this resolution, the Board and/or its committee be and is hereby authorised to do all such acts, deeds, matters and things as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any questions and difficulties that may arise in the matter and incidental thereto, without being required to seek any further consent or approval of the members of the Company and members of the Company shall be deemed to have given their consent, authority and approval thereto expressly by the authority of this resolution."

#### 8. Payment of Remuneration to the Cost Auditors

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

"Resolved that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 75,000 excluding travelling and other out of pocket expenses to be incurred by them for the purposes of conducting the Cost Audit and other taxes at the rates applicable payable to M/s. Ketki D. Visariya & Co. (Firm Registration No. 000362), Cost Accountants, Mumbai, who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the Financial Year 2014-15."

#### Approval of payment of remuneration by Provogue Personal Care Private Limited (PPCPL), WOS to Mr. Akhil Chaturvedi appointed as Whole time Director in case of inadequacy of profit in PPCPL

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

"Resolved That pursuant to provisions of sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 ("The Act") including any statutory modification and re-enactment thereof, for the time being in force, and all other applicable circulars, notifications and guidelines issued by the Ministry of Corporate Affairs or any other authorities from time to time and subject to necessary approvals, permissions and sanctions, as may be required, and such conditions and modifications as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions and are agreed to by the Board of Directors (hereinafter referred as the Board, which term shall be deemed to include any

"Committee" thereof and any person authorised by the Board in this behalf) and, further to the approvals of remuneration committee and Board of Directors of the Company, the consent of the members be and is hereby accorded to Provogue Personal Care Private Limited (PPCPL) with respect to payment of remuneration to Mr. Akhil Chaturvedi as Whole time Director of Provogue Personal Care Private Limited for a period of three years from 1st October 2013 to 30th September 2016 on such terms and conditions as set out below:

- A. Salary in the grade of ₹ 5,00,000 ₹ 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. The aforesaid remuneration paid/ payable by PPCPL, shall be considered/ deemed as remuneration paid by the Company for the purpose of provisions of section 198 of the Companies Act. 1956.

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 (calculated as per the provisions of section 349 of the Companies Act, 1956) are inadequate to pay/ cover the overall remuneration payable to its Directors including deemed remuneration of Mr. Akhil Chaturvedi (being Whole-time Director of PPCPL, a wholly owned subsidiary Company), the overall remuneration as aforesaid shall be subject to the maximum ceilings as prescribed under Schedule XIII of the Companies Act, 1956 or such other limits as may be prescribed/ approved by the Central Government or other appropriate authority 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."

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

Date: 29.05.2014 **Ajayendra P. Jain**Place: Mumbai Company Secretary

#### NOTES

- The Register of Members and the Share Transfer books of the Company will remain closed from Monday, 22nd September 2014 to Tuesday, 30th September 2014 (both days inclusive) for the purpose of Annual General Meeting.
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
- 3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

- 4. Corporate Members intending to send their authorized representative to attend the meeting pursuant to section 113 of the Companies Act 2013 are requested to send to the Company a certified true copy of Board resolution authorizing their representative to attend and vote on their behalf at the meeting
- 5. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- 6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- 7. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

- 8. The notice of AGM along with Annual Report for 2013-14 is being sent by electronic mode to all the members whose email IDs are registered with the Company/Depository Participants(s) unless any member has requested for a physical copy of the same. For members who have not registered their email addresses, physical copies are being sent by the permitted mode.
- Non-resident Indian members are requested to inform the Company or its RTA or to the concerned DPs, as the case may be, immediately the change in the residential status on return to India for permanent settlement.
- 10. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company or its RTA quoting their Folio number or their Client ID number with DP ID number, as the case may be.
- 11. This notice is being sent to all members of the Company whose names appear in the Register of Members/ list of beneficiaries received from the depositories as on Friday, 22nd August 2014 (the cut-off date). Voting rights shall be computed with reference to shares held by members in the Company as on such cut-off date.
- 12. The entry to the meeting venue will be regulated by means of attendance slips. For attending the meeting, members, proxies and authorised representatives of the members, as the case may be, are requested to bring the enclosed attendance slip completed in all respects, including client ID and DP ID, and signed. Duplicate attendance slips will not be issued.
- 13. All members are requested to support Green Initiative of the Ministry of Corporate Affairs, Government of India and register their email addresses as aforesaid to receive all these documents electronically from the Company in accordance with Rule 18 of the Companies (Management & Administration) Rules 2014 and Rule 11 of the Companies (Accounts) Rules 2014. All the aforesaid documents have been uploaded on and are available for download from the Company's website, being www.provogue. com. Kindly bring your copy of Annual Report to the meeting.
- 14. Rule 3 of the Companies (Management and Administration) Rules 2014 mandates that the register of members of all companies should include details pertaining to email address, permanent account number (PAN) or CIN, unique identification number, if any; father's/ mother's/ spouse's name, occupation, status, nationality; in case member in a minor, name of guardian and the date of birth of the member, and name and address of nominee. All members are requested to update their details as aforesaid with their respective depository.

15. No gifts shall be provided to members before, during or after the AGM.

#### 16. Voting through electronic means ("E-voting"):

Pursuant to the provisions of section 108 of the Companies Act, 2013, rules 20 and 21 of the Companies (Management & Administration) Rules 2014 and clause 35B of the Listing Agreement, the Company provides its members the electronic facility to exercise their right to vote at the AGM. The business at the AGM may be transacted through e-voting services provided by CDSL. It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/ her/ its discretion, subject to compliance with the instructions prescribed below:

The instructions for members voting electronically are as under:

# A. In case of members receiving the Notice of AGM via-email

- (i) The e-voting period commences on Tuesday 23rd September 2014 (9:00 am) and ends on Thursday, 25th September 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd August 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website www. evotingindia.com
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "Provogue (India) Limited" from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.

# (vii) If you have already voted electronically: If you are holding shares in demat form and had logged on to www.evotingindia. com and voted on an earlier voting of any company, then your existing password is to be used.

#### (viii)If you are a first time user follow the steps given below:

#### For Members holding shares in Demat Form and **Physical Form**

#### PAN\*

Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Members who have **not updated** their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.
- In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

#### DOB

Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/ mm/yyyy format.

## Bank **Details**

**Dividend** Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.
- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for

- e-voting on the resolutions contained in this
- (xii) Click on the EVSN for the Provoque (India) Limited.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

#### (xix)Note for Non Individual Shareholders and custodians

- Non Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodians are required to log on to https://www.evotingindia.co.in register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer to the Frequently Asked Questions ("FAQs") and e-voting manual available on www. evotingindia.com under the help section or write an email to helpdesk.evoting@cdslindia.com
- (xxi) Members may alternatively cast their votes using the Ballot Form which is enclosed with this Notice, which is also available on the website of the Company. Please refer to instructions under the heading "C" below for more details.

# B. In case of members receiving the physical copy of the Notice of AGM:

Members holding shares in either Demat or physical mode who are in receipt of Notice of AGM in physical form may cast their vote using the Ballot Form. Please refer to instructions "C" below for more details.

Members may alternatively opt for e-voting. Please follow steps from sr. no. (i) to (xx) under

the heading "A" above to vote through e-voting platform.

# C. Members who wish to vote using Ballot Form:

In terms of clause 35B(iii) of the Listing Agreement, members may fill in the Ballot Form and submit the same in a sealed envelop to the Scrutiniser, Mr. Hemant Shetye, Practicing Company Secretary Unit: Provogue (India) Limited, C/o Link Intime India Pvt. Ltd, C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (W), Mumbai 400078, so as to reach there by 6.00 p.m. on 25th September 2014. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decisions of the Scrutiniser on the validity of form will be final.

In the event a member casts his votes through both processes i.e. e-voting and ballot form, the votes casted through the e-voting system would be considered, and the ballot from would be disregarded.

The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.provogue.com and on the website of CDSL www.evoting.cdsl.com within two days of the passing of the resolutions at the 18th AGM of the Company on Tuesday, 30th September 2014 and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

# DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT IN 18TH ANNUAL GENERAL MEETING (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

Name of the Director	Mr. Deep Gupta	Mr. Hetal Hakani	Mr. Dinesh Arya
Date of Birth	24.10.1968	03.05.1971	15.07.1968
Date of first appointment	17.11.1997	26.05.2014	26.05.2014
Qualification	MBA	Chemical Engineer	MBA-Finance
Shareholding of directors	56,73,445 Shares	2,250 Shares	Nil
Directors Inter-se	N.A.	N.A.	N.A.
relationship			
Years of experience	20 years	20 years	20 years
No. of Board Meeting attended in FY	3	0	0
Directorships held in public Companies	Empire Mall Pvt. Ltd- Audit Committee	Nil	
including private companies which are	Acme Advertisements     Pvt. Ltd.		
subsidiaries of public companies (excluding	BrightLand Developers     Pvt. Ltd.		
foreign and private companies) and details of memberships and chairmanships in Committees	Proskins Fashions     Limited (Previously known as Prozone Infrastructure Ltd)     Classique Creators		
	Limited 6. Sporting and Outdoor		
	Ad Agency Pvt. Ltd.	NEL	NII
Area of expertise	7. Kruti Multitrade Pvt. Ltd. Mr. Deep Gupta is a cofounder, Mr. Deep leads finance, administration and legal teams for the Company, involving the development of human resources, IT, Investment policy and new product category incubation	expertise in manufacturing, marketing and general business development areas. He holds a degree in chemical engineering	of experience in financial intermediation. His career spans from primary markets, secondary market, network enhancement, Mutual Funds, Insurance Broking etc. His strategic approach combined with marketing and execution has achieved excellent performance for

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

Date: 29.05.2014

Place: Mumbai

Ajayendra P. Jain
Company Secretary

#### **EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT. 2013**

#### Item No 4 & 5

Mr. Hetal Hakani and Mr. Dinesh Arya had been appointed under Section 161 of the Companies Act, 2013 as additional Directors of the Company w.e.f. 26th May 2014 vide circular resolutions passed by the Board of Directors of the Company. They are Independent Directors of the Company within the meaning of section 149(6) of the New Act provides, inter alia, that an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company (such section having been brought into force on 1st April 2014). Further, pursuant to section 149(13) of the New Act, an Independent Director is not liable to retire by rotation. The resolutions at item nos. 4 & 5 are intended to implement these provisions.

In terms of provisions of Section 160 of the Companies Act, 2013, the Company has received notices in writing from member(s) of the Company along with a deposit of prescribed amount for each Director proposing the candidatures of Mr. Hetal Hakani and Mr. Dinesh Arya for the office of Independent Directors of the Company.

Except Mr. Hetal Hakani and Mr. Dinesh Arya, being appointees, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No. 4 & 5.

#### **ITEM NO. 6 & 7:**

Under the provisions of section 293(1)(d) of the Companies Act 1956, the Board of Directors of a Company could, with the consent of the members obtained by an ordinary resolution, borrow monies, apart from temporary loans obtained from the Company's bankers in ordinary course of business, in excess of the aggregate of the paid up share capital and free reserves of the Company, that is to say, reserve not set apart for any specific purpose.

Under the provisions of section 180(1)(c) of the Companies Act 2013 (The New Act), the above powers can be exercised by the Board only with the consent of the members obtained by a special resolution. Further, as per clarification dated 25th March 2014 issued by the Ministry of Corporate Affairs, the ordinary resolution passed under section 293(1)(d) of the Companies Act 1956 will remain valid for a period of one year from the date of notification of section 180 of the Act i.e. upto 11th September 2014.

Hence it is necessary to obtain fresh approval of the members by means of a special resolution as per provisions of section 180(1)(c) of the Companies Act 2013, to enable the Board of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's bankers in ordinary course of business, in excess of the aggregate of the paid up share capital and free reserves of the Company

It would also be advisable to obtain approval of members by means of special resolution under Section 180(1)(a)

of the New Act, to enable the Board of Directors of the Company to create charge/mortgage/hypothecation on the Company's assets, both present and future, in favour of the lenders to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

The members of the company in their extra ordinary general meeting held on 15th March 2005 authorised the Board of Directors to borrow the money in excess of aggregate of paid up share capital and free reserves, up to a limit of ₹ 200 Crore in terms of provisions of section 293(1)(d) of the Companies Act 1956. In order to meet the anticipated financial requirements of the Company, the borrowing limits previously sanctioned by the Members are proposed to be increased to ₹ 1000 Crore. The proposed borrowings of the Company may, if necessary, be secured by way of mortgages, charges and hypothecations on the Company's movable/immovable properties, present and future, in favour of the financial institutions/banks/insurance companies/other investing agencies /other instruments. Hence it is necessary for the Members to pass a resolution for creation of mortgages, charges and hypothecation to secure such borrowings of the Company.

The Board recommends the Resolutions at Item Nos. 6 & 7 of the accompanying Notice for approval by the Members of the Company by Special Resolutions.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolutions at Item Nos. 6 & 7 of the accompanying Notice.

#### ITEM NO. 8:

Pursuant to Section 148 of the Companies Act 2013, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of the Audit Committee of Directors, the Board of Directors has approved the appointment of M/s. Ketki D. Visariya & Co. (Firm Registration No. 000362) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2014-15, at a remuneration of ₹ 75,000/excluding travelling and other out of pocket expenses to be incurred by them for the purposes of conducting the Cost Audit and other taxes at the rates applicable. M/s. Ketki D. Visariya & Co. has furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the previous year under the provisions of the Companies Act, 1956.

The Board recommends the Resolution at Item No. 8 of the accompanying Notice for ratification by the Members of the Company. None of the Directors and Key Managerial Personnel of PPCPL for a period of 3 years w.e.f. 1st October 2013 the Company or their respective relatives are concerned or interested in the Resolution at Item No. 8 of the accompanying Notice.

#### ITEM NO. 9:

Mr. Akhil Chaturvedi is a Whole-time Director (WTD) of the Company. Provogue Personal Care Private Limited [PPCPL], a Wholly-owned subsidiary has also appointed Mr. Akhil Chaturvedi as its Whole-time Director w.e.f. 1st October 2013 for a period of 3 years in compliance of time as minimum remuneration. provisions of section 316 of the Companies Act, 1956. Provogue Personal Care Private Limited was incorporated on 26th July, 2013 therefore the Company is not having profit hence in terms of proviso of clause 1(c) of section II of Part II of Schedule XIII of the Companies Act, 1956 the payment of remuneration to Mr. Akhil Chaturvedi by PPCPL is subject to the prior approval of the Central Government.

However, the said clause further exempts a subsidiary of Listed Companies from seeking approval of the Central Government, where managerial remuneration paid/ payable by subsidiary of listed Company in inadequacy or absence of profit, is approved by remuneration Committee, Board of Directors and shareholders of the Holding Company, and the remuneration paid by subsidiary company to its director(s) shall be considered as deemed remuneration paid by listed holding company 9 of the accompanying Notice. for the purpose of provision of section 198 of the Companies Act, 1956.

The Remuneration Committee and Board of Directors of the Company, subject to your approval, have approved Date: 29.05.2014 the payment of remuneration to Mr. Akhil Chaturvedi, by Place: Mumbai

and to consider the same as deemed remuneration by the Company. The overall remuneration payable by the Company to its Directors including deemed remuneration of Mr. Akhil Chaturvedi (being Whole-time Director of PPCPL, a wholly owned subsidiary Company) shall be subject to the maximum ceilings as prescribed under Schedule XIII of the Companies Act, 1956 or such other limits as may be prescribed/approved by the Central Government or other appropriate authority from time to

As per the financial statements of the Company for the financial year ended 31st March, 2013, Company has adequate profits (calculated in terms of provisions of section 349 & 350 of the Companies Act, 1956) to pay remuneration to Directors of the Company including deemed remuneration payable by PPCPL to Mr. Akhil Chaturvedi as Whole-time Director of PPCPL.

The Board recommends the Resolution at item No. 9 of the accompanying Notice for approval of the Members of the Company.

None of the Directors except Mr. Akhil Chaturvedi, being appointee and Mr. Nikhil Chaturvedi, and Mr. Salil Chaturvedi being his relative and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution at Item No.

> By order of the Board of Directors Provogue (India) Limited

Ajayendra P. Jain Company Secretary

## **PROVOGUE (INDIA) LIMITED**

CIN: L45200MH2007PLC174147

Regd. Office: Provogue House, 105/106 Off New Link Road, Andheri (W), Mumbai 400 053 India Ph: 91-22-30680560, Fax: 91-22-30680570, Email: investorservice@provogue.com, Website: www.provogue.com

## F-MAIL ID REGISTRATION FORM

,
E-mail ID:
Yours truly,
Signature
Name:
Address:

## **DIRECTORS' REPORT**

То

#### The Members of Provogue (India) Ltd

Your Directors take pleasure in presenting their 18th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2014.

#### **FINANCIAL RESULTS**

The financial performance of the Company for the year ended 31st March 2014 is summarized below:

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		(t in Crores)
Particulars	Current	Previous
	Year	Year
Income from Operations	614.36	540.62
Other Income	7.43	12.86
Total Income	621.79	553.48
Total Expenditure	602.27	527.33
Profit before exceptional	19.52	26.15
items and tax		
Less: Exceptional items	18.43	0.32
Profit before Taxation	1.09	25.83
Less: Tax Expenses	0.14	12.94
Profit after Taxation	0.95	12.89
Balance brought forward	153.71	142.14
Less: Provision For Dividend	0.00	1.14
Less: Provision For Corporate	0.00	0.19
Dividend tax		
Balance transferred to	154.64	153.71
Balance Sheet		

#### **PERFORMANCE REVIEW**

The Company achieved total revenue of ₹ 621.78 Crore against last year's operational income of ₹ 553.48 Crore which represented the growth of 12.30% against the previous year.

The net profit for the year after tax was ₹ 94.30 lacs as against ₹ 12.89 Crore in the previous year. The main reason for the profit shortfall was a major fire that occurred in February 2014 at one of the Company's manufacturing plants located at Daman, where fixed assets having written down value of ₹ 14.35 lacs and stocks valuing ₹ 1549.18 lacs were destroyed by fire. However these assets are fully secured through insurance and the Company has made claim against the loss. The Company will account the amount of claim from the Insurance Company as and when the same is determined by the Insurance Company.

#### LISTING

The equity shares of the Company are listed on the BSE Limited (BSE) and The National Stock Exchange of India Ltd. (NSE) and the listing fee for the year 2014-15 has been paid.

#### SUBSIDIARY COMPANIES

The Company has 15 subsidiary companies as on 31st March, 2014. The names of subsidiary companies are as follows:

#### **Indian Subsidiary Companies are:**

- i) Millennium Accessories Ltd.
- ii) Provoque Infrastructure Pvt. Ltd.
- iii) Sporting and Outdoor Ad-Agency Pvt. Ltd.
- iv) Flowers, Plants & Fruits (India) Pvt. Ltd.
- v) Acme Advertisements Pvt. Ltd.
- vi) Brightland Developers Pvt. Ltd.
- vii) Faridabad Festival City Pvt. Ltd
- viii) Pronet Interactive Pvt. Ltd.
- ix) Profab Fashions (India) Ltd.
- x) Classique Creators Limited
- xi) Prozone Infrastructure Limited
- xii) Provogue Personal Care Private Limited

#### Step-down subsidiary is:

xiii) Standard Mall Private Limited

#### Foreign subsidiaries are:

- xiv) Elite Team (HK) Ltd, Hong Kong
- xv) Provogue Holding Ltd, Singapore

In view of circular no. 2/2011 dated 8th February 2011 issued by the Ministry of Corporate Affairs, New Delhi, the Board of Directors of the Company have decided to present the audited consolidated statement of accounts of the company and its subsidiaries in the annual report for the year under review. Your Company believes that the consolidated accounts present a true and fair view of the state of affairs of the Company and its subsidiaries. Accordingly the annual report of your company does not contain the financial statement of its subsidiaries, but contains the audited consolidated financial statements of the company and its subsidiaries.

The annual accounts of the subsidiary companies along with the related detailed information, are available for inspection by the shareholders of the Company and its subsidiary companies during business hours at the respective registered offices of Company and subsidiary companies. Copies of the audited accounts of the company's subsidiaries can be sought by any member by making a written request addressed to the Company Secretary of the company at the registered office of the Company.

#### **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 and the Listing Agreement entered into with the stock exchanges, the Audited

Consolidated Financial Statements are provided in the Annual Report.

#### **DIRECTORS**

Pursuant to the provisions of section 152 of the Companies Act, 2013, the office of Mr. Deep Gupta Director is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, have offered himself for re-appointment. The Board recommends his re-appointment.

A brief resume of director retiring by rotation at the ensuing AGM, nature of expertise in specific functional areas and name of companies in which they hold directorship and/or membership/ chairmanships of committees of the respective Boards, shareholding and relationship between directorship inter-se as stipulated under clause 49 of the Listing Agreement, is given in the section of notice of AGM forming part of the Annual Report.

During the year under consideration, Mr. Arun Bhargava, Mr. Punit Goenka and Mr. Amitabh Taneja Independent Directors resigned from Directorship of the Company w.e.f. 26th May 2014. The Board of Directors by passing circular resolutions accepted the same and appointed Mr. Dinesh Arya and Mr. Hetal Hakani as additional Directors and Independent Directors of the Company. The Board extends its sincere thanks and appreciation for services and guidance extended by them during their tenure as an Independent Directors.

In accordance with section 161 of the Companies Act, 2013 (the Act), Mr. Dinesh Arya and Mr. Hetal Hakani hold office only upto the date of the forthcoming AGM and notices under Section 160(1) of the Act have been received from Member(s) signifying its intention to propose the appointment of Mr. Arya and Mr. Hakani as Directors of the Company. Their appointment requires the approval of the Members at the ensuing AGM.

The Company has, pursuant to the provisions of Clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Mr. Dinesh Arya and Mr. Hetal Hakani as Independent Directors of the Company. The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49. In accordance with the provisions of Section 149(4) and proviso to Section 152(5) of the Companies Act, 2013, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming AGM of the Company.

#### **KEY MANAGERIAL PERSONNEL**

Pursuant to section 203 of the Companies Act, 2013, your Company is required to appoint Key Managerial

Personnel. Accordingly your Company has appointed its Key Managerial Personnel viz; Mr. Nikhil Chaturvedi as the Managing Director, Mr. Deep Gupta as the Chief Financial Officer and Mr. Ajayendra P. Jain as the Company Secretary. All the three Key Managerial Personnel prescribed under the said Act were in the employment in the Company even prior to the Companies Act, 2013 became applicable.

#### **AUDIT COMMITTEE**

In accordance with Clause 49 of the Listing Agreement read with section 292A of the Companies Act, 1956, Company has constituted an Audit Committee. As on 31st March 2014, the Committee consisted of two Independent non-executive directors namely; Mr. Punit Goenka and Mr. Amitabh Taneja and one executive director i.e. Mr. Akhil Chaturvedi.

Mr. Punit Goenka and Mr. Amitabh Taneja resigned from directorship of the Company w.e.f. 26th May 2014. The Board by passing circular resolutions accepted the same and appointed Mr. Dinesh Arya and Mr. Hetal Hakani as Independent Directors of the Company and reconstituted the Audit Committee of the Board by appointing Mr. Dinesh Arya as a Chairman and Mr. Hetal Hakani as a Member of the Committee.

Presently, The Audit Committee comprises Mr. Dinesh Arya, Independent Director as a Chairman and, Mr. Hetal Hakani, Independent Director and Mr. Akhil Chaturvedi, Whole time Director as Members of the Committee. The Audit Committee functions in terms of the role and powers delegated by the Board of Directors keeping in view the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

#### **VIGIL MECHANISM**

Your Company has established a Vigil Mechanism Policy for its Directors and Employees to safeguard against victimization of persons who use vigil mechanism and report genuine. The Audit Committee of your Company oversees the Vigil Mechanism.

#### **CORPORATE GOVERNANCE**

Report on Corporate Governance of the Company 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.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

A detailed review of operations, performance and future outlook of the Company and its business, as stipulated under clause 49 of the Listing Agreement, is presented in a separate section forming part of Annual Report under the head 'Management Discussion and Analysis'.

#### **STATUTORY AUDITORS**

M/s SGCO & Co., Joint Statutory Auditors of the Company resigned from the Company on 24.05.2014 due to some pre-occupation and other commitments. In view of the said resignation m/s Ajay Shobha & Co, Chartered Accountants Mumbai is appointed as sole Statutory auditors of the Company.

Pursuant to Section 139 read with rule 6 of chapter X of the Companies Act 2013 M/s. Ajay Shobha & Co., Chartered Accountants, Mumbai, Statutory Auditors of the Company retire at the ensuing AGM and being eligible have offered themselves for re-appointment. The Company has received a letter from the Statutory Auditors confirming that their re-appointment, if made, would be within the limits of Section 141 of the Companies Act, 2013 and they are not disqualified from such appointment within the meaning of section 141 of the Companies Act, 2013. The Board recommends the appointment of Statutory Auditors for approval of members in their ensuing AGM to hold the office for a first term of four years from the conclusion of ensuing AGM (i.e. 18th AGM) upto the conclusion of 22nd AGM of the Company henceforth subject to the ratification of their appointment at every subsequent AGM.

The observations and comments given by the Auditors in their report read together with note to Accounts are self explanatory and hence do not call for any further comments under section 217 of the Companies Act, 1956.

#### **COST AUDITORS**

Your Company based on the approval received from Central Government, has appointed M/s Ketki D. Visariya & Co., Cost Accountants, Mumbai as Cost Auditors of the Company for the financial year 2014-15. Your Company has received certificates from M/s Ketki D. Visariya & Co., informing their eligibility, willingness and independence to be appointed as Cost Auditors of the Company.

The Cost Audit Report of M/s Ketki D. Visariya & Co., for the year ended 31st March, 2014 will be filed with the Central Government in due course.

#### **FIXED DEPOSITS**

The Company has neither accepted nor renewed 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:

- 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, 2014 and 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.
- The Directors have prepared the annual accounts on a going concern basis.

#### **CLAUSE 5A OF THE LISTING AGREEMENT**

Pursuant to clause 5A of the Listing Agreement, the details of shares lying with the Company's Unclaimed Suspense Account as on 31st March 2014 are as under:

Des	scription	No. of cases	No. of shares
1	Aggregate no. of shareholders and outstanding shares in unclaimed suspense account at beginning of the year	17	3400
2	No. of shareholders who approached issuer for transfer of shares from unclaimed suspense a/c during the year	0	0
3	No. of shareholders to whom shares were transferred from unclaimed suspense account during the year	0	0
4	Aggregate no. of shareholders and outstanding shares in the suspense account at the end of year	17	3400

Your Company credits all unclaimed shares to a DEMAT Unclaimed Suspense Account maintained by the

accruing on these unclaimed shares are also credited to such Unclaimed Suspense Account. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

#### CONSERVATION OF ENERGY. TECHNOLOGY ABSORBTION AND **FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information in accordance with the provisions of Section The Company periodically uploads Annual Reports, 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 ACKNOWLEDGEMENT of this report.

#### **E-VOTING FACILITY TO MEMBERS**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the 18th Annual General Meeting (AGM) by electronic means as well and the business may be transacted through e-Voting Services provided by Central Depository Securities (India) Limited (CDSL).

Company. All the corporate benefits in terms of securities Pursuant to the amendments made in clause 35B of the Listing Agreement by SEBI, the company has sent assent/dissent forms to the members to enable those who do not have access to e-Voting facility to cast their vote on the shareholders resolution to be passed at the ensuing Annual General Meeting, by sending their assent or dissent in writing.

#### **ELECTRONIC FILING**

Financial Results, Shareholding Pattern, Corporate Governance Reports etc. on its website viz. www. provoque.com within the prescribed time limit.

Your Directors would like to express their sincere appreciation of the Co-operation and assistance received from the shareholders, bankers, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff resulting in the successful performance of the company during the year.

For and on behalf of Board of Director

Date: 29.05.2014Nikhil Chaturvedi Deep Gupta Place: Mumbai 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

- a. Energy Conservation Measures Taken
- b. 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.

2. Benefits derived as a result of the above R & D:

Product improvement

3. Future Plan of Action:

Appropriate actions are being planned.

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

a) Capital

b) Recurring

c) Total

d) Total expenditure as a percentage of total turnover Included in the manufacturing cost

#### 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

- 3) 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

₹ 19,418.97

Total Foreign Exchange Used

₹ 8,046.19

#### **FORM A**

Form for disclosure of particulars with respect to supervision of energy

articulars	Current Year	Previous Year
Power and fuel consumption		
1. Electricity		
(a) Purchased Unit	97,124	3,41,124
Total amount	8,82,926	20,06,206
Rate/unit	9.09	5.88
(b) Own generation	N.A	N.A
(i) Through diesel generator Unit	-	-
Unit per Itr. Of diesel oil		
Cost/unit		
(ii) Through steam turbine/generator	-	-
Units		
Units per ltr. Of fuel oil/gas		
Cost/units		
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		
Others/internal generation (please give details)	N.A	N.A
Quantity		
Total cost		
Rate/unit		

#### Consumption of production\*\*

Particulars	Standards (if any)	Current Year	Previous Year
Electricity	NA	0.55	0.43
Furnace oil	NA	Nil	Nil
Coal (specify quality)	NA	Nil	Nil
Others (specify)	NA	Nil	Nil

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

## MANAGEMENT DISCUSSION AND ANALYSIS

## **ECONOMIC OVERVIEW**

Economic growth in India is projected to pick up gradually in the coming year after remaining near a two-decade low in 2013. GDP is estimated to expand to 5 – 5.5% in 2014 - 2015, up from 3.9 per cent in 2013.

The moderate recovery is expected to be underpinned by stronger consumption and investment in the context of enhanced macroeconomic stability, lower inflation, stronger external balances and more stable currencies in recent quarters. These conditions are expected to support business and consumer confidence thereby fuelling increased foreign investment and domestic demand. External demand is also projected to improve in 2014-15 as economic activity in developed economies gains momentum but the strength of the recovery in India would be restricted by structural impediments, including energy and transport constraints, political restructuring and a historic lack of economic policy reforms.

#### **INDUSTRY OVERVIEW**

The Retail industry is one of the pillars of the modern Indian economy and accounts for 14-15% of its GDP. The Indian retail market is estimated to be US\$ 490 billion and one of the top five retail markets in the world by economic value. India is one of the fastest growing retail markets in the world.

India's traditional retailing industry essentially consists of the local mom and pop store, owner manned general stores, convenience stores, hand cart and pavement vendors, etc. Contemporary Organised retail accounts for about 5.8% of the market as of 2013-14. According to industry experts, the next phase of growth is expected to come from Tier 2 and 3 cities and the rural markets. The organised retail segment in India is forecast to grow by over three times during the next five years (from 2013), to reach a figure of US\$ 80 billion (as per consultancy firm, Technopak). Also, India's consumption level will double within five years to an annual figure of US\$ 1.5 trillion from the present level of about US\$ 800 billion.

#### **FDI Policy Initiatives**

100 per cent FDI is permitted under the automatic route for trading companies in the cash & carry trading/wholesale trading sector. FDI up to 100 per cent under the Government route is allowed in the retail trade of Single Brand products, according to the Consolidated FDI Policy document. FDI in Multi Brand retail has been authorized last fiscal year for up to 51% with certain conditions applicable.

## India's Textile and Fashion Industry

India Textile Industry is one of the leading textile industries in the world. Though it was predominantly an unorganized industry until 20 years ago, the scenario started changing after the economic liberalization of Indian economy in 1991. The opening up of the economy gave the much-

needed thrust to the Indian textile industry, which has now successfully become one of the largest in the world.

India's textile industry largely depends upon textile manufacturing and export. It also plays a major role in the economy of the country. India earns about 27% of its total foreign exchange through textile exports. Further, the textile industry of India contributes nearly 14% of the total industrial production of the country. It also contributes around 3% to India's GDP. The textile industry is also one of the largest in the country in terms of employment generation. It not only generates jobs in its own industry, but also opens up scopes for other ancillary sectors. The Indian textile industry currently provides employment to more than 35 million people.

Further, the luxury brand market in the country is estimated to be worth about US\$ 4 to 4.5 billion and is expanding rapidly driven by the growing aspirations of youth and income levels in the country. Thus, major international brands are in the process of expanding their retail presence.

## **BUSINESS OVERVIEW**

## **Business Policy**

Provogue maintains generally accepted standards of corporate conduct towards its 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 Operations**

Provogue commenced operations as a manufacturer and retailer of apparel under the brand Provogue in 1997. 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 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 2014, Provogue fashions and accessories were available in more than 100 doors across the country.

## **Internal Control System and Adequacies**

The Company has adequate internal control procedures commensurate with the size and nature of its 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 all 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 internal audits.

#### **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 favourable demographics are the key factors driving this growth.

With organised retail is 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. Provogue is 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 employees. 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 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 circa \$1,000 billion in 5 years from about \$500 billion in 2012.

#### **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 and the Company

continues to maintain its focus on human resources The profit for the year after tax is ₹ 94.30 Lac as against development. The total number of employees of the ₹ 12.89 Crore in the previous year. The prime reason for Company as on 31st March 2014 stood at 235.

#### **OUTLOOK**

A strong brand image, vertical integration in captive manufacturing facilities and diversifying into new retail formats and channels position the Company as an integrated player in the growing domestic consumption story. With the Indian economy on a firm foundation 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**

## **Revenue and Profit after tax**

The Company achieved a total revenue of ₹ 621.78 Crore forward-looking statements. The Company assumes no against last year's operational income of ₹ 553.48 Crore which represents growth of 12.30% over the previous forward looking year.

The profit for the year after tax is ₹ 94.30 Lac as against ₹ 12.89 Crore in the previous year. The prime reason for this reduction was a major fire that occurred in February 2014 at one of the Company's plants located at Daman where fixed assets having written down value of Rs14.35 Lac and stocks valuing ₹ 1549.18 Lac were completely destroyed. The Company is however fully secured by insurance and has made claims against these losses. The Company will report and account for the amount of claim in its accounts as and when the same is determined by the Insurance Company.

## **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

## CORPORATE GOVERNANCE REPORT

# I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's Corporate Governance philosophy rests on the pillars of integrity, accountability, equity, transparency and environmental responsibility that conform fully with laws, regulations and guidelines. Its philosophy on the code of Corporate Governance is:

- To ensure adequate control systems to enable the Board to efficiently conduct the business and discharge its responsibilities to shareholders.
- To ensure that the decision making process is fair, transparent and equitable.
- To ensure fullest involvement and commitment of the management for maximization of stakeholders value.
- To imbibe the corporate values in the employees and encourage them in their conduct.
- To ensure that the Company follows the globally recognized Corporate Governance practices.

## **II. BOARD OF DIRECTORS**

## a. Composition of the Board

The composition of Board as on 31.03.2014 is in total conformity with Clause 49 of the Listing Agreement, as amended from time to time. As on 31.03.2014 the Board of Directors comprises 9 Directors, out of which four (4) are Executive Directors, three (3) are Independent Directors and two (2) are Non-Executive Directors. The Chairman is Non-executive Director and 1/3 of the Board comprises Independent Directors.

During the financial year 2013-14, four Board Meetings were held on 29th May, 2013, 14th August, 2013, 14th November, 2013 and 14th February, 2014 and the gap between two meetings was not more than four months. The constitution of Board of Directors, details of meetings attended by Directors and the information with regard to membership of Committees are as under:

Name of the Director	Category	Board Meetings	Last AGM	No. of Directorships and Committee Memberships and Chairmanships including Company's		nanships
		attended		Directorship	Comm	ittee
					Chairmanship	Membership
Mr. Arun Bhargava <sup>6</sup>	C & ID	1	Yes	1	-	1
Mr. Amitabh Taneja <sup>6</sup>	ID	2	-	2	1	1
Mr. Punit Goenka <sup>6</sup>	ID	4	-	9	3	2
Mr. Nikhil Chaturvedi	MD	4	-	2	-	1
Mr. Deep Gupta	WTD	3	Yes	8	-	2
Mr. Akhil Chaturvedi	WTD	4	Yes	15	2	3
Mr. Rakesh Rawat <sup>7</sup>	WTD	0	-	1	-	-
Mr. Salil Chaturvedi <sup>5</sup>	NED	4	Yes	5	-	2
Mr. Nigam Patel	NED	3	Yes	8	-	2
Mr. Dinesh Arya <sup>6</sup>	ID	0	-	1	1	1
Mr. Hetal Hakani <sup>6</sup>	ID	0	-	1	1	1

- 1. Only Directorship in Indian Public Limited Companies (listed or unlisted) have been considered.
- 2. None of the Directors is a member of more than 10 Board level Committees of Public Companies in which they are Directors nor is Chairman of more than 5 such Committees.
- 3. In accordance with Clause 49, Membership/ Chairmanship includes Audit Committees and Shareholders & Investors Grievance Committees of all Public Limited Companies.
- 4. In above table the term 'C&ID' refers to Chairman & Independent Director, 'MD' refers to Managing Director, 'ID' refers to Independent Director, 'WTD' refers to Whole-time Director and 'NED' refers to Non- executive Director.
- 5. Mr. Salil Chaturvedi was appointed/ re-designated as Non Executive Director of the Company w.e.f. 1st May, 2013
- 6. Mr. Arun Bhargava, Mr. Amitabh Taneja and Mr. Punit Goenka resigned from the directorship of the Company w.e.f. 26th May 2014 and Mr. Hetal Hakani and Mr. Dinesh Arya were Appointed as an Independent Directors of the Company w.e.f. 26th May 2014
- 7. Mr. Rakesh Rawat appointed/redesignated as Non Executive Director of the Company w.e.f. 29th May 2014

## Details of Director seeking appointment/ III. COMMITTEES OF THE BOARD reappointment at the forthcoming Annual General Meeting [pursuant to clause 49 (iv) (G)]

## Mr. Deep Gupta

Mr. Deep Gupta is a co-founder, deep leads finance, administration and legal teams for the Company, involving the development of human resources, IT, Investment policy and new product category incubation

#### Mr. Dinesh Arya

Mr. Arya has over 20 years of experience in financial intermediation. His career spans from primary markets, secondary market, network enhancement, Mutual Funds, Insurance Broking etc. His strategic approach combined with marketing and execution has achieved excellent performance for his many clients and the Board benefits greatly from his expertise.

#### Mr. Hetal Hakani

Mr. Hakani is a business entrepreneur with expertise in manufacturing, marketing and general business development areas. He holds a degree in chemical engineering from The Bombay Institute of Technology and brings a fresh and approach and contribution to the Board. The Company benefits significantly from his advices and experience.

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

## b. Payment of compensation to Non-Executive directors

During the financial year 2013-14, no amount has been paid to any Non-Executive Directors of the Company either as fees, compensation or otherwise except to the Independent Directors of the Company.

#### c. Code of Conduct

The Board has implemented a Code of Conduct for all Board members and senior management of the Company. The Code has been circulated to all members of the Board and Senior Management Personnel and has also been uploaded on the website of the Company i.e. www.provogue.com. The compliance of Code has been affirmed by all of them. A declaration by the Managing Director of the Company is given below:

"I, Nikhil Chaturvedi, Managing Director of Provogue (India) Limited, in terms of provisions of clause 49 of the Listing Agreement entered with the Stock Exchanges, hereby confirm that all Board Members and Senior Management Personnel have affirmed the compliance with the "Code of Conduct of Directors and Senior Managerial Personnel" of the Company during the financial year ended March 31, 2014."

Sd/-

Nikhil Chaturvedi, Managing Director

The Board has set up various level committees in accordance with the Listing Agreement with the Stock Exchanges and Companies Act, 2013. The details of committees of Board of Directors of the Company are as under:

## (i) Audit Committee

## a. Composition:

As on 31st March 2014, the Audit Committee comprised of two Independent Directors namely Mr. Punit Goenka and Mr. Amitabh Taneja, and one Executive Director, Mr. Akhil Chaturvedi, Whole time Director of the Company. The Chairman of the Committee was Mr. Punit Goenka, Independent Director. Mr. Ajayendra P. Jain, Company Secretary acts as secretary of the Audit Committee.

Mr. Punit Goenka and Mr. Amitabh Taneja resigned from directorship of the Company w.e.f. 26th May 2014. The Board by passing circular resolutions accepted the same and appointed Mr. Dinesh Arya and Mr. Hetal Hakani as Independent Directors of the Company and reconstituted the Audit Committee of the Board by appointing Mr. Dinesh Arva as a Chairman and Mr. Hetal Hakani as a Member of the Committee.

Presently. The Audit Committee comprises Mr. Dinesh Arya, Independent Director as a Chairman, Mr. Hetal Hakani, Independent Director and Mr. Akhil Chaturvedi, Whole time Director as Members of the Committee. The members of the Committee are well versed in finance, accounts, company law and general business practices.

## b. Meetings of the Audit Committee:

The Audit Committee met four times during the financial year 2013-14 on 29th May, 2013, 14th August, 2013, 14th November, 2013 and 14th February, 2014. The gap between two Audit committee meetings was not more than four months.

The audit committee meetings are also generally attended by the representatives of Statutory Auditors and Head of Finance Functions of the company. The Minutes of the meeting of Audit Committee were discussed and taken note by the Board of Directors. The details of attendance of the Members in meetings are as follows:

Name of the Director	Cat- egory	Position	Audit Committee Meetings	
			Held	Attended
Mr. Punit Goenka <sup>2</sup>	I & NED	Chairman	4	4
Mr. Amitabh Taneja <sup>2</sup>	I & NED	Member	4	4
Mr. Akhil Chaturvedi	WTD	Member	4	4
Mr. Dinesh Arya <sup>2</sup>	ID	Chairman	0	0
Mr. Hetal Hakani <sup>2</sup>	ID	Member	0	0

- In above table 'I & NED' refers to Independent & Non-executive Director and WTD refers to Whole-time Director.
- 2. Mr. Punit Goenka and Mr. Amitabh Taneja resigned from the Company w.e.f. 26th May 2014 and Mr. Dinesh Arya and Mr. Hetal Hakani Independent Directors have been appointed as Independent Directors w.e.f. 26th May 2014 who are Chairman and Member respectively of the Committee.

The Audit Committee exercises all powers, performs such functions and reviews information as prescribed in clause 49 of the Listing Agreement read with section 292A of the Companies Act, 1956, to the extend as applicable .

## (ii) Shareholders' & Investors' Grievance Committee

As on 31st March 2014 the Shareholders'& Investors' Grievance Committee comprised of one Independent Director viz. Mr. Amitabh Taneja and two executive directors viz. Mr. Akhil Chaturvedi and Mr. Deep Gupta. Mr. Ajayendra P. Jain, Company Secretary has been nominated as the Compliance Officer of the Company in compliance with requirement under PIT Reg. 1992 and Clause 47 of the Listing Agreement. Mr. Amitabh Taneja Non-executive and Independent Director was the Chairman of the Committee. Mr. Amitabh Taneja resigned from directorship of the Company w.e.f. 26th May 2014.

The Board in its Meeting held on 29th May 2014 reconstituted the Shareholders' and Investors' Grievance Committee by appointing Mr. Nigam Patel, Non Executive Director as a Chairman of the Committee. Presently, The Shareholders' & Investors' Grievance Committee comprises Mr. Nigam Patel, Non-Executive Director as

a Chairman, and Mr. Akhil Chaturvedi and Mr. Deep Gupta, Whole time Directors as Members of the Committee.

The Shareholders' & Investors' Grievance Committee functions with the objective of looking into redressal of Shareholders' & Investors' grievances relating to non- receipt of dividend, refund orders, shares sent for registration of transfer, Annual Report etc. During the year 2013-14, the Committee met four times viz. 30th April, 2013, 31st July, 2013, 14th November 2013 and 14th February 2014. The details of attendance of the members in meetings are as follows:

Name of the Director	Category	Position	SIGC Meetings	
			Held	Attended
Mr. Amitabh Taneja <sup>2</sup>	I & NED	Chairman	4	2
Mr. Deep Gupta	WTD	Member	4	4
Mr. Akhil Chaturvedi	WTD	Member	4	4
Mr. Nigam Patel <sup>2</sup>	NED	Chairman	0	0

- In above table 'I & NED' refers to Independent & Non-executive Director and WTD refers to Whole-time Director.
- Mr. Amitabh Taneja resigned from the Company w.e.f. 26th May 2014 and Mr. Nigam Patel, Non Executive Director has been appointed as a Chairman of the Committee w.e.f. 29th May 2014

During the year ended 31st March 2014 Company received 17 complaints and all the complaints were duly replied /resolved to the satisfaction of the shareholders. No complaints were pending to be resolved as on 31st March, 2014.

The Board of Directors in its Meeting held on 29th May 2014, changed the nomenclature of the Committee from 'Shareholders' and Investors' Grievance Committee' to 'Stakeholders Relationship Committee' in view of requirement of section 178 of the Companies Act, 2013.

## (iii) Remuneration Committee

The Committee is entrusted with all necessary powers and authority to ensure adequacy and appropriateness of remuneration package of Executive Directors including but not restricted to the following:

- To review, assess and recommend the appointment and remuneration of Executive Directors.
- To review the remuneration packages payable to Executive Directors periodically

and recommend suitable revision/increments, whenever required to the Board of Directors.

- To recommend the commission, if any payable to the Non-Executive Director(s) in accordance with and upto the limits laid down under the Companies Act, 1956.
- To carry out such other functions as delegated by the Board from time to time.

As on 31st March 2014 the Remuneration Committee comprised of three Non-Executive Independent Directors viz. Mr. Punit Goenka, Mr. Arun Bhargava, Mr. Amitabh Taneja and one Executive Director viz. Mr. Akhil Chaturvedi. Mr. Punit Goenka was the Chairman of the Remuneration Committee. All the members of the committee attended this meeting. The constitution and functioning of Remuneration Committee is in consonance of non-mandatory requirement as prescribed in clause 49 the Listing Agreement.

Mr. Arun Bhargava, Mr. Amitabh Taneja and Mr. Punit Goenka resigned from directorship of the Company w.e.f. 26th May 2014. The Board by passing circular resolutions accepted the same and appointed Mr. Dinesh Arya and Mr. Hetal Hakani as Independent Directors of the Company.

The Board in its Meeting held on 29th May 2014 reconstituted the Remuneration Committee by appointing Mr. Hetal Hakani as Chairman and Mr. Dinesh Arya, Independent Director, Mr. Salil Chaturvedi, Non Executive Director and Mr. Nigam Patel, Non Executive Director as Members of the Committee.

The Board of Directors in its Meeting held on 29th May 2014, changed the nomenclature of the Committee from 'Remuneration Committee' to 'Nomination and Remuneration Committee' in view of requirement of section 178 of the Companies Act, 2013.

## Remuneration policy

The Executive Directors of the Company are appointed on a contractual basis subject to the approval of shareholders in the General Meeting. The remuneration package of the Executive Directors is determined by the Remuneration Committee within the permissible limits, subject to approval by the Board and shareholders in the General Meeting and pursuant to other applicable provisions of the Companies Act. The Remuneration Committee

decides and recommends annual increments for Executive Directors within the limits stipulated by the Board of Directors/Shareholders and other applicable approvals.

The details of remuneration paid to Directors during the year 2013-14 are as under:

₹ in Lac

		· = 0.0
Name of the Director	Salary	Sitting
	Paid	Fees paid
Mr. Arun Bhargava	-	0.20
Mr. Nikhil Chaturvedi **	36.00	-
Mr. Salil Chaturvedi **	-	-
Mr. Deep Gupta	60.00	-
Mr. Akhil Chaturvedi**		-
Mr. Rakesh Rawat	-	-
Mr. Nigam Patel	-	-
Mr. Amitabh Taneja	-	0.60
Mr. Punit Goenka	-	1.00

<sup>\*\*</sup> Directors are brothers.

# Non-Executive Directors' Compensation and disclosures

All fees/ compensation paid to Non-Executive Directors, including Independent Directors are fixed by the remuneration committee/ Board of Directors and are subject to approval by the shareholders in general meeting.

The Company avails professional expertise of Non-executive Directors through their participation in the Board meetings. The Independent Directors were paid sitting fees of ₹ 20,000/- and ₹ 5000/- for attending each Meetings of Board of Directors and Audit Committee respectively.

As on 31st March 2014 none of the Independent Director was holding any share in the Company.

## IV. SUBSIDIARY MONITORING FRAMEWORK

The Company has 15 subsidiary companies as on 31st March, 2014. Out of which, none of the company is 'material non-listed Indian subsidiary' as defined in Clause 49 of the Listing Agreement. The performance and management of the subsidiary is monitored inter-alia by the following means:

- Financial Statements and in particular the investments made by the unlisted subsidiary company are reviewed by the Audit Committee of the Company.
- b) The Minutes of the Board Meetings of the Indian Subsidiary company are placed before the company's Board for its regular review.

## V. GENERAL BODY MEETING

The Location, date and time of General Meeting held during the last 3 years are given hereunder:

Finan- cial Year	Date	Time	Location	No. of Special Resolu- tions passed
Annual C	General M	eeting	js:	
2010-11	23.09.11	04.00 p.m.	Eden Hall, The Classique Club, Behind Infinity mall, New Link Road, Andheri (W), Mumbai- 400 053	2
2011-12	28.09.12	03.00 p.m.	Eden Hall, The Classique Club, Behind Infinity mall, New Link Road, Andheri (W), Mumbai- 400 053	1
2012-13	30.09.13	03.00 p.m.	Eden Hall, The Classique Club, Behind Infinity mall, New Link Road, Andheri (W), Mumbai- 400 053	1
Court C	Convene	d Me	eting	
2011-12	12.12.11	1.24 p.m.	Esquire Hall, The Classique Club, Behind Infinity mall, New Link Road, Andheri (W), Mumbai- 400 053	2

- Whether any Special Resolution passed put through postal ballot No.
- None of the items transacted at the last Annual General Meeting held on 30th September 2013 were required to be passed by postal ballot, nor any resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting.

## VI. DISCLOSURES

# a. Materially significant related party transactions

During the financial year 2013-14, 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. The details of transactions with the related parties are tabled before the audit committee on a quarterly basis. The register of contracts containing the

transactions in which the Directors are interested are placed regularly before the Board for their approval/signature.

## b. Status of regulatory compliances

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.

## c. Insider Trading Code

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.

# d. Management Discussion and Analysis Report

A Management Discussion and Analysis Report forms part of the annual report and includes discussion on various matters specified under Clause 49[IV][F] of the Listing Agreement.

#### e. CEO & CFO certification

Mr. Nikhil Chaturvedi, Managing Director and Mr. Deep Gupta, Whole-time Director & CFO have provided certification on financial reporting and internal control to the Board as required under clause 49(V) of the Listing Agreement.

## **VII. MEANS OF COMMUNICATION**

- a. Quarterly Results were published in prominent daily newspapers, viz., Financial Express, a English language national wide daily newspaper or Mumbai Lakshadeep, Regional language daily local newspaper.
- b. 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.com

- c. Website: The Company's website contains a separate dedicated section 'Investor Relation'. It contains comprehensive database of information of interest to our investors including the financial results and Annual Reports of the Company. The basic information about the Company as called for in terms of clause 54 of the Listing Agreement is provided on Company's website and the same is updated regularly.
- d. Designated email-id: The Company has designated email-id investorservice@provogue. com for investor servicing.
- e. SEBI Complaint Redressal Systems (SCORES)

  The Investors' Complaints are also being processed through the centralized web base compliant redressal system. The salient features of SCORES are available in centralized data base of complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the action taken and current status of the Complaints.

## **VIII. GENERAL SHAREHOLDERS INFORMATION**

Annual General Meeting is Scheduled to be held on Tuesday, 30th September 2014 at Eden Hall, The Classique Club, Behind infinity Mall, New Link Road, Andheri (W), Mumbai-400053 at 2.00 p.m.

Financial year : 1st April to 31st March

Date of Book Closure: Monday, 22nd

September 2014 to Tuesday, 30th September 2014 (both days inclusive for the purpose of AGM)

**Dividend Payment Date: N.A.** 

**Listing of Stock** : BSE Limited (BSE).

**Exchange** National Stock Exchange

of India Ltd (NSE)

Scrip Code:

Bombay Stock : 532647

Exchange Ltd. (Demat segment)

National Stock Exchange: PROVOGE

of India Ltd.
(Demat segment)

Demat ISIN in NSDL and: INE968G01033

CDSL for Equity Shares

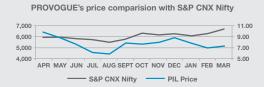
Stock Market Price data for the year 2013-2014

Month	BSE				
	Sha	re Price (	in ₹)	Sensex	
	High	Low	Close	Close	
Apr 2013	10.70	9.00	9.94	19,504.18	
May 2013	10.98	8.60	8.83	19,760.30	
Jun 2013	9.22	6.50	7.56	19,395.81	
Jul 2013	8.89	5.58	6.16	19,345.70	
Aug 2013	6.65	5.55	5.76	18,619.72	
Sept 2013	9.10	5.71	7.87	19,379.77	
Oct 2013	8.90	7.40	7.54	21,164.52	
Nov 2013	8.70	7.50	7.90	20,791.93	
Dec 2013	10.49	7.50	8.77	21,170.68	
Jan 2014	9.86	7.65	7.76	20,513.85	
Feb 2014	8.13	6.86	6.90	21,120.12	
Mar 2014	7.80	6.80	7.23	22,386.27	

Month	NSE					
	Sha	re Price (	in ₹)	Nifty		
	High	Low	Close	Close		
Apr 2013	10.70	8.05	9.90	5930.20		
May 2013	10.95	8.60	8.85	5985.95		
Jun 2013	9.25	6.40	7.55	5842.20		
Jul 2013	8.65	5.45	6.10	5742.00		
Aug 2013	6.95	5.45	5.75	5471.80		
Sept 2013	9.20	5.70	7.90	5735.30		
Oct 2013	8.90	7.40	7.55	6299.15		
Nov 2013	8.80	7.55	7.90	6176.10		
Dec 2013	10.65	7.50	8.80	6304.00		
Jan 2014	9.90	7.65	7.75	6089.50		
Feb 2014	7.85	6.90	6.95	6276.95		
Mar 2014	7.90	6.75	7.25	6704.20		

Performance in comparison to broad based indices of monthly closing price of Company's share with BSE SENSEX Index & NSE S&P CNX Nifty





#### **Details of unclaimed dividend:**

Financial Year Ended		Due Date of Transfer
31.03.2007	14.09.2007	15.10.2014
31.03.2008	15.09.2008	16.10.2015
31.03.2009	18.09.2009	19.10.2016
31.03.2010	24.09.2010	25.10.2017
31.03.2011	23.09.2011	24.10.2018
31.03.2012	28.09.2012	29.10.2019
31.03.2013	30.09.2013	01.10.2020

## **Registrar and Share Transfer Agent:**

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.

## **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.

#### **Dematerialization of shares:**

As on 31.03.2014, 11,42,90,658 Equity shares of the Company, representing 99.94% of its issued capital, were held in dematerialized form and the balance 0.06% representing 66,437 equity shares were held in physical form.

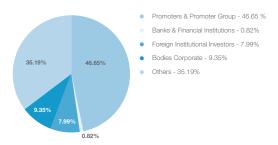
# Distribution of shareholding as on 31st March, 2014

Share holding	Share Holders		Share Amount	
No. of Shares	Number	% to total	No. of Shares	% to total
(1)	(2)	(3)	(4)	(5)
Upto 500	28993	80.15	4660020	4.07
501-1000	3433	9.49	2919352	2.55
1001-2000	1746	4.83	2728668	2.39
2001-3000	639	1.77	1686112	1.47
3001-4000	269	0.74	986165	0.86
4001-5000	278	0.77	1331766	1.16
5001-10000	415	1.15	3037736	2.66
10001 and above	400	1.11	97007276	84.83
TOTAL	36,173	100.00	11,43,57,095	100.00

## Categories of Shareholders as on 31.03.2014

Category	No. of Shares	% of Share- holding
Promoters & Promoter Group	5,33,48,140	46.65
Banks & Financial Institutions	9,36,506	0.82
Foreign Institutional Investors	91,40,200	7.99
Bodies Corporate	1,06,86,905	9.35
Others	4,02,45,344	35.19
TOTAL	11,43,57,095	100.00

## Shareholding as on 31.03.2014



# Outstanding Number of GDRs /ADRs /Warrants etc:

The Company has not issued any GDRs/ADRs and No outstanding warrants are pending for subscription.

## **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

## Address for correspondence

 Any Query on Annual Report: Company Secretary & Compliance Officer Provogue House, 105/106, Off New Link Road, Andheri (W), Mumbai 400 053

Phone: 022-3068 0560, Fax: 022-3068 0570, Email id for investors: investorservice@provogue.com

2. 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

Unit: Provogue (India) Limited

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.

## **NON-MANDATORY REQUIREMENTS:**

Sn	Particulars	Remarks
1	The Board	The Company does not reimburse expenses, if any, incurred by the Non-Executive Chairman for maintenance of a separate Chairman's Office.
2	Remuneration Committee	Details regarding Remuneration Committee has already been dealt under point no. III of this Report
3	Shareholders' Rights	Quarterly financial results of the Company are furnished to the Stock Exchanges and are also published in the news papers and uploaded on website of the Company. Hence, quarterly results were not separately sent to shareholders. Significant events are also posted on the Company's website under the Investors Section. The complete Annual Report sent to every shareholder of the Company
4	Audit qualifications	There are no audit qualifications in the financial statement for the period 2013-14. Standard practices and procedures are in place to ensure unqualified financial statements.
5	Training to Board Members	The Board is equipped to perform its role of business assessment through inputs given by management from time to time. Directors are fully briefed on all business related matters and new initiatives on regular basis.
6	Mechanism for evaluating Non-executive Board Members	The Company is working on formulating a mechanism to evaluate the performance of Board Members and the same shall be adopted in due course.
7	Whistle Blower Policy	The Company has framed and adopted a whistle blower policy as per the requirements of Listing Agreement. However, Company has not received any complaint from any whistle blower so far.

## For and on behalf of Board of Director

Date: 29.05.2014 Nikhil Chaturvedi Deep Gupta
Place: Mumbai Managing Director Whole time Director

# A REPORT ON CORPORATE GOVERNANCE BY COMPANY SECRETARY IN PRACTICE.

To,

The Shareholders
PROVOGUE (INDIA) LIMITED
105/106, Provogue House,
1st Floor, Off New Link Road,
Andheri (West), Mumbai- 400053,
Maharashtra.

We have reviewed the implementation of Corporate Governance produced by the company during the year ended 31st March, 2014 with the relevant records and documents maintained by the company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The Compliance of the conditions of the Corporate Governance is the responsibility of the Management. Our examination is neither an audit nor an expression of opinion of the financial statements of the company.

On the basis of the above and according to the information and explanations given to us, in our opinion, the Company has complied with the material conditions of Corporate Governance stipulated in the Clause 49 of the Listing Agreement with the Stock Exchanges.

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

For HS Associates, Company Secretaries

Hemant Shetye Partner FCS 2827 COP 1483

## INDEPENDENT AUDITOR'S REPORT

To.

The Members of Provogue (India) Limited,

## **Report on the Financial Statements**

 We have audited the accompanying financial statements of Provogue (India) Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss & Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

## Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (''the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

- 3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 4. An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An

- audit also includes evaluating and appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- 5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

- 6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March,2014;
  - (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
  - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### **Emphasis of Matter**

- 7. We draw attention to:
  - a) Note 31(A)(h) to the financial statements regarding non-provision of service tax for the period from June 01, 2007 to September 30, 2011 on rent on immovable properties taken for commercial use by the Company, aggregating ₹ 279.47 Lacs, pending final disposal of the appeal filed before the Hon'ble, Supreme Court. The matter is contingent upon the final outcome of litigation.
  - b) Note 31(B) to the financial statements regarding the Company's financial involvement (equity capital and loans) aggregating ₹ 220.76 Lacs in Sporting & Outdoor Ad-Agency Private Limited, a subsidiary Company. The Company considers no provision for any loss is currently necessary for the reasons stated in the note.

Our opinion is not qualified in respect of the above matters.

# Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the Order.

- 9. As required by section 227(3) of the Act, 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, Statement of Profit & Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General

- Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013; and
- (e) On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956;

For Ajay Shobha & Co. Chartered Accountants Firm Reg. No. 317031E

## Ajaykumar Gupta

Place : Mumbai Partner
Date : 29<sup>th</sup> May, 2014 Mem. No. : 53071

## ANNEXURE TO AUDITORS REPORT

Referred to in Paragraph 9 of the Independent Auditors' Report of even date to the members of Provogue (India) Limited on the financial statements as of and for the year ended 31st March.2014.

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 except quantitative details in respect of Furniture & Fixtures and Office Equipments.
  - b) The Company has a programme for physical verification of fixed assets on a rotational basis except in respect of Furniture & Fixtures and Office Equipments, 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) The Company has not disposed off substantial part of its fixed assets during the year and in our view going concern status of the Company is not affected.
- (ii) a) The inventories have been physically verified by the management under supervision of independent firms of Chartered Accountants during the year at reasonable intervals and also at the end of the year. In respect of inventory lying with third parties, confirmations have been obtained from those parties.
  - 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 loan on call basis to one company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was ₹ 23.14 lakhs and the year-end balance was ₹ Nil.
  - b) The said loan is interest free. 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 not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence clauses 4 (iii) (f) and (g) of the said Order are not applicable to the Company.
- (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) As per explanation & information given to us, the Company has maintained the cost records as prescribed by the Central Government under clause
   (d) of subsection (1) of Section 209 of the Act. However the same have not been reviewed by us.
- (ix) a) According 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 wherever applicable have been regularly deposited with the appropriate authorities except delay in few cases of Tax Deducted at Source (TDS). As per the information and explanations given to us, there are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2014 for a period more than six months from the date they became payable except Sales Tax

- amounting to  $\ref{total}$  4.31 lacs and TDS amounting to  $\ref{total}$  1.95 lacs outstanding for a period more than six months.
- 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 (₹ in Lacs)	Period to which amount relates	Forum where dispute is pending
Sales Tax	64.51	2005-06 to 2007- 08	Deputy Commissioner/ Joint Commissioner -Appeals
Income Tax	1798.88	2005-06 to 2011- 12	Commissioner of Income Tax (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 end in the immediately preceding financial year.
- (xi) As per the information and explanation given by the management, the company has not defaulted in repayment of its dues to banks and financial institution.
- (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 Company is not a Chit Fund, Nidhi or Mutual Benefit Fund/Society. Therefore, the provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares and securities.

- (xv) The Company has given guarantee for loan taken by one wholly owned subsidiary Company from banks and financial institutions at the terms and conditions which are prima facie not prejudicial to the interest of the Company.
- (xvi) The Company has not obtained any term loans during the year under report.
- (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 significant fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Ajay Shobha & Co. Chartered Accountants Firm Reg. No. 317031E

## Ajaykumar Gupta

Place : Mumbai Partner
Date : 29<sup>th</sup> May, 2014 Mem. No. : 53071

## **BALANCE SHEET**

## as at 31st March, 2014

Particulars	Notes	As at	As at
		31.03.2014	31.03.2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,143.57	1,143.57
Reserves & surplus	3	55,058.95	54,965.53
		56,202.52	56,109.10
Non-current liabilities			
Long-term borrowings	4	5,818.28	6,033.45
Other long term liabilities	5	350.56	280.89
Long-term provisions	6	14.78	18.97
		6,183.62	6,333.31
Current liabilities			
Short-term borrowings	7	22,144.62	21,497.33
Trade payables	8	6,297.22	8,475.43
Other current liabilities	9	744.64	761.04
Short-term provisions	10	345.08	446.01
		29,531.56	31,179.81
Total		91,917.70	93,622.22
ASSETS			
Non-current assets		-	
Fixed assets	11		
Tangible assets		3,646.41	4,516.01
Intangible assets		150.99	85.39
Non-current investments	12	10,783.38	13,468.49
Deferred tax assets (net)	13	962.00	918.01
Long-term loans and advances	14	5,702.67	5,095.87
		21,245.45	24,083.77
Current assets			
Current investments	15	1,319.26	1,535.78
Inventories	16	34,357.56	32,417.72
Trade receivables	17	23,534.95	20,357.12
Cash & bank balances	18	970.87	1,721.64
Short-term loans and advances	19	9,494.91	12,769.20
Other current assets	20	994.70	736.99
		70,672.25	69,538.45
Total		91,917.70	93,622.22
Significant Accounting Policies	1		

As per our report of even date attached

For Ajay Shobha & Co. Chartered Accountants

For and on behalf of the Board

Ajaykumar Gupta

Partner

Mem. No.: 53071

Dlago : Mumbai

Place : Mumbai Date : 29th May 2014 **Nikhil Chaturvedi** Managing Director **Deep Gupta**Whole-time Director

**Ajayendra P. Jain**Company Secretary

## STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2014

			(₹ In Lacs)
Particulars	Notes	Year ended 31.03.2014	Year ended 31.03.2013
INCOME			
Revenue from operations (gross)	21	61,436.03	54,186.97
Less: excise duty		-	124.68
Revenue from operations (net)		61,436.03	54,062.29
Other income	22	742.70	1,286.58
Total revenue		62,178.73	55,348.87
EXPENSES			
Cost of materials consumed	23	38,493.94	24,937.07
Purchases of stock - in - trade	24	10,764.70	12,891.90
Changes in inventories of finished goods, work in process and stock in trade	25	(2,176.66)	94.12
Employee benefits expenses	26	1,333.46	1,612.04
Finance costs	27	3,701.06	3,557.24
Depreciation/Amortisation		829.27	1,096.83
Other expenses	28	7,281.50	8,543.86
Total expenses		60,227.27	52,733.06
Profit before exceptional items and tax		1,951.46	2,615.81
Less:			
Exceptional items	29	1,842.93	32.11
Profit before tax		108.53	2,583.70
Less: Tax expenses			
- Current tax		58.22	566.62
- MAT credit entitlement		-	74.58
- Deferred tax liability/(asset)		(43.99)	(253.83)
- Tax of earlier years		-	906.90
Total tax expense		14.23	1,294.27
Profit for the year		94.30	1,289.43
Earnings per equity share	30		
Nominal value of share ₹ 1 : Basic		0.08	1.13
: Diluted		0.08	1.13
Significant Accounting Policies	1	······································	
Accompanying Notes to Accounts	31		

As per our report of even date attached

For Ajay Shobha & Co.
Chartered Accountants

For and on behalf of the Board

Ajaykumar Gupta

Partner

Mem. No.: 53071

**Nikhil Chaturvedi** Managing Director **Deep Gupta**Whole-time Director

\_\_\_\_\_\_

Place : Mumbai Date : 29th May 2014 **Ajayendra P. Jain**Company Secretary

## CASH FLOW STATEMENT

## for the year ended 31st March, 2014

		(₹ In Lacs)
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	108.53	2,583.70
<u>Adjustments for :</u>		
Depreciation	829.27	1,096.83
Provision for doubtful debts	-	40.02
Interest paid	3,302.18	3,197.22
Loss on sale/discard of fixed assets	84.44	155.77
Interest income	(672.85)	(1,149.71
Dividend income	(63.69)	(83.63
Net (gain)/loss on sale of current investments	-	0.10
Unrealised (gain)/loss on foreign exchange fluctuations (net)	(183.68)	(278.53
Operating profit before working capital changes	3,404.20	5,561.77
Adjustments for :		
Decrease/(Increase) in Trade receivables	(3,177.83)	1,127.00
Decrease/(Increase) in Inventories	(1,939.84)	(3,053.26
Decrease/(Increase) in Short-term loans and advances	3,274.29	1,211.9
Decrease/(Increase) in Long-term loans and advances	(429.65)	(375.58
Decrease/(Increase) in Other current assets	(257.71)	126.80
Decrease/(Increase) in Other Non - current assets	-	104.8 <sup>-</sup>
Increase/(Decrease) in Trade payables	(2,178.21)	1,005.73
Increase/(Decrease) in Other current liabilities	(16.40)	(1,418.18
Increase/(Decrease) in Other long- term liabilities	69.67	(24.08
Increase/(Decrease) in Long-term provisions	(4.19)	(21.13
Increase/(Decrease) in Short term provisions	31.98	133.67
Cash generated from/(used in) operations	(1,223.69)	4,379.40
Direct taxes paid	(235.37)	(456.51
Net cash flow from/(used in) operating activities	(1,459.06)	3,922.95
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets - tangible	(11.39)	(46.15
Purchase of fixed assets - intangible	(115.30)	(2.70
Sale of fixed assets - tangible	16.98	5.80
Purchase of investments - non-current	2,679.00	(500.00
Purchase of investments - current	-	(60.16
Sale of investments - current	216.52	9.97
Sale of investments - non-current	6.11	9.70
Redemption/maturity of bank deposits (having original maturity more than 3	7.43	(47.19
months)	60.60	00.00
Dividend income	63.69	83.63
Interest income	672.85	1,149.71
Net cash flow from/(used in) investment activities	3,535.89	602.

## CASH FLOW STATEMENT

## for the year ended 31st March, 2014

(₹	In	Lacs
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articulars	Year ended 31.03.2014	Year ended 31.03.2013
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from borrowings - long term (net)	(215.17)	1,778.87
Proceeds from borrowings - short term (net)	647.29	(2,337.43)
Interest paid	(3,302.18)	(3,197.22)
Dividend paid including tax thereon	(133.79)	(132.91)
Net cash flow from/(used in) financing activities	(3,003.85)	(3,888.69)
Net increase/(decrease) in cash and cash equivalents	(927.02)	636.90
Cash and cash equivalents at the beginning of the year	1,090.73	175.30
Unrealised (gain)/loss on foreign exchange fluctuations (net)	183.68	278.53
Cash and cash equivalents at the end of the year	347.39	1,090.73

## Note:

1 Cash and cash equivalent at the end of the year consists of cash in hand and balances with banks as follows:

(₹ In Lacs)

	As at	As at
	31.03.2014	31.03.2013
Cash in hand	1.08	26.11
Balances with Bank	346.31	1,064.62
	347.39	1,090.73

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 Ajay Shobha & Co. Chartered Accountants

For and on behalf of the Board

Ajaykumar Gupta

Partner

Mem. No.: 53071

**Nikhil Chaturvedi**Managing Director

**Deep Gupta**Whole-time Director

Place : Mumbai **Ajayendra P. Jain**Date : 29th May 2014 Company Secretary

## for the year ended 31st March, 2014

## **CORPORATE INFORMATION:**

Provogue (India) Limited (the Company) is a listed public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of manufacturing, trading of garments, fashion accessories, textile products and related materials. The equity shares of the Company are listed on the BSE Limited and National Stock Exchange of India Limited.

#### **BASIS OF PREPARATION:**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policy adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### NOTE 1: 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 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.

### b. 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.

#### c. Fixed Assets:

- i. Fixed Assets are stated at cost less accumulated depreciation and impairments loss, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for intended use. Indirect preoperative expenses and borrowing costs attributable to construction or acquisition of Fixed Assets for the period up to the completion of construction or acquisition of Fixed Assets are capitalised.
- ii. Intangible fixed assets are recognised only if they are separately identifiable and the Company controls the future economic benefits arising out of them. Intangible assets are stated at cost less accumulated amortisation and impairment.

## d. 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.

## e. Operating Lease

Operating Lease payments are recognised as an expense in the statement of Profit & Loss on a straight-line basis or other systematic basis more representative of the time pattern of the user's benefit.

## for the year ended 31st March, 2014

## f. 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.

## g. Depreciation:

#### a) Tangible Assets

- 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.
- ii) Computer Software is amortised on Straight Line Method over a period of five years.
- ii) Goodwill is amortised on Straight Line Method over a period of five years

#### h. 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.

## i. 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.

## j. Inventories:

Inventories are valued as follows:

- (a) Finished Goods are valued at lower of cost or net realisable value. \*
- (b) Work-in-Process are valued at lower of cost or net realisable value. \*
- (c) Raw Materials are valued at lower of cost or net realisable value. \*\*
- (d) Accessories and Packing Materials are valued at lower of cost or net realisable value.
- \* 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.

## k. 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.

## for the year ended 31st March, 2014

## 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, requires 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.

## m. 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 items are reported at the exchange rate at the date of transaction.
- 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.

## n. Accounting for Taxation of Income:

#### **Current Taxes**

Provision for current income-tax is recognized in accordance with the provisions of Indian Incometax 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. Deferred tax assets are reviewed as at each Balance Sheet date.

### o. Earnings Per Share

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with the Accounting Standard 20 on Earning Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

## p. Cash and Cash Equivalents(for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances(with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

for the year ended 31st March, 2014

## NOTE 2: SHARE CAPITAL

		(₹ In Lacs)
Particulars	As at	As at
	31.03.2014	31.03.2013
Authorised		
3300.00 Lacs Equity Shares of ₹ 1 each	3,300.00	3,300.00
Issued, Subscribed and Fully Paid Up		
1143.57 Lacs Equity Shares of ₹ 1 each fully paid up	1,143.57	
	1,143.57	1,143.57

## a) Reconciliation of shares outstanding at the beginning and at the end of the period

Particulars	As at 31.03.2014		As at 31.03.2013	
	No. in Lacs	₹ In Lacs	No. in Lacs	₹ In Lacs
Equity Shares				
At the beginning of the year	1,143.57	1,143.57	1,143.57	1,143.57
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,143.57	1,143.57	1,143.57	1,143.57

## b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## c) Details of Shareholders holding more than 5% shares in the company:

Particulars	As at 31.	As at 31.03.2014		As at 31.03.2013	
	No. in Lacs	% holding	No. in Lacs	% holding	
Nailsfield Limited	114.15	9.98	114.15	9.98	
Nikhil Chaturvedi	106.12	9.28	106.12	9.28	
Salil Chaturvedi	102.95	9.00	102.95	9.00	
Floro Mercantile LLP	62.40	5.46	62.40	5.46	

## d) Other Information

- (i) 29.00 lakhs Equity Shares (of ₹ 10 each fully paid) have been issued as preferential allotment at a premium of ₹ 440 per share in the financial year 2006-07.
- (ii) 13.34 lakhs Equity Shares (of ₹ 10 each fully paid) have been issued on conversion of the share warrants issued at ₹ 450 in the ratio of one share per warrant in the financial year 2007-08 and 2008-09
- (iii) 28.50 lakhs Equity Shares (of ₹ 10 each fully paid) have been issued as preferential allotment at a premium of ₹ 1090 per share in the financial year 2008-09
- (iv) The Company has sub divided the equity share of ₹ 10 each (fully paid up) into 5 (five) equity shares of ₹ 2 each (fully paid up) based on the approval of the share holders in the Annual General Meeting held on 15th September 2008.

## for the year ended 31st March, 2014

- (v) 20.50 lakhs Equity Shares of ₹ 2 each have been extinguished under Buy Back Scheme in the financial year 2009-10.
- (vi) During the financial year 2011-12, pursuant to The Scheme of Arrangement, 1143.57 lakhs Equity Shares of ₹ 2/- each have been reduced to 1143.57 lakhs Equity Shares of ₹ 1/- each

#### NOTE 3: RESERVES & SURPLUS

(₹ In Lacs) **Particulars** As at As at 31.03.2014 31.03.2013 **Capital Reserve** Balance at the beginning and end of the year 1.842.22 1,842.22 **Capital Redemption Reserve** Balance at the beginning and end of the year 1,184.56 1,184.56 **Securities Premium** Balance at the beginning and end of the year 36.168.23 36.168.23 **General Reserve** Balance at the beginning and end of the year 400.00 400.00 Surplus/(deficit) in the statement of profit and loss Balance at the beginning of the year 15.370.52 14.214.00 Add: Profit/(loss) for the year 94.30 1,289.43 15,464.82 15,503.43 Less: Appropriations Proposed Final Equity Dividend (Dividend per share Nil (PY ₹ 0.10)) 114.36 Tax on Corporate Dividend 18.55 Tax on Corporate Dividend for earlier year 0.88 0.88 132.91 **Closing Balance** 15,463.94 15,370.52 55,058.95 54,965.53

## NOTE 4: LONG-TERM BORROWINGS

(₹ In Lacs) **Particulars** As at As at 31.03.2014 31.03.2013 Term loan from banks (Secured) 6.363.34 6.599.13 Less: Interest accrued but not due on borrowings 67.56 26.81 Less: Current maturities of long term debt 477.50 545.00 (disclosed under other current liabilities) 5,818.28 6,027.32 Hire purchase loans (Secured) 6.59 19.34 Less: Current maturities of Long Term Debt 6.59 13.21 (disclosed under other current liabilities) 6.13 5.818.28 6,033.45

## for the year ended 31st March, 2014

#### a) Term Loans from Banks includes:

- i) Nil (PY ₹ 121.46 Lacs) term loan from Corporation Bank carries interest @ Base Rate + 3.85% p.a.. The loan is repayable in 20 quarterly instalments along with interest starting from 6th May, 2009. The loan is secured by Equitable Mortgage: First charge on factory land & building & Hypothecation: First charge on P&M and other moveable assets acquired or to be acquired out of the loan at the estimated cost of ₹ 8.45 Crores in Baddi, Himachal Pradesh.
- ii) ₹ 6363.34 Lacs (PY ₹ 6,477.66 Lacs) term loan from Bank of India carries interest @ Base Rate + 2.50% per annum. The loan is repayable in 60 stepped up monthly instalments commencing from April 2013. The loan is secured by First exclusive charge on future credit card cash flows through escrow account mechanism; Second pari passu charge on movable & immovable fixed asset of the company and current asset of the company.

All the above loans are further secured by personal guarantee of promoter directors.

b) Hire Purchase Loans amounts to ₹ 6.59 Lacs (PY 19.34 Lacs) are secured by hypothecation of respective vehicles financed. The loan carries interest ranging from 11% to 12.50% p.a. The loan is repayable in 36 to 60 equal monthly instalments starting from the respective date of finance.

## **NOTE 5: OTHER LONG TERM LIABILITIES**

 Particulars
 As at 31.03.2014
 As at 31.03.2013

 Trade deposits
 346.74
 277.07

 Unbilled lease rental
 3.82
 3.82

 350.56
 280.89

#### NOTE 6: LONG-TERM PROVISIONS

(₹ In Lacs)

Particulars	As at	As at
	31.03.2014	31.03.2013
Provision for gratuity	14.78	18.97
	14.78	18.97

## NOTE 7: SHORT-TERM BORROWINGS

(₹ In Lacs)

Particulars	As at	As at
	31.03.2014	31.03.2013
Working capital loans from banks		
Secured	21,544.66	20,813.09
Unsecured	599.96	684.24
	22,144.62	21,497.33

## **Working Capital Loans from Banks includes:**

## Secured:

## Cash Credit Loan:

₹ 15,803.30 Lacs (PY ₹ 13,946.89 Lacs) - Secured by hypothecation of stocks and book debts, the personal guarantee of promoter directors and further collaterally secured by equitable mortgage of office and factory premises (at Daman) of the Company carrying interest @ 12.50% to 13.50% p.a.

#### Packing Credit Loan and Foreign Bills Purchased:

₹ 5,197.08 Lacs (PY ₹ 6,205.29 Lacs) – Secured by hypothecation of stocks and book debts of export division and the personal guarantee of promoter directors and further collaterally secured by equitable mortgage of office and factory premises (at Daman) of the Company carrying interest @ 10% p.a.

## for the year ended 31st March, 2014

## Others:

₹ 544.28 Lacs (PY ₹ 660.91 Lacs) - secured by lien of approved mutual funds carrying interest @ 10.50% p.a.

## **Unsecured:**

₹ 599.96 Lacs (PY ₹ 684.24 lacs) suppliers bills discounting limit from SIDBI carries interest rate @ 13% p.a.

## NOTE 8: TRADE PAYABLES

 Particulars
 As at 31.03.2014
 As at 31.03.2013
 As at 31.03.2014
 As at 31.03.2013
 As at 31.03.2013

The name of the Micro, Small and Medium Enterprises suppliers as defined under "The Micro Small and Medium Enterprises Development Act 2006" could not be identified, as the necessary evidence is not in the possession of the Company.

## **NOTE 9: OTHER CURRENT LIABILITIES**

(₹ In Lacs)

Particulars	As at	As at
	31.03.2014	31.03.2013
Current maturities of long term debts	484.09	558.21
Interest accrued & due on borrowing	67.56	26.81
Duties & taxes	135.17	112.07
Advance from customers	55.29	61.42
Trade deposits	2.53	2.53
	744.64	761.04

## NOTE 10: SHORT-TERM PROVISIONS

(₹ In Lacs)

Particulars	As at	As at
	31.03.2014	31.03.2013
Provision for leave encashment	24.84	32.27
Provision for employee benefits payable	262.72	245.77
Provision for expenses	57.52	35.06
Proposed dividend	-	114.36
Provision for dividend distribution tax	-	18.55
	345.08	446.01

for the year ended 31st March, 2014

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בונים לוכלים		
בובל בובל		
ביים		
プロ・・・ こくてい なりらにこ		

Particulars		Gross	Gross Block			Depre	Depreciation		Net Block	Slock
	As At	Additions	Deductions	As At	Upto	Provided for	Provided for Adjustments	Upto	As At	As At
	01.04.2013	during the	during the vear	31.03.2014	31.03.2013	the year	during the vear		31.03.2014 31.03.2014	31.03.2013
Tangible Assets:										
Owned Assets:										
Land	377.86	1	1	377.86	1	1	1	1	377.86	377.86
Buildings - office	1,093.23	-	1	1,093.23	330.91	38.12	1	369.03	724.20	762.32
Buildings - Factory	561.15	1	1	561.15	225.00	32.19	ı	257.19	303.96	336.15
Plant & Machinery	837.43	ı	1	837.43	346.77	65.30	I	412.07	425.36	490.66
Furniture & Fixtures - Studios	4,142.77	1	272.51	3,870.26	2,413.11	481,55	189.37	2,705.29	1,164.97	1,729.66
Furniture & Fixtures - Others	1,238.67	1.40	50.69	1,189.38	751.89	87.49	40.96	798.42	390.96	486.78
Office Equipments	339.87	2.09	14.78	327.18	194.26	20.01	10.31	203.96	123.22	145.61
Vehicles	555.50	4.42	41.88	518.04	439.51	27.02	37.95	428.58	89.46	115.99
Computers	479.50	3.48	3.28	479.70	408.52	27.89	3.13	433.28	46.42	70.98
Total	9,625.98	11.39	383.14	9,254.23	5,109.97	779.57	281.72	5,607.82	3,646.41	4,516.01
Previous Year	10,253.80	46.15	673.97	9,625.98	4,565.22	1,057.14	512.39	5,109.97	4,516.01	5,688.58
Intangible Assets:										
Trade Mark - Provogue UK	57.89	1	I	57.89	23.16	5.79	I	28.95	28.94	34.73
Computer Software	220.96	I	53.69	167.27	170.30	33.32	53.69	149.93	17.34	50.66
Goodwill [refer note (b) below]	-	115.30	ı	115.30	1	10.59	I	10.59	104.71	1
Total	278.85	115.30	53.69	340.46	193.46	49.70	53.69	189.47	150.99	85.39
Previous Year	276.15	2.70	1	278.85	153.77	39.69	1	193.46	85.39	122.38
Grand Total	9,904.83	126.69	436.83	9,594.69	5,303.43	829.27	335.41	5,797.29	3,797.40	4,601.40
Previous Year	10,529.95	48.85	673.97	9,904.83	4,718.99	1,096.83	512.39	5,303.43	4,601.40	5,810.96
Mate.										

- Gross Block deletion includes ₹ 68.76 lacs towards Fixed Assets at Daman Plant lost on account of fire. [Refer note 29(b)]
- During the year, the Company entered in to Business Transfer Agreement with Millennium Accessories Limited (Subsidiary Company) on 1st October, 2013, to purchase of one of its business which involves manufacturing, branding, distribution of Deodorants as on the closing date (September 30, 2013) on a slump sale basis for a consideration of ₹ 64.00 lacs (Receivable). The goodwill arising on the same amounting to ₹ 115.30 lacs has been disclosed under the head intangible assets and will be amortised over a period of five years.

Particulars	₹ In lacs
Assets	62.73
Less : Liabilities	242.03
Net Assets/(Liabilities)	(179.30)
Add: Consideration Received	64.00
Goodwill	(115.30)

for the year ended 31st March, 2014

## NOTE 12: NON-CURRENT INVESTMENTS

		(₹ In Lacs)
Particulars	As at 31.03.2014	As at 31.03.2013
Traded, Unquoted		
(Valued at cost unless stated otherwise)		
Investment in equity instruments of subsidiaries		
(All at face value of ₹ 10 each fully paid up unless stated otherwise)		•
Sporting & Outdoor Ad-Agency Private Limited	132.61	132.61
4,18,102 Equity Shares		
Pronet Interactive Private Limited	10.00	10.00
1,00,002 Equity Shares		
Millennium Accessories Limited	1,505.06	1,505.06
15,50,000 Equity Shares		
Profab Fashions Private Limited	505,00	505,00
4,50,000 Equity Shares		
Provogue Infrastructure Private Limited	5,851.00	5,851.00
45,10,000 Equity Shares	5,551.05	0,0000
Flower, Plants & Fruits (India) Private Limited.	637.57	637.57
10,000 Equity Shares	007.07	
Provogue Holding Limited (Singapore)	4.44	4.44
9385 Ordinary Shares of S\$ 1 each fully paid up		
Faridabad Festival City Private Limited	410.78	410.78
4,11,355 Equity Shares		
Acme Advertisements Private Limited	1,00	1.00
10,000 Equity Shares		
Provogue Personal Care Private Limited	1.00	
10,000 (PY Nil) Equity Shares		
Brightland Developers Private Limited	1.00	1.00
10,000 Equity Shares	1100	
Elite Team HK Limited	160.60	160.60
52,90,425 Equity Shares of HK\$ 1 each fully paid up	100.00	100.00
Classique Creators Limited	5.00	5.00
2,50,000 Equity Shares of ₹ 2 each fully paid up	0.00	0.00
Proskins Fashions Limited (formerly known as Prozone Infrastructure	5.00	5.00
Limited)	0.00	0.00
50,000 Equity Shares		
Investment in equity instruments of joint ventures		
ProSFL Private Limited	5.00	5.00
50,000 Equity Shares		•

for the year ended 31st March, 2014

		(₹ In Lacs)
Particulars	As at 31.03.2014	As at 31.03.2013
Investment in equity instruments of step-down subsidiaries		
Standard Mall Private Limited	1.00	1.00
10,000 Equity Shares		
Non-trade, Unquoted		
Investment in equity instruments		•
(All at face value of ₹ 10 each fully paid up unless stated otherwise)		
Presage Technopower Private Limited	0,35	0.35
3,514 Equity Shares	0.00	- 0.00
		-
Investment in Preference shares		
Sneh Shares & Securities Private Limited	-	690.00
Nil (PY 40,00,000) 18% Non - cumulative Redeemable Preference		
Shares of ₹ 1 each fully paid up		
Sudharshan Procon Private Limited	850.00	850.00
(1,06,25,000 0% Non-Cumulative Compulsory Convertible Preference		***************************************
Shares of ₹ 10 each ₹ 8 paid up)		
Ojas Industries Private Limited		710.00
Nil (PY 7,10,000) 7.5% Cumulative Redeemable Preference Shares of		
₹ 100 each fully paid up		
Phenil Sugars Private Limited		•
Nil (PY 12,00,000) 6% Cumulative Redeemable Preference Shares of	-	1,603.00
₹ 100 each fully paid up		
Nil (PY 2,38,000) 8.25% Cumulative Redeemable Preference Shares	-	327.00
of ₹ 100 each fully paid up	•	
Investment in Debentures		
Provogue Personal Care Private Limited [Refer note 31(J)]	650.00	
One 0% Fully Convertible Debenture of ₹ 650 lacs fully paid up		-
Others		-
Indian Real Opportunity Venture Capital Fund (Scheme: Milestone Domestic)	37.92	44.03
3792 (PY 4403) units of face value of ₹ 1,000 each fully paid up		
Non-trade, Quoted		***************************************
Investment in equity instruments		
Andhra Bank	4.05	4.05
4,505 Equity Shares of face value of ₹ 10 each fully paid up		***************************************
Prozone Capital Shopping Centres Limited	5.00	5.00
2,50,000 Equity Shares of ₹ 2 each fully paid up		
	10,783.38	13,468.49
Note:	10.774.00	10 450 44
Aggregate Value of Unquoted Investments Aggregate Value of Quoted Investments	10,774.33 9.05	13,459.44 9.05
	•······ <del>·</del> ·	63.05
Market Value of Quoted Investments	41.13	63.0

for the year ended 31st March, 2014

## NOTE 13: DEFERRED TAX ASSETS (NET)

		(₹ In Lacs)
Particulars	As at	As at
	31.03.2014	31.03.2013
Deferred tax assets		
Fixed Assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	914.47	860.39
Provision for doubtful debts	27.18	27.18
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	20.35	30.44
Deferred tax assets (net)	962.00	918.01

# NOTE 14: LONG-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

		(₹ In Lacs)
Particulars	As at 31.03.2014	As at 31.03.2013
Security Deposits	1,102.23	1,333.15
Advance Against Property	985.00	1,065.00
	0.050.50	0.404.04
Loans and advances to related parties	3,352.53	2,424.24
Other loans and advances		
Advance Tax & TDS (net of provision for tax)	243.05	65.90
CENVAT credit receivable	-	185.99
Input VAT receivable	19.86	21.59
	5,702.67	5,095.87
Details of Loans and advances to related parties :		
- To subsidiary companies		
Faridabad Festival City Private Limited	70.69	79.59
Millennium Accessories Limited	131.60	53.97
Profab Fashion (India) limited	24.49	21.48
Sporting and Outdoor Ad Agency Private Limited	88.15	87.75
Brightland Developers Private Limited	69.67	69.27
Provogue Infrastructure Pvt Ltd	1,401.04	691.94
Elite Team HK Limited (Hongkong)	1,363.18	1,250.25
Provogue Personal Care Pvt. Ltd	56.21	-
- To step down subsidiary company		
Standard Mall Private Limited	145.58	145.58
- To joint venture company		
ProSFL Private Limited	1.92	1.27
- To enterprises under significant influence		
Prozone Capital Shopping Centres Limited		23.14
3.000	3,352.53	2,424.24
		· · · · · · · · · · · · · · · · · · ·

for the year ended 31st March, 2014

## **NOTE 15: CURRENT INVESTMENTS**

		(₹ In Lacs)
Particulars	As at 31.03.2014	As at 31.03.2013
Unquoted Investments		
(valued at lower of cost and fair value, unless stated otherwise)		
Investments in Mutual Funds		
106.23 Lacs (PY 116.53 Lacs) units of DWS Short Maturity Fund	1,207.02	1,332.02
7,545 (PY 2,510) units of Reliance Money Manager Fund	75.56	25.14
3,663 (PY 17,837) units of Reliance Short Term Fund	36.68	178.62
	1,319.26	1,535.78
Note:		
Aggregate Value of Unquoted Investments	1,319.26	1,535.78

## **NOTE 16: INVENTORIES**

(₹ In Lacs)

		(\ III Lacs)
Particulars	As at	As at
	31.03.2014	31.03.2013
(valued at lower of cost or net realisable value)		
Raw materials and components	21,579.76	20,505.97
Work-in-process	38.20	136.16
Finished goods	8,250.36	7,955.77
Stock in trade	4,443.50	3,758.34
Accessories & packing materials	45.74	61.48
	34,357.56	32,417.72

## **NOTE 17: TRADE RECEIVABLES**

(₹ In Lacs)

Particulars	As at	As at
	31.03.2014	31.03.2013
Due for a period exceeding six months from the date they are		
due for payment		
Unsecured, Considered Good	5,650.17	4,123.31
Unsecured, Considered Doubtful	83.78	83.78
	5,733.95	4,207.09
Less : Provision for Doubtful Debts	83.78	83.78
	5,650.17	4,123.31
Other Debts (Unsecured, Considered Good)	17,884.78	16,233.81
	23,534.95	20,357.12
Other debts includes from related parties :		
from subsidiaries	-	-
Millennium Accessories Limited	-	14.43
Provogue Personal Care Private Limited	76.61	-
	76.61	14.43

for the year ended 31st March, 2014

## NOTE 18: CASH & BANK BALANCES

		(₹ In Lacs)
Particulars	As at	As at
	31.03.2014	31.03.2013
Balances with Banks:		
On Current Accounts	346.31	1,064.62
Cash on Hand	1.08	26.11
Other Bank Balances		
Balances with banks to the extent held as margin money	623.48	630.91
	970.87	1,721.64

# NOTE 19: SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

(₹ In Lacs)

		(\ III Laco)
Particulars	As at	As at
	31.03.2014	31.03.2013
Loans and advances - others	9,441.58	12,690.40
Loans to employees	37.50	50.89
Prepaid expenses	15.83	27.91
	9,494.91	12,769.20
Loans and advances - others includes due from related parties:		
Prozone Capital Shopping Centres Limited (Enterprise under	94.81	3.48
significant influence)		
Millennium Accessories Limited (Subsidiary Company)	64.00	-

## NOTE 20: OTHER CURRENT ASSETS

(₹ In Lacs)

31.03.2014	31.03.2013
-	4.79
994.70	732.20
994.70	736.99
	994.70 <b>994.70</b>

## NOTE 21: REVENUE FROM OPERATIONS (GROSS)

(₹ In Lacs)

Particulars	Year ended	Year ended
	31.03.2014	31.03.2013
Revenue from operations (gross)		
Sale of products	59,021.83	52,669.76
Other operating revenue		
Export benefits & incentives	1,238.33	824.79
Gain on foreign exchange fluctuations (net)	1,030.67	589.27
Others	145.20	103.15
	61,436.03	54,186.97

for the year ended 31st March, 2014

## **Details of products sold**

		(₹ In Lacs)
Particulars	Year ended	Year ended
	31.03.2014	31.03.2013
Finished Goods		
Fabric	35,054.07	23,680.42
Garments	2,764.89	4,420.18
	37,818.96	28,100.60
Traded Goods		
Fabric	9,573.10	10,094.29
Garments	972.85	1,545.58
Accessories	1,436.07	1,207.73
Others	9,220.85	11,721.56
	21,202.87	24,569.16
Total	59,021.83	52,669.76

## NOTE 22: OTHER INCOME

		(₹ In Lacs)
Particulars	Year ended	Year ended
	31.03.2014	31.03.2013
Interest income on		
Bank deposits	49.49	48.69
Loans & Advances	621.12	1,100.52
Current investments	-	0.50
Others	2.24	-
Dividend income on Current investments	63.69	83.63
Liabilities no longer payable written back	-	52.00
Miscellaneous Income	6.16	1.24
	742.70	1,286.58

## NOTE 23: COST OF MATERIALS CONSUMED

		(₹ In Lacs)
Particulars	Year ended	Year ended
	31.03.2014	31.03.2013
Raw Materials (Fabric)		
Opening stocks	20,505.97	17,363.37
Add: Purchases	39,641.40	27,884.43
	60,147.37	45,247.80
Less: Loss by fire [Refer note 29(b)]	200.08	_
Less: Closing stocks	21,579.76	20,505.97
· · · · · · · · · · · · · · · · · · ·	38,367.53	24,741.83
Accessories & Packing Materials		
Opening Stocks	61.48	56.70
Add: Purchases	164.90	200.02
	226.38	256.72
Less: Loss by fire [Refer note 29(b)]	54.23	-
Less: Closing Stocks	45.74	61.48
	126.41	195.24
	38,493.94	24,937.07

for the year ended 31st March, 2014

## NOTE 24: PURCHASES OF STOCK - IN - TRADE

		(₹ In Lacs)
Particulars	Year ended	Year ended
	31.03.2014	31.03.2013
Purchases of stock - in - trade	10,764.70	12,891.90
	10,764.70	12,891.90

## **Details of purchase of traded goods**

(₹ In Lacs)

Particulars	Year ended 31.03.2014	
Fabric	61.14	6,841.16
Garments	965.12	488.13
Accessories	740.27	605.92
Others	8,998.17	4,956.69
Total	10,764.70	12,891.90

## NOTE 25: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROCESS AND STOCK IN TRADE

		(₹ In Lacs)
Particulars	Year ended	Year ended
	31.03.2014	31.03.2013
Opening Stocks		
- Work in Process	136.16	248.67
- Finished Goods	7,955.77	6,994.09
- Stock in trade	3,758.34	4,701.63
	11,850.27	11,944.39
Less: Loss by fire [Refer note 29(b)]		
- Work in Process	78.65	-
- Finished Goods	1,013.72	-
- Stock in trade	202.50	_
	1,294.87	-
Less: Closing Stocks		
- Work in Process	38.20	136.16
- Finished Goods	8,250.36	7,955.77
- Stock in trade	4,443.50	3,758.34
	12,732.06	11,850.27
***************************************	(2,176.66)	94.12

for the year ended 31st March, 2014

### **Details of Inventory**

(₹	ln	Lac

		(₹ In Lacs)
Particulars	Year ended	Year ended
	31.03.2014	31.03.2013
Work in progress		
Garments	38.20	136.16
	38.20	136.16
Finished Goods		
Fabric	1,376.68	1,421.49
Garments	6,873.68	6,534.28
	8,250.36	7,955.77
Stock in trade		
<u>Garments</u>	2,325.29	1,893.57
Accessories	2,118.21	1,864.77
Others	-	_
	4,443.50	3,758.34
Total	12,732.06	11,850.27

### **NOTE 26: EMPLOYEE BENEFITS EXPENSES**

(₹ In Lacs)

		(111 Edde)
Particulars	Year ended	Year ended
	31.03.2014	31.03.2013
Salaries, wages & bonus	1,128.57	1,343.72
Directors' remuneration	96.00	156.00
Contribution to provident & other funds	68.27	60.88
Workmen & staff welfare	40.62	51.44
	1,333.46	1,612.04

### NOTE 27: FINANCE COSTS

(₹ In Lacs)

		(* III Lacs)
Particulars	Year ended	Year ended
	31.03.2014	31.03.2013
Interest expense on bank loans	3,302.18	3,197.22
Bank Charges	398.88	360.02
	3,701.06	3,557.24

### NOTE 28: OTHER EXPENSES

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Processing charges	3,422.65	2,994.91
Power & fuel	6.76	19.97
Rent (net)	1,134.14	1,782.15
Rates & taxes	68.96	48.31
Insurance	39.45	41.64
Repairs and maintenance		
- Building	0.08	0.21
- Plant and machinery	11.64	12.34

for the year ended 31st March, 2014

- Others	62.51	126.85
Electricity charges	162.90	239.49
Common area maintenance expenses	195.27	315.65
Studio expenses	51.60	96.60
Printing & stationery	23.54	24.59
Communication costs	52.12	68.95
Legal & professional fees	113.87	138.34
Travelling & conveyance	111.88	161.57
Commission	132.37	164.15
Advertisement & sales promotion expenses	96.37	472.28
Auditors' remuneration	16.85	47.19
Transportation, freight & handling charges	898.07	980.28
Sales Tax/VAT	347.04	410.62
Loss on sale of current investments	-	0.10
Loss on sale/discard of fixed assets	84.44	155.77
Provision for doubtful debts	-	40.02
Sundry balances written off	155.20	82.72
Miscellaneous expenses	93.79	119.16
	7,281.50	8,543.86

### **Payments to Auditors**

(₹ In Lacs)

	( TIT Laco)
Year ended	Year ended
31.03.2014	31.03.2013
15.00	25.00
-	8.50
-	8.50
1.85	5.19
16.85	47.19

### Rent (Net) represents:

(₹ In Lacs)

Particulars	Year ended	
	31.03.2014	31.03.2013
Rent expenses	1,254.14	1,905.45
Less: Rent income	120.00	123.30
	1,134.14	1,782.15

### NOTE 29: EXCEPTIONAL ITEMS

Particulars	Year ended 31.03.2013	
Prior Period Items	-	32.11
Advances written off [refer note (a) below]	929.80	-
Loss caused due to fire [refer note (b) below]	1,563.53	
Gain on Sale of Deodorants Business on Slump Sale Basis [refer note (c) below]	(650.40)	
	1,842.93	32.11

### for the year ended 31st March, 2014

- a) During the earlier years, the Company had advanced a sum of ₹1,100.00 lacs to a Media Company to be utilised against the release of the advertisements of the Company. However the Company could not fully utilize the said amount as stipulated in the terms due to various reasons. In view of the management an amount outstanding ₹9,29.80 lacs as on 31.03.2014 in respect of said advance is not recoverable/utilisable and hence the same has been written off during the year.
- b) A major fire occurred in February 2014 at one of the Company's Plant located at Daman. Fixed assets of written down value of ₹ 14.35 lacs and stocks valuing ₹ 1549.18 lacs aggregating to ₹ 1563.53 lacs were destroyed in the fire. The assets were fully insured and claim has been duly lodged by the Company. The Company would account for the claim as and when determined by the insurance company.
- c) In terms of the Business Transfer Agreement entered in October 2013 with Provogue Personal Care Private Limited (PPCPL) (Subsidiary Company), the Company has transferred one of its business of manufacturing, branding, distribution of Deodorants as a going concern on a slump sale basis to PPCPL as on the closing date October 15, 2013 for a consideration of ₹ 650 lacs. The profit of ₹ 650.40 lacs on the sale of the Deo business recognised during the year has been disclosed as an exceptional items. The Company has received consideration other than cash by way of one 0% Fully Convertible Debentures of ₹ 650 lacs.

Particulars	₹ In lacs
Consideration Received	650.00
Less : Net Assets/(Liabilities)	
Assets	81.09
Less: Liabilities	81.49
	(0.40)
Profit/(Loss)	650.40

### **NOTE 30: EARNINGS PER EQUITY SHARE**

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

(₹ In Lacs)

Pa	rticulars	Year ended 31.03.2014	Year ended 31.03.2013
i)	Weighted average number of Equity Shares of ₹ 1 each		
	a) Number of shares at the beginning of the year	1,143.57	1,143.57
	b) Number of shares at the end of the period	1,143.57	1,143.57
	c) Weighted average number of shares outstanding during the year	1,143.57	1,143.57
			•
ii)	Net Profit after tax available for equity shareholders	94.30	1,289.43
			•
iii)	Basic Earning Per Share	0.08	1.13
			•
iv)	Diluted Earning Per Share	0.08	1.13
***************************************			

### 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.

for the year ended 31st March, 2014

### NOTE 31: ACCOMPANYING NOTES TO ACCOUNTS

- A) Contingent Liabilities and Commitments (to the extent not provided for):
  - a) Letters of Credit outstanding ₹ 61.85 lacs (PY Nil).
  - b) Guarantee given by Banks on behalf of the Company ₹ 284.98 Lacs. (PY ₹ 254.98 Lacs)
  - Corporate Guarantee given on behalf of a Subsidiary Company ₹7,244.30 Lacs (PY ₹9332.76 Lacs)
  - d) Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 970.00 Lacs (PY ₹ 1240.00 Lacs)
  - e) Uncalled liability on investments in preference shares partly paid ₹ 212.50 lacs (PY ₹ 212.50 Lacs)
  - f) Sales Tax Liability contested in appeals ₹ 64.51 Lacs (PY ₹ 64.51 Lacs)
  - g) Stamp Duty Liability not acknowledged as debt ₹ 10.00 Lacs. (PY ₹ 10.00 Lacs)
  - h) Service Tax Liability amounting to ₹ 279.47 lacs on the renting of Immovable Properties from June 01, 2007 to September 30,2011 (The Company has deposited ₹ 139.73 lacs and has furnished solvency surety for the balance ₹ 139.74 lacs pursuant to the Interim Order dated October 14,2011 passed by the Hon'ble Supreme Court of India).
  - i) Disputed demand of income Tax ₹ 1798,88 lacs (interest thereon not ascertainable at present) During the year, Income Tax Authorities have completed block assessment for the assessment years 2006-07 to 2012-13 in respect of the Income Tax Returns filed by the Company consequent to search and seizure operations carried out in the Financial Year 2011-12. The Tax Authorities has raised a demand of ₹ 1798.88 lacs against which the Company has preferred an appeal. The management is of the view that it will be able to obtain substantial relief from the appellate authorities and accordingly this demand is reflected as a contingent liability.
  - B) The Company has financial involvement in a subsidiary Company (Holding Voting Power of 50% + 2 Shares), Sporting & Outdoor Ad-Agency Private Limited ('SOAPL') as follows:

(₹ In Lacs)

Name of the Company	Investment in Equity Capital		Total Involvement
Sporting & Outdoor Ad-Agency Private Limited	132.61	88.15	220.76

SOAPL continues to make losses and the accumulated losses as at 31st March, 2014 is ₹ 270.72 lacs and has substantially eroded its Net Worth as at the year end. SOAPL has business plans with strategic growth projections, which it is confident of achieving given the business opportunities and a continued financial support from the Company. Based on these plans and the Company considers that there is no loss for which a provision is currently necessary in these financial statements.

- **C)** 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.
- **D)** 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:

for the year ended 31st March, 2014

### **Details of Loans to Subsidiaries:**

(₹ In Lacs)

Name of Subsidiary Company	As at 31	.03.2014	As at 31.	03.2013
	Amount	Maximum Amount	Amount	Maximum Amount
Sporting and Outdoor Ad Agency Private Limited	88.15	88.15	87.75	171.08
Millennium Accessories Private Limited	131.60	131.60	53.97	105.81
Profab Fashions (India) Limited	24.49	24.49	21.48	21.48
Provogue Infrastructure Private Limited.	1,401.04	1,546.38	691.94	791.94
Faridabad Festival City Private Limited	70.69	79.54	79.59	92.44
Brightland Developers Private Limited	69.67	69.67	69.27	197.72
Classique Creators Limited	-	-	-	0.27
Proskins Fashions Limited (Formerly known as Prozone Infrastructure Limited)	-	-	-	0.34
Standard Mall Private Limited	145.58	145.58	145.58	145.58
Provogue Personal Care Private Limited	56.21	56.21	-	-
Elite Team HK Limited – (Hongkong)	1,363.18	1,363.18	1,250.25	1,268.13
Provogue Holding Limited – (Singapore)	-	_	0	7.18
	3,350.61	3,504.80	2,399.83	2,801.97

### **Details of Investments in Subsidiaries:**

(No. of Shares)

Name of the Subsidiary Company	As at 31.03.2014	As at 31.03.2013
Sporting and Outdoor Ad Agency Private Limited	4,18,102	4,18,102
Pronet Interactive Private Limited	1,00,002	1,00,002
Millennium Accessories Limited	15,50,000	15,50,000
Profab Fashion (India) Limited	4,50,000	4,50,000
Provogue Infrastructure Private Limited	45,10,000	45,10,000
Flowers, Plants & Fruits (India) Private Limited	10,000	10,000
Faridabad Festival City Private Limited	4,11,355	4,11,355
Acme Advertisements Private Limited	10,000	10,000
Brightland Developers Private Limited	10,000	10,000
Classique Creators Limited	2,50,000	2,50,000
Proskins Fashions Limited (formerly known as Prozone Infrastructure Limited)	50,000	50,000
Provogue Personal Care Private Limited	10,000	_
Elite Team HK Limited (Hongkong)	52,90,425	52,90,425
Provogue Holding Limited (Singapore)	9,385	9,385
Standard Mall Private Limited		
- Investments through the Company	10,000	10,000
- Investments through Provogue Infrastructure Private Limited	40,000	40,000

for the year ended 31st March, 2014

(₹ In Lacs)

Name of the Subsidiary Company	As at 31.03.2014	As at 31.03.2013
Investments through Provogue Infrastructure Private Limited		
Standard Mall Private Limited	40,000	40,000

- E) Additional Information Pursuant to the Provisions of Part II of the Schedule VI of the Companies Act 1956
  - i) Value of Imported and Indigenous Raw Materials/Packing Materials/Accessories consumed during the year:

Description	31st March, 2014		31st Mar	ch, 2013
	In %	₹ In Lacs	In %	₹ In Lacs
Imported	-	-	-	-
Indigenous	100.00	38,493.94	100.00	24,937.07
Total	100.00	38,493.94	100.00	24,937.07

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

(₹ In Lacs)

		(\ III Lacs)
Particulars	31st March, 2014	31st March, 2013
C.I.F. Value of Imports		
Capital Goods	-	8.50
Trading Goods	7,775.06	10,721.67
Expenditure in Foreign Exchange		
Travelling Expenses	6.67	23.48
Professional Fees	-	0.45
Interest on Foreign Currency Loans	264.46	
Earnings in Foreign Exchange		
Export Sales – FOB	19,418.97	

iii) Remitance to foreign shareholders on account of Dividend:

Particulars	31st March, 2014	31st March, 2013
Year to which the dividend relates	2012-13	2011-12
Number of non-resident shareholders to whom remittances were made	544	602
Number of shares on which remittances were made (of Face Value ₹ 1 each)	1,69,27,602	1,68,43,080
Dividend amount (₹ In Lacs)	16.93	16.84

# for the year ended 31st March, 2014

### F) Disclosure as per AS 15 "Employee Benefits":

The principal assumptions used in the actuarial valuation of Gratuity are as follows:-

Discount rate	9.10%	8.20%
Expected rate of return	9.25%	8.00%
Expected rate of future salary increase	5.10%	5.00%

### Changes in present value of obligations:

(₹ In Lacs)

Particulars	Year ended 31.03.2014	
Present value of obligation as at the beginning of the year	44.34	45.02
Interest Cost	3.56	3.48
Current Service Cost	9.58	10.06
Benefits paid	(2.96)	(4.33)
Actuarial (Gain)/Loss on obligations	(14.74)	(9.89)
Present Value of obligation as at the end of the year	39.79	44.34

### Liability recognized in the Balance Sheet:

(₹ In Lacs)

Particulars	Year ended 31.03.2014	
Present value of obligation as at the end of the year	39.79	44.34
Fair Value of plan assets as at the end of the year	10.62	13.50
Unfunded status	29.17	30.84
Unrecognized Actuarial (Gain)/ loss	-	-
Net (Assets)/ Liability recognized in the Balance Sheet	29.17	30.84
- Non Current (Assets)/ Liability	14.78	18.97
- Current (Assets)/ Liability	14.39	11.87

### **Expenses recognized in the Profit and Loss Account:**

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Current Service Cost	9.58	10.06
Interest Cost	3.56	3.48
Expected return on plan assets	(0.17)	-
Actuarial (Gain)/Loss on obligations	(14.74)	(9.89)
Actuarial (Gain)/Loss on plan assets	(1.01)	(8.58)
Total Expenses recognized in the Statement of Profit and Loss	(2.77)	(4.93)

### for the year ended 31st March, 2014

### G) Segment information:

The Segment Reporting of the Company had been prepared in accordance with Accounting Standard – 17 on "Segment Reporting" issued by the Companies (Accounting Standards) Rules, 2006

The Company, based on business activities during this financial year has identified the geographic segments as its primary segment.

The primary segment reporting format is determined to be geographic segment as the company's risks and rates of returns are affected predominantly by the geographic distribution of activities.

		(₹ In Lacs)
Particulars	As at 31.03.2014	As at 31.03.2013
1. Segment Revenue		
a. Domestic	40,374.95	30,831.36
b. Exports	21,061.08	23,230.93
Gross Sales/Income from Operations	61,436.03	54,062.29
2. Segment Results		
Profit before tax and interest for each segment		
a. Domestic	4,826.43	6,767.40
b. Exports	3,469.33	2,855.01
Sub Total	8,295.76	9,622.41
Less: i) Finance costs	3,701.06	3,557.24
ii) Un-allocable expenses (net of income)	4,486.17	3,481.47
Total Profit before Tax	108.53	2,583.70
Less: Tax Expenses	14.23	1,294.27
Net Profit	94.30	1,289.43
3. Capital Employed (Segment Assets - Segment Liabilities	)	
a. Domestic	31,415.24	27,608.25
b. Exports	7,577.84	7,736.44
Unallocated Capital Employed	17,209.44	20,764.41
Total	56,202.52	56,109.10
4. Other segment information :		
i) Depreciation & Amortisation expense:		
a. Domestic	578.59	800.19
b. Exports	15.41	25.62
c. Unallocated	235.26	271.03
Total	829.27	1,096.83
ii) Capital Expenditure :		
a. Domestic	5.60	22.24
b. Exports	5.80	20.70
c. Unallocated	115.30	5.91
Total	126.69	48.85

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 and Assets are given

### for the year ended 31st March, 2014

### H) Related Party Disclosure:

As required under Accounting Standard 18 "Related Party Disclosure" (AS-18), following are details of transactions during the year with the related parties of the Company as defined in AS 18:

### I) For the year ended 31st March, 2014

### 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) Enterprises under significant influence

Acme Exports

Prozone Capital Shopping Centres Limited

**Empire Mall Private Limited** 

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

Sporting and Outdoor Ad Agency Private Limited

Pronet Interactive Private limited

Millennium Accessories Limited

Profab Fashions (India) Limited

Provogue Infrastructure Private Limited

Flowers Plant & Fruits (India) Private Limited

Faridabad Festival City Private Limited

Acme Advertisements Private Limited

Brightland Developers Private Limited

Classique Creators Limited

Proskins Fashions Limited (formerly known as Prozone Infrastructure Limited)

Standard Mall Private Limited

Elite Team HK Limited

Provogue Holding Limited (Singapore)

### d) Joint Ventures

ProSFL Private Limited

for the year ended 31st March, 2014

- ii) Disclosures required for related parties transaction:
  - a) Sale/Purchase of goods and services

(₹ In Lacs)

				(R III Lacs)
Particulars	Purchase of Goods / Services		Amount due to Related Parties	Amount due from Related Parties
Enterprises under significant influence				
Acme Exports	-	-	0.25	_
Prozone Capital Shopping Centres Limited	-	120.00	-	94.81
Empire Mall Private Limited	14.82	-	19.99	_
Subsidiaries				
Sporting and Outdoor Ad Agency Private Limited	-	-	26.39	_
Acme Advertisement Private Limited	-	-	7.72	-
Provogue Personal Care Pvt Ltd	19.16	70.44	52.38	76.61
Flowers, Plants, & Fruits Private Limited	-	-	89.52	-
	33.98	190.44	196.25	171.42

### b) Loans given and repayment thereof

Particulars	Loans Given	Received Back		Interest Accrued	
Enterprises under significant influence					
Prozone Capital Shopping Centres Limited	-	23.14	-	-	-
Subsidiaries					
Millennium Accessories Limited	77.63	-	-	-	131.60
Profab Fashions (India) Limited	3.01	-	-	-	24.49
Sporting and Outdoor Ad Agency Private Limited	0.40	-	-	-	88.15
Provogue Infrastructure Private Limited	1,090.44	381.34	-	-	1,401.04
Elite Team HK Limited*	112.93	-	-	-	1,363.18
Faridabad Festival City Private Limited	2.69	11.59	-	-	70.69
Standard Mall Private Limited	-	-	-	-	145.58
Brightland Developers Private Limited	0.40	-	-	-	69.67
Provogue Personal Care Private Limited	108.58	52.37	-	-	56.21
Joint Ventures					
ProSFL Private Limited	0.65	-	-	-	1.92
	1,396.74	468.44	-	-	3,352.54

<sup>\*</sup> Loans Given to Elite Team HK Limited represents gain on foreign exchange fluctuations

for the year ended 31st March, 2014

### c) Remuneration to Key Management Personnel

(₹ In Lacs)

Particulars	Remuneration
Key Management Personnel	
Mr. Nikhil Chaturvedi	36.00
Mr. Deep Gupta	60.00

### d) Other transactions:

During the year, the Company purchased the Deo Business on slump sale basis from Millennium Accessories Limited (Subsidiary Company) for a consideration to be received amounting to ₹ 64.00 lacs. [Refer note 11(b)]

During the year, the Company sold the Deo Business on slump sale basis to Provogue Personal Care Private Limited (Subsidiary Company) for a consideration to be received amounting to ₹ 650.00 lacs by way of 0% Fully Convertible Debenture. [Refer note 29(c)II].

### II) For the year ended 31st March, 2013

### 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) Enterprises under significant influence

Acme Exports

Prozone Capital Shopping Centres Limited

Empire Mall Private Limited

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

Sporting and Outdoor Ad Agency Private Limited

Pronet Interactive Private limited

Millennium Accessories Limited

ProSFL Private Limited

Profab Fashions (India) Limited

Provogue Infrastructure Private Limited

Flowers Plant & Fruits (India) Private Limited

Faridabad Festival City Private Limited

Acme Advertisements Private Limited

Brightland Developers Private Limited

Classique Creators Limited

Proskins Fashions Limited (formerly known as Prozone Infrastructure Limited)

Standard Mall Private Limited

Elite Team HK Limited

Provogue Holding Limited (Singapore)

for the year ended 31st March, 2014

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

### a) Sale/Purchase of goods and services

Deutieuleus	Dumahaaa	Colon of	A	(₹ In Lacs)
Particulars	Purchase	Sales of	Amount	Amount
	of Goods/	Goods/	due to	due from
	Services	Services	Related	Related
			Parties	<b>Parties</b>
Enterprises under significant				
influence				
Acme Exports	-	-	0.25	-
Prozone Capital Shopping	-	120.00	-	3.48
Centres Limited				
Empire Mall Private Limited	0.57	-	10.16	-
Subsidiaries				
Sporting and Outdoor Ad	-	-	26.39	-
Agency Private Limited				
Acme Advertisement Private Limited	168.40	-	7.51	-
Millennium Accessories Limited	38.07	30.18	14.43	-
Flowers, Plants, & Fruits Private	6.60	-	89.52	_
Limited				
	213.64	150.18	148.27	3.48

### b) Loans given and repayment thereof

Particulars	Loans	Received	Written	Interest	Amount
	Given	Back	Off	Accrued	due from Related Parties
Enterprises under significant influence					
Prozone Capital Shopping Centres Limited	54.54	61.48	-	-	23.14
Subsidiaries					
Millennium Accessories Limited	100.76	82.84	-	-	53.96
Profab Fashions (India) Limited	-	-	-	-	21.48
Sporting and Outdoor Ad Agency Private Limited	-	95.00		11.67	87.75
Provogue Infrastructure Private Limited	1,062.67	387.53	-	9.77	691.94
Elite Team HK Limited	224.34	140.37	-	-	1,250.25
Provogue Holding Limited	-	-	7.18	-	-
Faridabad Festival City Private Limited	5.15	18.00	-	-	79.59
Standard Mall Private Limited	-	-	-	-	145.58
Brightland Developers Private Limited	0.05	128.50	-	-	69.27
Classique Creators Limited	0.10	0.27	-	-	-
Prozone Infrastructure Limited	0.10	0.34	-	-	-
Joint Ventures					
ProSFL Private Limited	1.00	-	-	-	1.27
	1,448.72	914.34	7.18	21.44	2,424.24

### for the year ended 31st March, 2014

### c) Investments

	(₹ In Lacs)
Particulars	Investment
	in shares
Subsidiaries	
Elite Team HK Limited	100.00
	100.00

### d) Share Application Money Given

(₹ In Lacs)

			(\ III Lacs)
Particulars	Share	Shares	Amount due
	Application	Allotted	from Related
	Money Given		Parties
Subsidiaries			
Elite Team HK Limited	-	100.00	-

### e) Remuneration to Key Management Personnel

(₹ In Lacs)

Particulars	Remuneration
Key Management Personnel	
Mr. Nikhil Chaturvedi	36.00
Mr. Akhil Chaturvedi	60.00
Mr. Deep Gupta	60.00

- I) The Company has taken premises on operating lease and entered in to non-cancellable Leave and License Agreements with various parties. The agreements have been entered for a period ranging from 11 to 36 months. The disclosure required to be made in accordance with Accounting Standard 19 on "Leases" is as under;
  - a) Future minimum lease payments receivable under non-cancellable operating leases in aggregate for the following periods:

		(₹ In Lacs)
Particulars	As at	As at
	31.03.2014	31.03.2013
Not later than one year	366.60	792.49
Later than one year and not later than five years	468.50	857.80
Later than five years	Nil	Nil

- b) Initial direct costs incurred on these leasing transactions have been recognised in the Profit and Loss Account.
- J) There is no other additional information pursuant to the provisions of Part II of Revised Schedule VI of the Companies Act, 1956 requiring disclosure for the Company for the year under report.
- **K)** Figures less than ₹ 500/- have been shown at actual wherever statutory required to be disclosed since figures stated have been rounded off to the nearest thousands.
- L) The Company has re-grouped, reclassified and/or re-arranged previous year's figures, wherever necessary to conform to current year's classification.

As per our report of even date attached

For Ajay Shobha & Co. Chartered Accountants

For and on behalf of the Board

**Ajaykumar Gupta** Partner

Managing Director

**Deep Gupta**Whole-time Director

Mem. No. : 53071

**Ajayendra P. Jain** Company Secretary

Nikhil Chaturvedi

Place : Mumbai Date : 29th May 2014

# INDEPENDENT AUDITOR'S REPORT

То

The Board of Directors of Provogue (India) Limited

### **Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of Provogue (India) Limited ("the Company") and its subsidiaries and its interest in joint ventures (hereinafter collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014 and the Consolidated Statement of Profit and Loss & the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

# Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

- 3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
- 4. An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the

- consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating and appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

- 6. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
  - (b) In the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
  - (c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### **Emphasis of Matter**

- 7. We draw attention to:
- a) Note 31(B)(f) to the financial statements regarding non-provision of service tax for the period from June 01, 2007 to September 30, 2011 on rent on immovable properties taken for commercial use by the Company, aggregating ₹ 279.47 Lacs, pending final disposal of the appeal filed before the Hon'ble, Supreme Court. The matter is contingent upon the final outcome of litigation.

Our opinion is not qualified in respect of the above matters.

### **Other Matters**

8. We did not audit the financial statements of five subsidiaries viz., Millennium Accessories Limited,

Profab Fashions (India) Limited, Standard Mall Private Limited, Sporting and Outdoor Ad Agency Private Limited and Provogue Infrastructure Private Limited (all incorporated in India), whose financial statements reflect total net assets of ₹ 7,777.69 lakhs as at 31st March, 2014, total revenues of ₹ 1477.47 lakhs and net cash inflows amounting to ₹ 7.41 lakhs for the year ended on that date.

These Financial Statements and other Financial Information's of the subsidiaries have been audited by other auditors, whose reports have been furnished to us by the management and our opinion,

in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of the other auditors.

For Ajay Shobha & Co. Chartered Accountants Firm Reg. No. 317031E

Ajaykumar Gupta

Place : Mumbai Partner
Date : 29<sup>th</sup> May, 2014 Mem. No. : 53071

# CONSOLIDATED BALANCE SHEET

as at 31st March, 2014

(	₹	ln	Lacs)

Particulars	Notes	As at	As at
FOURTY AND LIABILITIES		31.03.2014	31.03.2013
EQUITY AND LIABILITIES			
Shareholders' funds	0	1 1 1 0 5 7	1,143.57
Share capital	2	1,143.57	
Reserves & surplus	3	55,924.25 <b>57,067.82</b>	56,221.73 <b>57,365.30</b>
Minority interest		(112.29)	20.50
Non-current liabilities		(112.29)	20.50
Long-term borrowings	4	8,817.32	6,033.45
Other long-term liabilities	5	380,83	301.30
Long-term provisions	6	16.90	20.08
Long-term provisions	U	9,215.05	6,354.83
Current liabilities		9,210.00	0,334.83
Short-term borrowings	7	40,816.70	28,897.30
Trade payables	8	8.050.16	9,378.33
Other current liabilities	9	1,189.60	847.35
Short-term provisions	10	407.62	603.97
Chart term providence	10	50,464.08	39,726.95
Total		1,16,634.66	1,03,467.58
ASSETS		.,,	.,,
Non-current assets			
Fixed assets	11		
Tangible assets		4,848.74	5,826.52
Intangible assets		46.51	85.78
Goodwill on consolidation		3,336.31	3,336.31
Non-current investments	12	3,347.32	5,283.43
Deferred tax assets (net)	13	961.73	918.10
Long-term loans and advances	14	6,045.95	5,609.15
		18,586.56	21,059.29
Current Assets			
Current investments	15	1,335.61	1,552.13
Inventories	16	35,276.60	33,423.51
Trade receivables	17	33,899.46	30,530.07
Cash and bank balances	18	2,602.56	3,053.38
Short-term loans and advances	19	23,939.17	13,112.21
Other current assets	20	994.70	736.99
		98,048.10	82,408.29
Total		1,16,634.66	1,03,467.58
Significant Accounting Policies	1		
Accompanying Notes to Accounts	31		

As per our report of even date attached

For Ajay Shobha & Co.
Chartered Accountants

For and on behalf of the Board

Ajaykumar Gupta

Partner

Mem. No.: 53071

Place : Mumbai Date : 29th May 2014 Nikhil Chaturvedi Managing Director **Deep Gupta**Whole-time Director

**Ajayendra P. Jain**Company Secretary

# STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2014

			(₹ In Lacs)
Particulars	Notes	Year ended 31.03.2014	Year ended 31.03.2013
INCOME			
Revenue from operations (gross)	21	83,022.80	78,458.93
Less: excise duty		-	124.68
Revenue from operations (net)		83,022.80	78,334.25
Other income	22	1,928.26	1,509.33
Total Revenue		84,951.06	79,843.58
EXPENSES			
Cost of materials consumed	23	38,493.94	24,937.07
Purchases of stock - in - trade	24	30,036.89	34,652.57
Changes in inventories of finished goods, work in process and stock in trade	25	(2,095.17)	174.02
Employee benefits expenses	26	1,714.86	1,875.79
Finance costs	27	5,196.25	4,053.65
Depreciation		938.53	1,220.50
Other expenses	28	8,748.55	9,468.49
Total expenses		83,033.85	76,382.09
Profit/(Loss) before tax and prior period items		1,917.21	3,461.49
Less:		-	
Exceptional Items	29	2,493.03	80.96
Profit/(Loss) before tax		(575.82)	3,380.53
Less: Tax expenses			
- Current tax		90.67	704.12
- MAT credit entitlement		-	74.58
- Deferred tax liability/(asset)		(43.64)	(253.74)
- Tax of earlier years		35.62	906.90
		82.65	1,431.86
Profit/(Loss) for the year before minority interest		(658.47)	1,948.67
Less/(Add) Minority interest		(133.75)	(73.56)
Profit/(Loss) for the year		(524.72)	2,022.23
Earnings per equity share	30		
Nominal value of share ₹1 : Basic		(0.46)	1.77
: Diluted		(0.46)	1.77
Significant Accounting Policies	1		
Accompanying Notes to Accounts	31		

As per our report of even date attached

For Ajay Shobha & Co. Chartered Accountants

For and on behalf of the Board

Ajaykumar Gupta

Partner

Mem. No.: 53071

Nikhil Chaturvedi Managing Director

Deep Gupta Whole-time Director

Place : Mumbai Date: 29th May 2014 Ajayendra P. Jain Company Secretary

# CASH FLOW STATEMENT

# for the year ended 31st March, 2013

		(₹ In Lacs)
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	(575.82)	3,380.53
Adjustments for :		
Depreciation	938.53	1,220.50
Provision for doubtful debts	-	40.02
Bad debts written off	151.27	20.07
Interest paid	4,733.52	3,594.02
Loss on sale/discard of fixed assets	84.44	155.77
Interest income	(1,851.22)	(1,369.91)
Dividend income	(63.69)	(84.96)
Net (gain)/loss on sale of current investments	-	0.10
Net Unrealised (gain)/loss on foreign currency translation	228.12	56.77
Unrealised (gain)/loss on foreign exchange fluctuations	(183.68)	(278.53)
Operating profit before working capital changes	3,461.47	6,734.38
Adjustments for :		
Decrease/(Increase) in Trade receivables	(3,520.66)	904.44
Decrease/(Increase) in Inventories	(1,853.09)	(2,978.62)
Decrease/(Increase) in Other current assets	(257.71)	128.51
Decrease/(Increase) in Short-term loans and advances	(10,826.96)	3,123.23
Decrease/(Increase) in Long-term loans and advances	(108.31)	(2,644.65)
Decrease/(Increase) in Other non - current assets	-	4.81
Increase/(Decrease) in Trade payables	(1,328.17)	853.39
Increase/(Decrease) in Other current liabilities	475.25	(1,233.90)
Increase/(Decrease) in Long-term provisions	(3.18)	(20.25)
Increase/(Decrease) in Short term provisions	(71.19)	19.74
Increase/(Decrease) in Other long- term liabilities	79.53	(13.87)
Cash generated from/(used in) operations	(13,953.02)	4,877.21
Direct taxes paid	(579.94)	(481.34)
Net cash flow from/(used in) operating activities	(14,532.96)	4,395.87
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(23.40)	(420.22)
Sale of fixed assets	17.48	6.00
Purchase of non-current investments	_	(440.27)
Sale of non-current investments	1,936.11	-
Purchase of current investments	-	(20.16)
Sale of current investments	216.52	-
Redemption/maturity of bank deposits (having maturity of more than 3 months)	49.02	8.82
Interest income	1,851.22	1,369.91
Dividend income	63.69	84.96
Net cash flow from/(used in) investment activities	4,110.64	589.04

# CASH FLOW STATEMENT

# for the year ended 31st March, 2013

(₹ In Lacs)

articulars	Year ended 31.03.2014	Year ended 31.03.2013
. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares to minority shareholders of subsidiaries/joint ventures	_	0.47
Proceeds from borrowings - short term (net)	11,919.40	(2,877.73)
Proceeds from borrowings - long term (net)	2,783.87	1,778.56
Interest paid	(4,733.52)	(3,594.02)
Dividend paid including tax thereon	(132.91)	(132.91)
Net cash flow from/(used in) financing activities	9,836.84	(4,825.63)
Net increase/(decrease) in cash and cash equivalents	(585.48)	159.28
Cash and cash equivalents at the beginning of the year	1,170.55	732.74
Unrealised (gain)/loss on foreign exchange fluctuations	183.68	278.53
Cash and cash equivalents at the end of the year	768.75	1,170.55

### Notes:

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

(₹ In Lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Cash on hand	9.89	38.06
Balances with Banks On current accounts	756.52	1,130.06
	766.41	1,168.12
Add: Share in Joint Venture	2.34	2.43
	768.75	1,170.55
•		

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 Ajay Shobha & Co.

Chartered Accountants

Ajaykumar Gupta

Partner

Mem. No.: 53071

Place : Mumbai Date : 29th May 2014 For and on behalf of the Board

Nikhil Chaturvedi Managing Director

**Ajayendra P. Jain**Company Secretary

**Deep Gupta**Whole-time Director

for the year ended 31st March, 2014

### **NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

### Corporate information:

Provogue (India) Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company and its subsidiaries (the Group) are engaged in the business of manufacturing, trading of garments, fashion accessories, textile products and related materials. The equity shares of the Company are listed on the Bombay and National Stock Exchanges.

### (A) Basis of preparation of financial statements:

- i. The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policy adopted in the preparation of the financial statements are consistent with those followed in the previous year.
- ii. Financial Statements are based on historical cost convention and are prepared on accrual basis.

### (B) Principles of Consolidation:

The Consolidated Financial Statements relate to Provogue (India) Limited ('The Company') and its Subsidiaries and Joint Ventures which 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 in accordance with Accounting Standard 21 on Consolidated Financial Statements.
- ii) Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 on Financial Reporting of Interests in Joint Ventures.
- 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 standalone 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 Statement of Profit and Loss 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 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 and Non-monetary items are translated at the exchange rate at the date of transaction.
  - c) The resultant translation exchange gain/loss in case of non-integral foreign operations is disclosed as Foreign Exchange Translation Reserve in the Note on Reserves & Surplus in the Financial Statements.
- 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 on consolidation.
- 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 on consolidation.

for the year ended 31st March, 2014

### (C) 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) 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.

### c) Fixed Assets:

- i. Fixed Assets are stated at cost less accumulated depreciation and impairments loss, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for intended use. Indirect preoperative expenses and borrowing costs attributable to construction or acquisition of Fixed Assets for the period up to the completion of construction or acquisition of Fixed Assets are capitalised.
- ii. Intangible fixed assets are recognised only if they are separately identifiable and the Company controls the future economic benefits arising out of them. Intangible assets are stated at cost less accumulated amortisation and impairment.

### d) 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 Statement of Profit and Loss 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.

### e) Operating Lease

Operating Lease payments are recognised as an expense in the statement of Profit & Loss on a straight-line basis or other systematic bases more representative of the time pattern of the user's benefit.

### f) 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.

### g) Depreciation:

### I. Tangible Assets

- 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.

### for the year ended 31st March, 2014

- iii. Fixed assets acquired on lease basis are amortized over the period of the lease term.
- Fixed Assets at advertisement sites are amortized over the license period of the respective sites.

### II. Intangible Assets

- i. Trade Mark is amortised on Straight Line Method over a period of ten years.
- ii. Computer Software is amortised on Straight Line Method over a period of five years.

### h) 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.

- i. 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.

### i) 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.

### j) 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.
- \* 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.

### k) 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, requires 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.

### for the year ended 31st March, 2014

### m) 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 items are reported at the exchange rate at the date of transaction.
- 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.

### n) 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.

### o) Earnings Per Share

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with the Accounting Standard 20 on Earning Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

### p) Cash and Cash Equivalents(for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances(with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

for the year ended 31st March, 2014

### NOTE 2: SHARE CAPITAL

		(₹ In Lacs)
Particulars	As at	As at
	31.03.2014	31.03.2013
Authorised		
3300.00 Lacs Equity Shares of ₹ 1 each	3,300.00	3,300.00
Issued, Subscribed and Fully Paid Up		
1143.57 Lacs Equity Shares of ₹ 1 each fully paid up	1,143.57	1,143.57
	1,143.57	1,143.57

### a) Reconciliation of shares outstanding at the beginning and at the end of the period

Particulars	As at 31.03.2014		As at 31.03.2013	
	No. in Lacs ₹ In Lacs		No. in Lacs	₹ In Lacs
Equity Shares				
At the beginning of the year	1,143.57	1,143.57	1,143.57	1,143.57
Issued during the year	-	-	_	-
Outstanding at the end of the year	1,143.57	1,143.57	1,143.57	1,143.57

### b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### c) Details of Shareholders holding more than 5% shares in the company:

Particulars	As at 31.	As at 31.03.2014		As at 31.03.2013	
	No. in Lacs	% holding	No. in Lacs	% holding	
Nailsfield Limited	114.15	9.98	114.15	9.98	
Nikhil Chaturvedi	106.12	9.28	106.12	9.28	
Salil Chaturvedi	102.95	9.00	102.95	9.00	
Floro Mercantile LLP	62.40	5.46	62.40	5.46	

### d) Other Information

- (i) 29.00 lakhs Equity Shares (of ₹ 10 each fully paid) have been issued as preferential allotment at a premium of ₹ 440 per share in the financial year 2006-07.
- (ii) 13.34 lakhs Equity Shares (of ₹ 10 each fully paid) have been issued on conversion of the share warrants issued at ₹ 450 in the ratio of one share per warrant in the financial year 2007-08 and 2008-09
- (iii) 28.50 lakhs Equity Shares (of ₹ 10 each fully paid) have been issued as preferential allotment at a premium of ₹ 1090 per share in the financial year 2008-09
- (iv) The Company has sub divided the equity share of ₹ 10 each (fully paid up) into 5 (five) equity shares of ₹ 2 each (fully paid up) based on the approval of the share holders in the Annual General Meeting held on 15th September 2008.

for the year ended 31st March, 2014

- (v) 20.50 lakhs Equity Shares of ₹ 2 each have been extinguished under Buy Back Scheme in the financial year 2009-10.
- (vi) During the financial year 2011-12, pursuant to The Scheme of Arrangement, 1143.57 lakhs Equity Shares of ₹2/- each have been reduced to 1143.57 lakhs Equity Shares of ₹1/- each

### NOTE 3: RESERVES & SURPLUS

		(₹ In Lacs)
Particulars	As at 31.03.2014	As at 31.03.2013
Capital Reserve		
Balance at the beginning and end of the year	1,842.22	1,842.22
Foreign Currency Translation Reserve		
Balance at the beginning of the year	145.26	88.49
Add/(Less):		
Additions/(deductions) during the year	228.12	56.77
Balance at the end of the year	373.38	145.26
Capital Redemption Reserve		
Balance at the beginning and end of the year	1,184.56	1,184.56
Securities Premium		
Balance at the beginning and end of the year	36,159.02	36,159.02
General Reserve		
Balance at the beginning and end of the year	400.00	400.00
Surplus in the statement of profit and loss		
Balance at the beginning of the period	16,490.67	14,600.88
Add : Profit/(Loss) for the year	(524.72)	2,022.23
Add: Adjustments on cessation of subsidiary	-	0.47
	(524.72)	2,022.70
Less: Appropriations		
Proposed Dividend	-	114.36
Tax on Corporate Dividend	-	18.55
Tax on Corporate Dividend for earlier year	0.88	_
	0.88	132.91
Closing Balance	15,965.07	16,490.67
	55,924.25	56,221.73

for the year ended 31st March, 2014

### NOTE 4: LONG-TERM BORROWINGS

- (	₹	ln	200)
- (	\	11.1	Lausi

		(VIII Laco)
Particulars	As at	As at 31.03.2013
T		
Term loan from banks (Secured)	6,363.34	6,599.13
Less: Interest accrued but not due on borrowings	67.56	26.81
Less: Current maturities of long term debt	477.50	545.00
(disclosed under other current liabilities)		
	5,818.28	6,027.32
Hire purchase loans (Secured)	6.59	19.34
Less: Current maturities of long term debt	6.59	13.21
(disclosed under other current liabilities)		
	-	6.13
Debentures (Unsecured)		•
0% Fully Convertible Debenture of ₹ 2,999.04 lacs each fully paid up	2,999.04	-
Total	8,817.32	6,033.45

### NOTE 5: OTHER LONG TERM LIABILITIES

	(₹	n	Lacs)
--	----	---	-------

Particulars	As at	As at
	31.03.2014	31.03.2013
Trade deposits	377.01	297.34
Unbilled expenses - lease rent adjustments	3.82	3.96
	380.83	301.30

### NOTE 6: LONG-TERM PROVISIONS

(₹ In Lacs)

Particulars	As at	As at
	31.03.2014	31.03.2013
Provision for gratuity	16.90	20.08
	16.90	20.08

### NOTE 7: SHORT-TERM BORROWINGS

Particulars	As at	As at
	31.03.2014	31.03.2013
Working Capital Loans		
Secured	27,706.13	28,168.05
Unsecured	599.96	684.24
Intercorporate deposits (Unsecured)	12,500.00	34.97
Interest free loans and advances from related parties (Unsecured)	10.61	10.04
	40,816.70	28,897.30

for the year ended 31st March, 2014

### NOTE 8: TRADE PAYABLES

		(₹ In Lacs)
Particulars	As at	As at
	31.03.2014	31.03.2013
Due to Micro, Small & Medium Enterrises (Refer note below)	-	-
Others	8,049.88	9,373.72
Add: Share in Joint Venture	0.28	4.61
	8,050.16	9,378.33

### NOTE 9: OTHER CURRENT LIABILITIES

(₹ In Lacs)

Particulars	As at	As at
	31.03.2014	31.03.2013
Current maturities of long term debt	484.09	558.21
Interest accrued but not due on borrowings	67.56	26.81
Duties & taxes payable	265.76	165.20
Advance from customers	369.63	94.43
Trade deposits	2.53	2.53
Add: Share in Joint Venture	0.03	0.17
	1,189.60	847.35

### NOTE 10: SHORT-TERM PROVISIONS

		(VIII Lacs)
Particulars	As at	As at
	31.03.2014	31.03.2013
Provision for leave encashment	24.84	32.27
Provision for gratuity	14.39	11.87
Provision for employee benefits	300.52	263.58
Provision for expenses	67.87	38.11
Provision for Tax (Net of Advance Tax & TDS)	-	125.16
Proposed dividend	-	114.36
Provision for dividend distribution tax	-	18.55
Add: Share in Joint Venture	_	0.07
	407.62	603.97

# **NOTE 11: FIXED ASSETS**

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

ACS)	
_	
7	
EV.	

sets: s: cry ures - Studios ures - Others nts mres	3 during the year year	During the year	A A A				:		
- Studios 4,142 - Others 1,441 555 6 498			year 31.03.2014	Upto 31.03.2013	Upto Provided for 2013 the year	During the year	year 31.03.2014	As At 31.03.2014	As At 31.03.2013
2,417 2,417 85 - Studios 4,142 85 - Others 1,441 85 555 86 555 87 11,201									
ery 2,417 ery 847 ures - Studios 4,142 ures - Others 1,441 uts 341 mts 555 mes 512 mmes 512									
ery 2,417 ures - Studios 4,142 ures - Others 1,441 nts 341 nts 555 nmes 512		1	442.16	ı	-	1	ı	442.16	442.16
ery 847 ures - Studios 4,142 ures - Others 1,441 nts 341 mts 555 mes 512 mes 512		ı	2,417.12	590.20	90.10	ı	680.30	1,736.82	1,826.92
ures - Studios 4,142.  ures - Others 1,441.  nts 341.  555.  mes 512.  mes 512.	٢	1	849.15	349.98	66.47	ı	416.45	432.70	497.88
ures - Others 1,441.  nts 341. 555.  mes 552.  mes 512.	_	272.51	3,870.26	2,413.10	492.14	189.76	2,715.48	1,154.78	1,729.67
nts 341 555 499 mes 512 11,201	10.59	69.09	1,401.58	828.88	116.07	40.96	903.99	497.59	612.80
555 499 11,201	2.09	14.78	328.92	198.20	23.74	10.31	211.63	117.29	143.41
499 ames 512 11,201	0 4.42	41.88	518.04	439.51	27.02	37.95	428.58	89.46	115.99
11,201	5.01	5.93	498.47	421.67	30.87	4.89	447.65	50.82	77.72
11,201		1	512.95	132.98	52.85	ı	185.83	327.12	379.97
	4 23.40	385.79	10,838.65	5,374.52	899.26	283.87	5,989.91	4,848.74	5,826.52
Previous Year 11,902.02	2 417.52	1,118.50	11,201.04	5,150.61	1,180.64	956.73	5,374.52	5,826.52	6,751.41
- Intangible Assets :									
Trade Mark - Provogue 57.89	- 6	1	57.89	23.16	5.79	1	28.95	28.94	34.73
Computer Software 221.76	- 9	53.69	168.07	170.71	33.48	53.69	150.50	17.57	51.05
Total 279.65		53.69	225.96	193.87	39.27	53.69	179.45	46.51	82.78
Previous Year 276.95	5 2.70		279.65	154.01	39.86		193.87	82.78	122.94
Grand Total 11,480.69	9 23.40	439.48	11,064.61	5,568.39	938.53	337.56	6,169.36	4,895.25	5,912.30
Previous Year	7 420.22	1,118.50	11,480.69	5,304.62	1,220.50	956.73	5,568.39	5,912.30	6,874.35

Note: Gross Block deletion includes ₹ 68.76 lacs towards Fixed Assets at Daman Plant lost on account of fire. [Refer note 29(b)]

for the year ended 31st March, 2014

### **NOTE 12: NON-CURRENT INVESTMENTS**

		(₹ In Lacs)
Particulars	As at 31.03.2014	As at 31.03.2013
Non-Trade, Unquoted		
(Valued at cost unless stated otherwise)		
Equity Instruments		
Presage Technopower Private Limited	0.35	0.35
3,514 Equity Shares of ₹ 10 each fully paid up		
Preference Shares (Unquoted)		
Sneh Shares & Securities Private Limited		690.00
Nil (PY 40,00,000) 18% Non - cumulative Redeemable Preference		
Shares of ₹ 1 each fully paid up		
Ojas Industries Private Limited	-	710.00
Nil (PY 7,10,000) 7.5% Cumulative Redeemable Preference Shares of ₹ 100 each fully paid up		
Phenil Sugars Private Limited  Nil (PY 12,00,000) 6% Cumulative Redeemable Preference Shares of		1,603.00
₹ 100 each fully paid up	-	1,003.00
Nil (PY 2,38,000) 8.25% Cumulative Redeemable Preference Shares	-	327.00
of ₹ 100 each fully paid up		
Mount Overseas Private Limited		
25,00,000 Compulsory Convertible Preference Shares of ₹ 10/- each (₹ 8/-paid up)	200.00	200.00
(Cor-paid up)		
Sudarshan Procon Private Limited		
3,12,50,000 (PY 2,12,50,000) Compolsory Convertible Preference Shares of ₹ 10/- each (₹ 8/-paid up)	2,500.00	1,700.00
Solaris Developers Private Limited		
(3,75,000 (PY Nil) 0% Compulsory Convertible Preference Shares of ₹	600.00	-
10/- each ₹ 5/- paid up)		
Others		
Indian Real Opportunity Venture Capital Fund (Scheme: Milestone Domestic)	37.92	44.03
3792 (PY 4403) units of face value of ₹ 1,000 each fully paid up		
Non Trade, Quoted		
Investment in equity instruments		
Andhra Bank	4.05	4.05
(4,505 Shares of face value of ₹ 10 each fully paid up)		
Prozone Capital Shopping Centres Limited	5.00	5.00
2,50,000 Equity Shares of ₹ 2 each fully paid up		
Note:	3,347.32	5,283.43
Aggregate Value of Unquoted Investments	3,338.27	5,274.38
Aggregate Value of Quoted Investments	9.05	9.05
Market Value of Quoted Investments	41.13	63.05

for the year ended 31st March, 2014

### **NOTE 13: DEFERRED TAX ASSETS (NET)**

		(₹ In Lacs)
Particulars	As at	As at
	31.03.2014	31.03.2013
Deferred Tax Assets		
Fixed Assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	914.20	860.48
Provision for dobutful debts	27.18	27.18
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis.	20.35	30.44
Deferred Tax Assets (Net)	961.73	918.10

# NOTE 14: LONG-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

(₹ In Lacs) As at As at **Particulars** 31.03.2014 31.03.2013 Security Deposits 1,106.38 1,334.56 Capital advances 1,054.65 1,134.65 Loans and advances - To related parties 23.14 - To Others 2,310.69 2,333.83 Advance recoverable in cash or kind or for value to be received 2,967.59 Share Application Money 500.00 558.00 Other Loans and Advances Advance Tax & TDS (net of provision for tax) 328.49 CENVAT credit receivable 28.58 211.19 Input VAT receivable 60.26 36.92 417.33 248.11 6,045.95 5,609.15 Loans and advances to related parties includes: - Prozone Capital Shopping Centres Limited (Enterprise under 23.14 significant influence)

### **NOTE 15: CURRENT INVESTMENTS**

		(₹ In Lacs)
Particulars	As at	As at
	31.03.2014	31.03.2013
Unquoted Investments		
(Valued at lower of cost or fair value, unless stated otherwise)		
Investments in Mutual Funds		
106.23 (PY 116.53) units of DWS Short Maturity Fund	1,207.02	1,332.02
9289.40 (PY 4143.32) units of Reliance Money Manager Fund - CSD	91.91	41.49
3663 (PY 17,837) units of Reliance Short Term Fund - Dividend	36.68	178.62
	1,335.61	

for the year ended 31st March, 2014

### **NOTE 16: INVENTORIES**

		(₹ In Lacs)
Particulars	As at	As at
	31.03.2014	31.03.2013
(valued at lower of cost or net realisable value)		
Raw materials and components	21,579.76	20,505.97
Work-in-progress	38.20	136.16
Finished goods	8,250.36	7,955.77
Stock in trade	5,362.54	4,758.87
Accessories & packing materials	45.74	61.48
Promotional items	-	5.26
	35,276.60	33,423.51
		-

### **NOTE 17: TRADE RECEIVABLES**

(₹ In Lacs)

		(₹ In Lacs)
Particulars	As at	As at
	31.03.2014	31.03.2013
<u>Due for a period exceeding six months from the date they are due for payment (Unsecured)</u>		
Considered Good	6,057.31	7,339.35
Considered Doubtful	83.78	83.78
	6,141.09	7,423.13
Less: Provision for doubtful debts	83.78	83.78
	6,057.31	7,339.35
Other Debts (Unsecured, Considered Good)	27,841.57	23,186.20
Add: Share in Joint Venture	0.58	4.52
	33,899.46	30,530.07
Trade receivables due from related party includes:		
Empire Mall Private Limited (Enterprise under significant influence)	37.99	32.81

### NOTE 18: CASH & BANK BALANCES

(₹ In Lacs) **Particulars** As at As at 31.03.2014 31.03.2013 Cash and cash equivalents Balances with Banks: On current accounts 756.52 1,130.06 Cash on hand 9.89 38.06 Other bank balances Deposits with original maturity for more than 3 months but less than 1,149.70 1,248.46 12 months 634.37 Balance with banks to the extent held as margin money 684.11 2,600.22 3,050.95 Add: Share in Joint Venture 2.34 2.43 2,602.56 3,053.38

for the year ended 31st March, 2014

# NOTE 19: SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

(₹ In Lacs) **Particulars** As at As at 31.03.2014 31.03.2013 Loans and advances - others 23,880.08 13,030.40 Other Loans and Advances Loan to employees 42.75 53.59 Prepaid expenses 16.34 28.22 23,939.17 13,112.21 Loans and advances - others includes due from related parties: Prozone Capital Shopping Centres Limited (Enterprise under 94.81 3.48 significant influence)

### **NOTE 20: OTHER CURRENT ASSETS**

(₹ In Lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
Interest accrued	-	4.79
Export benefit receivable	994.70	732.20
	994.70	736.99

### NOTE 21: REVENUE FROM OPERATIONS (GROSS)

(₹ In Lacs)

		(VIII Lacs)
Particulars	Year ended	Year ended
	31.03.2014	31.03.2013
Revenue from operations (gross)		
Sale of products	80,319.92	76,475.86
Advertisement Sales-News Papers	97.91	97.91
Other operating revenue		
Export benefits & incentives	1,238.33	824.79
Gain on foreign exchange fluctuations (net)	1,030.67	589.27
Others	335.97	471.10
	83,022.80	78,458.93

### NOTE 22: OTHER INCOME

Particulars	Year ended	Year ended
	31.03.2014	31.03.2013
Interest income on		
- Bank deposits	77.19	64.72
- Loans & advances	1,771.40	1,305.19
- Others	2.63	_
	1,851.22	1,369.91
Dividend income on current investments	63.69	84.96
Liabilities no longer payable written back	-	52.00
Miscellaneous income	13.35	2.46
	1,928.26	1,509.33

for the year ended 31st March, 2014

### NOTE 23: COST OF MATERIALS CONSUMED

		(₹ In Lacs)
Particulars	Year ended	Year ended
	31.03.2014	31.03.2013
Raw Materials (Fabric)		
Opening stocks	20,505.97	17,363.37
Add: Purchases	39,641.40	27,884.43
	60,147.37	45,247.80
Less: Loss by fire [Refer note 29(b)]	200.08	-
Less: Closing stocks	21,579.76	20,505.97
	38,367.53	24,741.83
Accessories & Packing Materials		
Opening Stocks	61.48	56.70
Add: Purchases	164.90	200.02
	226.38	256.72
Less: Loss by fire [Refer note 29(b)]	54.23	-
Less: Closing Stocks	45.74	61.48
	126.41	195.24
	38,493.94	24,937.07

### NOTE 24: PURCHASES OF STOCK - IN - TRADE

(₹ In Lacs)

		(R IN Lacs)
Particulars	Year ended	Year ended
	31.03.2014	31.03.2013
Purchases of traded goods	29,891.63	34,556.58
Advertisement Purchases	145.26	95.99
	30,036.89	34,652.57
		-

### NOTE 25: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROCESS AND STOCK IN TRADE

		(₹ III Lacs)
Particulars	Year ended	Year ended
	31.03.2014	31.03.2013
Opening Stocks		
- Work in Process	136.16	248.67
- Finished Goods	7,955.77	8,741.19
- Stock in trade	4,758.87	4,034.96
	12,850.80	13,024.82
Less: Loss by fire [Refer note 29(b)]		
- Work in Process	78.65	-
- Finished Goods	1,013.72	-
- Stock in trade	202.50	-
	1,294.87	-
Less: Closing Stocks		
- Work in Process	38.20	136.16
- Finished Goods	8,250.36	7,955.77
- Stock in trade	5,362.54	4,758.87
	13,651.10	12,850.80
	(2,095.17)	174.02

for the year ended 31st March, 2014

### NOTE 26: EMPLOYEE BENEFITS EXPENSES

(₹	ln	Lacs

		(111 Laco)
Particulars	Year ended	Year ended
	31.03.2014	31.03.2013
Salaries, wages & bonus	1,376.17	1,535.45
Directors' remuneration	216.00	216.00
Contribution to provident & other funds	77.35	68.23
Workmen & staff welfare expenses	45.34	56.11
	1,714.86	1,875.79

### NOTE 27: FINANCE COSTS

(₹ In Lacs)

		(\ III Lacs)
Particulars	Year ended	Year ended
	31.03.2014	31.03.2013
Interest expense on bank loans	3,687.23	3,569.08
Interest on other loans	1,046.29	24.94
Other borrowing costs	402.24	367.07
Bank charges	60.49	92.56
	5,196.25	4,053.65

### NOTE 28: OTHER EXPENSES

		(₹ In Lacs)
Particulars	Year ended	Year ended
	31.03.2014	31.03.2013
Processing charges	3,422.65	2,960.95
Power & fuel	6.76	19.97
Rent (Net)	1,170.61	1,827.15
Rates and taxes	111.82	91.62
Insurance	46.08	51.98
Repairs and maintenance		
- Building	0.08	0.21
- Plant and machinery	17.76	27.84
- Others	67.16	129.82
Electricity charges	217.94	304.91
Security charges	5.24	3.59
Housekeeping charges	6.13	6.54
Common area maintenance expenses	213.97	353.12
Studio expenses	51.60	96.60
Printing & stationery	27.76	29.32
Communication costs	75.41	95.89
Legal & professional fees	122.18	148.79
Travelling & conveyance	230.16	261.89
Brokerage & commission	299.27	314.41
Advertisement & business promotion expenses	374.34	728.18
Customer relation expenses	1.04	9.28
Auditors' remuneration	21.92	53.06
Transportation, freight & handling charges	1,544.52	1,051.16
Sales Tax/VAT	347.25	462.11
Loss on sale of current investments	_	0.10
Loss on sale/discard of fixed assets	84.44	155.77

for the year ended 31st March, 2014

(₹ In Lacs)

Particulars	Year ended	Year ended
	31.03.2014	31.03.2013
Provision for doubtful debts	-	40.02
Bad debts written off	151.27	20.07
Miscellaneous expenses	131.19	224.14
	8,748.55	9,468.49

### **NOTE 29: EXCEPTIONAL ITEMS**

(₹ In Lacs)

Particulars	Year ended 31.03.2014	
Prior period expenses	(0.30)	80.96
Advances written off [refer note (a) below]	929.80	_
Loss caused due to fire [refer note (b) below]	1,563.53	
	2,493.03	80.96

- a) During the earlier years, the Company had advanced a sum of ₹ 1,100.00 lacs to a Media Company to be utilised against the release of the advertisements of the Company. However the Company could not fully utilize the said amount as stipulated in the terms due to various reasons. In view of the management an amount outstanding ₹ 9,29.80 lacs as on 31.03.2014 in respect of said advance is not recoverable/utilisable and hence the same has been written off during the year.
- b) A major fire occurred in February 2014 at one of the Company's Plant located at Daman. Fixed assets of written down value of ₹ 14.35 lacs and stocks valuing ₹ 1549.18 lacs aggregating to ₹ 1563.53 lacs were destroyed in the fire. The assets were fully insured and claim has been duly lodged by the Company. The Company would account for the claim as and when determined by the insurance company.

### **NOTE 30: EARNINGS PER EQUITY SHARE**

In accordance with Accounting Standard 20- Earning Per Share prescribed by The Institute of Chartered Accountants of India, the computation of earning per share is set out below:

Particulars			Year ended 31.03.2013
i)	Weighted average number of Equity Shares of ₹ 1 each		
	a) Number of shares at the beginning of the year	1,143.57	1,143.57
	b) Number of shares at the end of the period	1,143.57	1,143.57
	c) Weighted average number of shares outstanding during the year	1,143.57	1,143.57
ii)	Net Profit \ (Loss) after tax available for equity shareholders	(524.72)	2,022.23
iii)	Basic Earning per share (in ₹)	(0.46)	1.77
iv)	Diluted Earning per share (in ₹)	(0.46)	1.77

for the year ended 31st March, 2014

### NOTE 31: ACCOMPANYING NOTES TO ACCOUNTS

A) Companies considered in the consolidated financial statement are: Subsidiaries:

Name of Company	Date of Becoming Subsidiary	Country of Incorpo- ration"	Power held As on	% Voting Power held As on 31.03.2013
Sporting and Outdoor Ad Agency Private Limited	15-Jan-08	India	50.00 +2 Shares	50.00 +2 Shares
Pronet Interactive Private Limited.	07-Nov-07	India	50.23	50.23
Millennium Accessories Private Limited	24-Mar-08	India	100.00	100.00
Profab Fashions (India) Limited	20-Feb-08	India	100.00	100.00
Provogue Infrastructure Private Limited	10-Jul-08	India	100.00	100.00
Flowers, Plants & Fruits Private Limited	06-Feb-09	India	100.00	100.00
Faridabad Festival City Private Limited	14-Sep-07	India	73.00	73.00
Acme Advertisements Private Limited	01-Apr-09	India	100.00	100.00
BrightLand Developers Private Limited.	10-Jan-11	India	100.00	100.00
Classique Creator Private Limited	18-Aug-11	India	100.00	100.00
Proskins Fashions Limited (formerly known as Prozone Infrastructure Limited)	23-Jul-11	India	100.00	100.00
Provogue Personal Care Private Limited	26-Jul-13	India	51.00	-
Elite Team HK Ltd.	01-Jun-09	Hong Kong	100.00	100.00
Provogue Holding Ltd	02-Sep-08	Singapore	100.00	100.00
Standard Mall Private Limited (Held through Provogue Infrastructure Private Limited)	15-Mar-12	India	100.00	100.00

### **Joint Ventures:**

Name of Company	Country of Incorpo- ration	Power held As on	0
ProSFL Private Limited	India	50.00	50.00

### B) Contingent Liabilities and Commitments (to the extent not provided for):

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 970.00 Lacs (PY ₹ 1240.00 Lacs)
- b) Uncalled liability on investments in preference shares partly paid ₹ 1,275.00 lacs (PY ₹ 425.00 Lacs)
- c) Sales Tax Liability contested in appeals ₹ 64.51 Lacs (PY ₹ 64.51 Lacs)
- d) Stamp Duty Liability not acknowledged as debt ₹ 10.00 Lacs. (PY ₹ 10.00 Lacs)
- e) "Disputed demand of income Tax ₹ 1798,88 lacs (interest thereon not ascertainable at present) During the year, Income Tax Authorities have completed block assessment for the assessment years 2006-07 to 2012-13 in respect of the Income Tax Returns filed by the Company consequent to search and seizure operations carried out in the Financial Year 2011-12. The Tax Authorities has raised a demand of ₹ 1798.88 lacs against which the Company has preferred an appeal. The management is of the view that it will be able to obtain substantial relief from the appellate authorities and accordingly this demand is reflected as a contingent liability.
- f) Service Tax Liability amounting to ₹ 279.47 lacs on the renting of Immovable Properties from June01, 2007 to September 30,2011 (The Company has deposited ₹ 139.73 lacs and has furnished solvency surety for the balance ₹ 139.74 lacs pursuant to the Interim Order dated October 14,2011 passed by the Hon'able Supreme Court of India).

# for the year ended 31st March, 2014

#### C) Employees Defined Benefits:

The principal assumptions used in the actuarial valuation of Gratuity are as follows:-

		(₹ In Lacs)
Discount rate	9.10%	8.20%
Expected rate of return	9.25%	8.00%
Expected rate of future salary increase	5.10%	5.00%

#### Changes in present value of obligations:

(₹ In Lacs)

Particulars		
Present value of obligation as at the beginning of the year	45.44	45.25
Interest Cost	3.66	3.50
Current Service Cost	10.51	10.91
Past Service Cost	0.03	-
Benefits paid	(2.96)	(4.33)
Actuarial (Gain)/Loss on obligations	(15.09)	(9.89)
Present Value of obligation as at the end of the year	41.59	45.44

#### Liability recognised in the Balance Sheet:

(₹ In Lacs)

		(\ III Lacs)
Particulars	Year ended 31.03.2014	
Present value of obligation as at the end of the year	41.59	45.44
Fair Value of plan assets as at the end of the year	10.30	13.49
Unfunded status	31.29	31.95
Unrecognized Actuarial (Gain)/ loss	-	-
Net (Assets)/ Liability recognized in the Balance Sheet	31.29	31.95
- Non Current (Assets)/ Liability	16.90	20.08
- Current (Assets)/ Liability	14.39	11.87

#### **Expenses recognized in the Profit and Loss Account:**

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Current Service Cost	10.51	10.91
Past Service Cost	0.03	
Interest Cost	3.66	3.50
Expected return on plan assets	(0.19)	-
Actuarial (Gain)/Loss on obligations	(15.09)	(9.89)
Actuarial (Gain)/Loss on plan assets	(1.00)	(8.58)
Total Expenses recognized in the Statement of Profit and Loss	(2.08)	(4.06)

# for the year ended 31st March, 2014

#### D) Segment Reporting:

The Segment Reporting of the Company had been prepared in accordance with Accounting Standard – 17 on "Segment Reporting" issued by the Companies (Accounting Standards) Rules, 2006.

The Company, based on business activities during this financial year has identified the geographic segments as its primary segment.

The primary segment reporting format is determined to be geographic segment as the company's risks and rates of returns are affected predominantly by the geographic distribution of activities.

		(₹ In Lacs)
Particulars	As at	As at
	31.03.2014	31.03.2013
1. Segment Revenue		
a. Domestic	41,447.11	32,018.53
b. Exports	41,612.34	46,575.75
	83,059.46	78,594.28
Less: Intersegment Revenue	36.66	260.03
Gross Sales/Income from Operations	83,022.80	78,334.25
2. Segment Results		
Profit/(Loss) before tax and interest for each segment		
a. Domestic	5,152.98	6,711.61
b. Exports	4,607.44	4,207.22
Sub Total	9,760.42	10,918.84
Less: i) Finance costs	5,196.25	4,053.65
ii) Un-allocable expenses (net of income)	5,139,99	3,484,66
Total Profit/(Loss) before Tax	(575.82)	3,380.53
Less: Tax Expenses	82.65	1,431.86
Net Profit	(658.47)	1,948.67
Capital Employed (Segment Assets - Segment Liabilities)     a. Domestic     b. Exports	37,401.84 12,457.89	34,227.93 11,608.02
Unallocated Capital Employed	7,208.09	11,529.35
Total	<b>57,067.82</b>	57,365.30
	07,007102	01,000100
4. Other segment information :		
a. Depreciation & Amortisation expense :		
i) Domestic	658.57	899.69
ii) Exports	44.69	49.79
iii) Unallocated	235.26	271.03
Total	938.53	1,220.50
b. Capital Expenditure :		
i) Domestic	17.60	112.60
ii) Exports	5.80	301.71
iii) Unallocated	-	5.91
Total	23.40	420.22

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 and Assets are given.

for the year ended 31st March, 2014

#### E) Related Party Disclosure:

As required under Accounting Standard 18 "Related Party Disclosure" (AS-18), following are details of transactions during the year with the related parties of the Company as defined in AS 18:

#### For the year ended 31st March, 2014

#### a) List of Related Parties and Relationships:

#### i) 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

#### ii) Enterprises under significant influence

Acme Exports

Prozone Capital Shopping Centres Limited

Empire Mall Private Limited

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

#### i) Sale/Purchase of goods and services

(₹ In Lacs)

Particulars	Sale of Services		due to Related	Amount due from Related Parties
Enterprises under significant influence				
Empire Mall Private Limited		13.19	20.18	-
Acme Exports	-	-	0.25	-
Prozone Capital Shopping Centres Limited	120.00	-	-	3.48

#### iii) Loans given and repayment thereof

Particulars	Loans Given	Received Back	Interest Accrued	
Enterprises under significant influence				
Prozone Capital Shopping Centres Limited	-	23.14	-	-

for the year ended 31st March, 2014

#### iv) Remuneration to Key Management Personnel

(₹ In Lacs)

Particulars	Remuneration
Key Management Personnel	
Mr. Nikhil Chaturvedi	36.00
Mr. Akhil Chaturvedi	60.00
Mr. Deep Gupta	60.00
Mr. Rakesh Rawat	60.00

#### II) For the year ended 31st March, 2013

#### a) List of Related Parties and Relationships:

#### i) 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

#### ii) Enterprises under significant influence

Acme Exports

Prozone Capital Shopping Centres Limited

Empire Mall Private Limited

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

#### i) Sale/Purchase of goods and services

Particulars	Sale of Services	_	due to Related	Amount due from Related Parties
Enterprises under significant influence				
Empire Mall Private Limited	97.91	0.57	10.16	32.81
Acme Exports	-	-	-	0.25
Prozone Capital Shopping Centres Limited	120.00	-	-	-
		***************************************		

for the year ended 31st March, 2014

#### ii) Loans taken and repayment thereof

	(₹ In Lacs)
Particulars	Amount due to Related Parties
Key Management Personnel :-	
Mr. Salil Chaturvedi	0.15

#### iii) Loans given and repayment thereof

(₹ In Lacs)

Particulars		Given	Received Back	Interest Accrued	
Enterprises under significant influence					
Prozone Capital Shopping Centres Limited	54.54	61.48	-	23.14	

#### iv) Remuneration to Key Management Personnel

Particulars	Remuneration
Key Management Personnel	
Mr. Nikhil Chaturvedi	36.00
Mr. Akhil Chaturvedi	60.00
Mr. Deep Gupta	60.00
Mr. Rakesh Rawat	60.00

**F)** The Company has taken premises on operating lease by and entered into non-cancellable Leave and License Agreements with various parties. The agreements have been entered for a period ranging from 11 to 36 months. The disclosure required to be made in accordance with Accounting Standard 19 on "Leases" is as under:

#### i. Assets taken on operating lease:-

a) Future minimum lease payments under non-cancellable operating leases for the following periods:

		(* =6.55)
Particulars	As at 31.03.2014	As at 31.03.2013
Not later than one year	366.60	792.49
Later than one year and not later than five years	468.50	857.80
Later than five years	Nil	Nil

b) Initial direct costs incurred on these leasing transactions have been recognised in the Profit and Loss Account.

## for the year ended 31st March, 2014

- **G)** Figures less than ₹ 500/- have been shown at actuals wherever statutory required to be disclosed since figures have been rounded off to the nearest thousands
- **H)** The Company has re-grouped, reclassified and/or re-arranged previous year's figures, wherever necessary to conform to current year's classification.

As per our report of even date attached

For Ajay Shobha & Co. For and on behalf of the Board

Chartered Accountants

Ajaykumar Gupta

Nikhil Chaturvedi

Deep Gupta

Managing Director

Whole time Director

Partner Managing Director Whole-time Director

Mem. No.: 53071

Place : Mumbai Ajayendra P. Jain
Date : 29th May 2014 Company Secretary

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

JERAL EXEMPTION RECEIVED UNDER SECTION 212(8) OF THE COMPANIES	
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S. No.	Subsidiary Company	Note	Note Reporting Exchange Currency Rate	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Inves en en	tments Turnover (Except (Including Investm other tin sub Income)	tay t	rofit / Tax (Loss) Expense oefore kation	Profit/ (Loss) after taxation	Proposed dividend
-	Brightland Developers Private Limited	-	N.	1.00	1.00	(3.13)	67.68	69.81	1	1	(0.26)	'	(0.26)	1
2	Pronet Interactive Private limited	-	INR	1.00	19.91	(3.86)	16.53	0.48	16.35	ı	(0.14)	1	(0.14)	1
က	Profab Fashions (India) Limited	Τ	INR	1.00	45.00	446.30	516.02	24.72	I	-	(0.17)	2.94	(3.11)	
4	Classique Creators Limited	-	M	1.00	5.00	(0.51)	4.66	0.17	ı	-	(0.16)	1	(0.16)	1
2	Provogue Infrastructure Private Limited	_	INR	1.00	451.00	5,574.35	7,490.13	1,464.78	1,382.98	97.01	91.87	31.90	59.97	
9	Flowers Plant & Fruits (India) Private Limited	_	N.	1.00	1.00	136.97	138.98	1.01	ı	ı	(1.25)	0.01	(1.26)	1
7	Standard Mall Private Limited	2	INR	1.00	2.00	(14.30)	136.46	145.76	1	ı	(0.18)	1	(0.18)	1
∞	Acme Advertisements Private Limited	Τ	NR	1.00	1.00	16.55	88.01	70.46	I	150.00	1.79	1.58	0.21	
6	Faridabad Festival City Private Limited	-	INR	1.00	56.35	126.98	545.47	362.14	1	191.83	(46.42)	1	(46.42)	-
10	Millennium Accessories Limited	_	INR	1.00	155.00	814.84	13,758.53	12,788.69	ı	1,380.47	(416.26)	0.08	(416.34)	1
Ξ	Sporting and Outdoor Ad Agency Private Limited	-	N R	1.00	83.62	(183.11)	143.26	242.75	ı	ı	(0.32)	1	(0.32)	1
12	Elite Team (HK) Limited (Hongkong)	_	HZ HZ	7.74	327.04	3,189.26	12,106.43	8,590.13	1	20,578.81	698.49	31.64	666.85	1
13	Provogue Holding Limited (Singapore)	-	SGD	47.69	4.44	(4.44)	1	1	1	1	1	1	1	1
14	Prozone Infrastructure Limited	_	IN	1.00	2.00	(0.58)	4.58	0.16	ı	I	(0.17)	ı	(0.17)	
15	Provogue Personal Care Private Limited	-	RN	1.00	1.96	(246.91)	4,128.09	4,373.04	1	405.45	(246.64)	0.27	(246.91)	

# Notes:

- Held through Provogue India Limited − 0 0 4
- Held through Provogue Infrastructure Private Limited
- Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31.03.2014
  - Tax expense includes deffered tax and MAT

# For and on behalf of the Board

Nikhil Chaturvedi Managing Director Date: 29th May, 2014 Place: Mumbai

Deep Gupta

Ajayendra P. Jain

#### **FORM NO. MGT - 11 PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

### **PROVOGUE (INDIA) LIMITED**

CIN: L18101MH1997PLC111924

Regd. Office: Provogue House, 105/106 Off New Link Road, Andheri (W), Mumbai 400 053 India Ph: 91-22-30680560, Fax: 91-22-30680570, Email: investorservice@provogue.com, Website: www.provogue.com

Name	me of The Member : Registered Address:				
Folio	No/ Client id	DPID	Email ID		
I/We,	being the member(s) of	shares of th	ne above named company	hereby appoint	
1. N	lame:				
А	ddress				
Е	mail Id		Signature	, or failing him	
2. N	lame:				
А	ddress				
Е	mail ld		Signature	, or failing him	
3. N	lame:				
А	ddress				
Е	mail Id		Signature		
as my	/our proxy to attend and vote	e (on a poll) for me/us and or	n my/our behalf at the 18tl	h Annual general meeting of the company,	
				Club, Behind Infinity Mall, New Link Road,	
Anane	eri (W), Mumbai - 400 053 and	at any adjournment thereof	in respect of such resoluti	ons as are indicated below:	
Res.	Description				
1		dopt the audited Balance She ded on that date along with th		, the Profit & Loss Account and Cash Flow s' and Auditors' thereon.	
2	To appoint a Director in pla for re-appointment.	ace of Mr. Deep Gupta (DIN:	00004788), who retires by	y rotation and being eligible, offers himself	
3	To appoint Statutory Audit	ors and fix their remuneratior	1		
4	Appointment of Mr. Hetal I	Hakani as an Independent Di	rector of the Company.		
5	Appointment of Mr. Dinesh	n Arya as an Independent Dire	ector of the Company.		
6	Borrowing limits of the Co	npany			
7	Creation of mortgage and c	harge over the properties of th	e Company pursuant to sec	ction 180(1)(a) of the Companies Act, 2013.	
8	Payment of Remuneration	to the Cost Auditors.			
9		uneration by Provogue Person lequacy of profit in subsidiary o		S to Mr. Akhil Chaturvedi appointed as Whole	
Signe	d this	day of	2014	Affix One	
	ture of the shareholder	•		Rupee Revenue Stamp	
	ature of the Proxy Holder(s)			Signature across Revenue Stamp	

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

## **PROVOGUE (INDIA) LIMITED**

CIN: L18101MH1997PLC111924

Regd. Office: Provogue House, 105/106 Off New Link Road, Andheri (W), Mumbai 400 053 India Ph: 91-22-30680560, Fax: 91-22-30680570, Email: investorservice@provogue.com, Website: www.provogue.com

# 18th Annual General Meeting ATTENDANCE SLIP

No. Of shares held
ng of the Company held at Eden Hall, The Classique Club, Behind Infinity p.m. on Tuesday, 30th September, 2014.
(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.

#### FORM NO. MGT- 12 POLLING PAPER

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

## **PROVOGUE (INDIA) LIMITED**

CIN: L18101MH1997PLC111924

Regd. Office: Provogue House, 105/106 Off New Link Road, Andheri (W), Mumbai 400 053 India Ph: 91-22-30680560, Fax: 91-22-30680570, Email: investorservice@provogue.com, Website: www.provogue.com

Sr. No	Particulars	Details
1	Name of the first named Shareholder (In Block Letters)	
2	Postal address	
3	Registered Folio No./ *Client ID No. (*applicable to investors holding shares in dematerialized form)	
4	Class of Share	
-	exercise my vote in respect of Ordinary/Spec	ial Resolutions enumerated below by recording my assent or dissent to the said
No	Item No.	No. of Shares   Lassent to the   I dissent from the

No	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1	To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014, the Profit & Loss Account and Cash Flow Statement for the year ended on that date along with the Reports of the Directors' and Auditors' thereon.			
2.	To appoint a Director in place of Mr. Deep Gupta (DIN: 00004788), who retires by rotation and being eligible, offers himself for re-appointment.			
3.	To appoint Statutory Auditors and Fix their remuneration.			
4.	Appointment of Mr. Hetal Hakani as an Independent Director of the Company.			
5.	Appointment of Mr. Dinesh Arya as an Independent Director of the Company.			
6.	Borrowing Limits of the company.			
7.	Creation of mortgage and charge over the properties of the Company pursuant to section 180(1)(a) of the Companies Act, 2013.			
8.	Payment of Remuneration to the Cost Auditors.			
9.	Approval of payment of remuneration by Provogue Personal Care Private Limited, WOS to Mr. Akhil Chaturvedi appointed as Whole time Director in case of inadequacy of profit in subsidiary company			

	time Director in case of inadequacy of profit in subsidiary company.		
Place:			
Date:			
			e of the Shareholder

## PROVOGUE (INDIA) LIMITED

# **Registered Office**

105/106, Provogue House, Off New Link Road, Andheri (W), Mumbai - 400 053 Tel: +91 (22) 3065 3111

+91 (22) 3065 3222 Fax: +91 (22) 3068 0570

# Email

investorservice@provogue.com

## Website

www.provogue.com

# Concept & Design

spakcomm.com

#### Printed

sapprints.com



# **PROVOGUE**

# Provogue (India) Ltd.

Regd. Office: 105/106, Provogue House, Off New Link Road, Andheri (w), Mumbai - 400053. India

Tel.: +91 22 30653111/222 | Fax : +91 22 30680570

Email:investorservice@provogue.com Website: www.provogue.com, CIN: L18101MH1997PLC111924

# Form A Format of covering letter of Annual Audit Report to be filed with Stock Exchanges

		D (L. dia) I insite d			
1.	Name of the Company	Provogue (India) Limited			
2.	Annual financial statements	31st March 2014			
	for the year ended				
3.	Type of Audit qualification	Matter of Emphasis: Abstract from Auditor's Report (point no. 7)			
		a) Note 31(A)(h) to the financial statements regarding non-provision			
		of service tax for the period from June 01, 2007 to September 30,			
		2011 on rent on immovable properties taken for commercial use			
		by the Company, aggregating Rs. 279.47 Lacs, pending final			
,		disposal of the appeal filed before the Hon'ble, Supreme Court.			
		The matter is contingent upon the final outcome of litigation.			
		b) Note 31(B) to the financial statements regarding the Company's			
		financial involvement (equity capital and loans) aggregating Rs.			
		220.76 Lacs in Sporting & Outdoor Ad-Agency Private Limited, a			
		subsidiary Company. The Company considers no provision for			
	,	any loss is currently necessary for the reasons stated in the note.			
"		Our opinion is not qualified in respect of the above matters.			
		·			
		Management reply: Please refer note nos. 31(A)(h) and 31(B) of			
		'Note to Accounts' forming part of Annual Accounts for the financial			
		year under consideration, which are self explanatory in nature and			
		justify the reason of adoption of such practice by the Company.			
		Moreover such observation is not amounting to any qualification to			
		the Accounts by the Auditors of the Company.			
4.	Frequency of qualification	First time appeared in Financial year ended on 31st March 2013. It is			
		second year of this observation made by Auditor.			
5.	To be signed by-				
	Whaterved Therstanto				
	L'ANAMATA L'ANAM	Dupsapa			
	Nikhil Chaturvedi	Deep Gupta			
	Managing Director	Chief Financial Officer			
F	or AJAY SHORHA & CO.				
	Chartered Adequatants				

Dinesh Arya

Chairman-Audit Committee

Ajaykumyr Guptra)

Partner- Panto Shobha & Co.