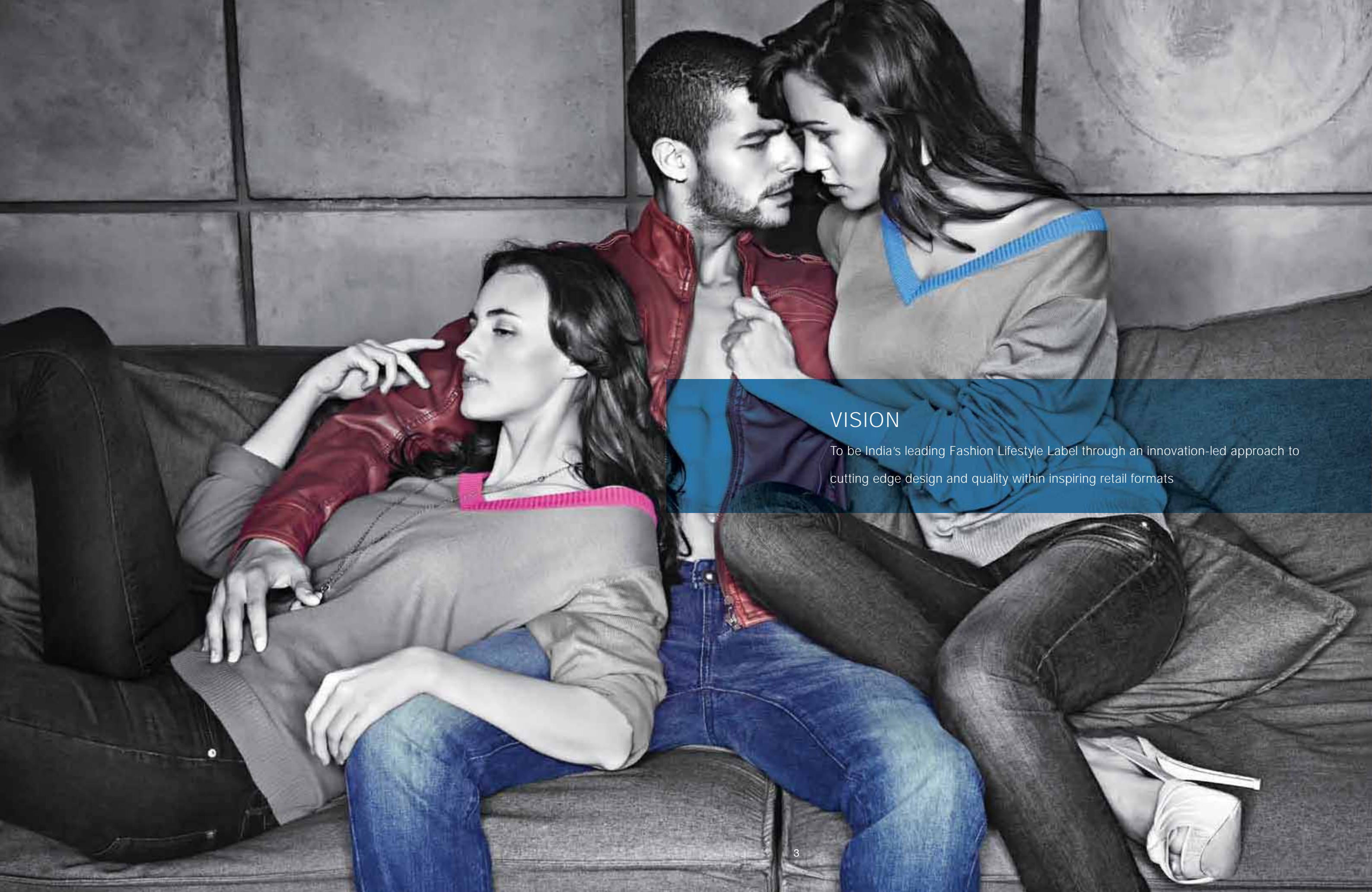




PROVOGUE

ENGINEERED FASHION



VISION

To be India's leading Fashion Lifestyle Label through an innovation-led approach to cutting edge design and quality within inspiring retail formats

CONTENTS

05	ENGINEERED FASHION
06	LETTER TO SHAREHOLDERS
08	BOARD OF DIRECTORS
10	CORPORATE INFORMATION
13	PROVOGUE BRAND DNA
14	OUR BUSINESS PHILOSOPHY
16	BUSINESS UPDATE 2013
22	FINANCIAL HIGHLIGHTS
24	CORPORATE SOCIAL RESPONSIBILITY
26	FINANCIAL SECTION
27	NOTICE
31	DIRECTORS' REPORT
35	MANAGEMENT DISCUSSION & ANALYSIS
38	CORPORATE GOVERNANCE REPORT
46	STANDALONE AUDITORS' REPORT
50	STANDALONE FINANCIAL STATEMENTS
82	CONSOLIDATED FINANCIAL STATEMENTS





ENGINEERED FASHION

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 recalled labels in the country, across all consumer brands. Provogue was recognised in January 2013 in a survey by the Economic Times as one of the top 100 most exciting brands in India across all categories amongst India's youth consumers.

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 pan India.

Co-branding tie-ups and new Licensing agreements are under development to fully exploit the potential of Provogue as a lifestyle and fashion brand across India's youth market, which is the main driver behind the India's economic consumption story.

LETTER TO SHAREHOLDERS

Dear Fellow Shareholders

It gives me great pleasure to apprise you of our performance in the past year and to inform you of a series of initiatives that are underway to build a robust future for our brand.

Retail Market Backdrop

It has been a challenging year for the fashion and lifestyle retail sector. Although India's long term consumption story remains positive and intact, in the short term high inflation at over 10%, combined with uncertainty over the global economy and its impact on India, plus a falling Indian rupee, has resulted in a slowdown of consumer spending. All retailers are feeling the pinch as India's value conscious customers seek lower price points for staple purchases such as clothing and accessories.

100% FDI in single brand retail has also encouraged a lot of new entrants from abroad making the domestic fashion market more competitive with more offers chasing a shrunk-down consumer wallet. Quality retail real estate remains in short supply, forcing rents upward and retailers also bear the burden of relatively higher utilities costs, driven by rising fuel prices, which also affects CAM charges.

Nevertheless the Retail sector is one of the pillars of the modern Indian economy and accounts for about 15% of GDP. The total Indian retail market is estimated as US\$ 490 billion and forecast to grow to \$1,000 billion by 2020 making it one of the top 5 retail markets in the world by economic value and growth indices.

History has proven that companies capable of re-engineering their business strategy to remain healthy in a downturn economic cycle are those that emerge as new leaders. We therefore see this as an opportunity to accelerate a series of new initiatives.

New Business Model

Youth is the trustee of prosperity and our modern society is an 'earn and spend' culture unlike the previous generations. India has 25% of the world's youth under 25, with 54% of India below 25 years and 72% below 35 years.

In January 2013, Provogue was ranked amongst India's top 100 most exciting brands (#75) across all categories through a survey conducted amongst

India's youth by AC Nielsen for the Economic Times. Provogue's strong brand equity pan India is enabling us to leverage several new growth opportunities for a robust future.

In parallel, we are improving efficiencies throughout our operations by continued investment in leading information technology and improved systems.

6 key initiatives are underway:

1. Repositioning the Fashion Collections and Retail Experience to align with our youthful target customer. The upcoming Spring Summer '14 collection will unveil new designs and fabrics to resonate with India's global youth market. Many of our Provogue Studios have already been refurbished with a contemporary black look, which has significantly increased footfalls.

2. Focus on Franchising and Distribution to reach out to more markets effectively. A new franchising formula to attract India's best regional entrepreneurs to the Provogue brand combined with special collections more relevant to the MBO retail segment are under development and being aggressively ramped up.

3. FMCG Personal Grooming Business. The launch of Provogue's Deodorant range last year has met with a strong reception from General Trade (GT) and Modern Trade (MT) retailers. Deodorants are now available at more than 60,000 retail outlets across India and we plan to increase distribution by 4 times in the next 2 years to capitalize on the demand. In addition we plan to launch other categories of Personal Grooming products over the next few years that can be retailed through the same channels.

4. Provogue Innerwear Range for Men has been developed and will launch through GT and MT channels in FY14. This is a perfect fit with our brand DNA and research suggests that Innerwear can grow into a significant new business vertical within a few years.

5. The Institutional Business Division has been successfully incubated for 2 years and is now poised to deliver high growth. Our corporate client base is expanding and we've also entered the high volume Canteen Store Department (CSD) market that traditionally delivers consistent revenues year on year.

“Provogue's strong brand recall amongst youthful consumers is enabling us to leverage several new growth opportunities for a robust future

6. Provogue.com, our online ecommerce portal, has been soft-launched and the final launch is planned for the end of this financial year. Early stage operations are exceeding our expectations. Provogue products can now be delivered to over 15,000 pin codes in India enabling us to reach out to every potential Provogue customer in the country. Against the backdrop of a surge in ecommerce retailing in India, we see this as a big opportunity when considering the performance of global companies that have invested in online retail in more mature markets.

These initiatives are each being driven by dedicated teams motivated to achieve high goals within specific timing milestones and I'm confident that we will see a huge uplift in results as we go forward.

Financial Performance

We closed FY13 with total operating revenues of INR 783 crores, practically the same as the previous year (INR 788 crores) and PAT of INR 19.5 crores just marginally down from last fiscal (INR 20 crores). This 'steady state' reflects the challenging market conditions of the period.

As detailed above, the new initiatives underway plus a rigorous improved efficiency program will start to deliver results this year and you will see this come through in improved metrics in the future.

In Appreciation

We are all working hard to optimize performance against the backdrop of a challenging economic climate and I'm confident that our 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. I want to assure our customers of our commitment to excellence in meeting their needs. We will continue to drive Provogue to be the most sought after fashion & lifestyle label in the country.

Sincerely,

Nikhil Chaturvedi
Managing Director



BOARD OF DIRECTORS



NIKHIL CHATURVEDI
Founder and Managing Director, Nikhil is a visionary and hands-on leader, who inspires the organisation with a passion for excellence and single-mindedness to build shareholder value which is his driving force



SALIL CHATURVEDI
Co-Founder, Salil leads the strategic direction of the Company. He stewards the evolution of the Provogue Brand and is responsible for all business extensions into other high growth sectors



DEEP GUPTA
Co-Founder, Deep leads finance, administration and legal teams for the company, involving the development of human resources, information technology, investment policy and new product category incubation



AKHIL CHATURVEDI
Akhil leads the new FMCG vertical, driving future expansion plans, product category development, sales and operations including retail product and channel initiatives and FMCG media strategy



RAKESH RAWAT
Rakesh leads the international trade division involving market development, product design, sourcing and execution as well as the health, safety and environmental initiatives of the Company



NIGAM PATEL
Nigam leads Provogue's key account relationships to include expansion of the national retail footprint and development of new retail partnerships and nurtures the Brand's communication both within and external to the Company

INDEPENDENT DIRECTORS

ARUN BHARGAVA
Mr Bhargava is retired from the Indian Civil Services and holds a bachelors degree in science and law. He held various positions in the Government sector over a career spanning 39 years including membership of the Central Board of Direct Taxes (CBDT). Subsequently, he became a Member of the Securities Appellate Tribunal (SAT). The Company benefits significantly from his advice and experience

PUNIT GOENKA
Mr. Goenka, Director of Essel Group, is the CEO of Zee Entertainment Limited and manages one of India's most successful TV and Media businesses. He has an extensive and diversified background in the areas of media, entertainment, and telecommunications across global markets. He brings a fresh and valuable contribution to the Board.

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

CORPORATE INFORMATION

Board of Directors

Mr Nikhil Chaturvedi	Managing Director
Mr Salil Chaturvedi	Non Executive Director
Mr Deep Gupta	Whole Time Director
Mr Akhil Chaturvedi	Whole Time Director
Mr Nigam Patel	Non Executive Director
Mr Rakesh Rawat	Whole Time Director
Mr Arun Bhargava	Independent Director & Chairman
Mr Punit Goenka	Independent Director
Mr Amitabh Taneja	Independent Director

Company Secretary

Mr Ajayendra P Jain

Statutory Auditors

Singrodia Goyal & Co
Chartered Accountants
4A, Kaledonia-HDIL, 2nd Floor,
Sahar Road, Near Andheri Station,
Andheri (East), Mumbai, 400069, India

Bankers

Andhra Bank
Corporation Bank
Central Bank of India
Punjab National Bank
Bank of India

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 aspirational products and efficient solutions is the essence of Provogue - a continuous cycle introducing cutting-edge designs, developing new categories, enhancing the in-store consumer experience and extending reach to new markets.

INDIA'S CONSUMPTION STORY

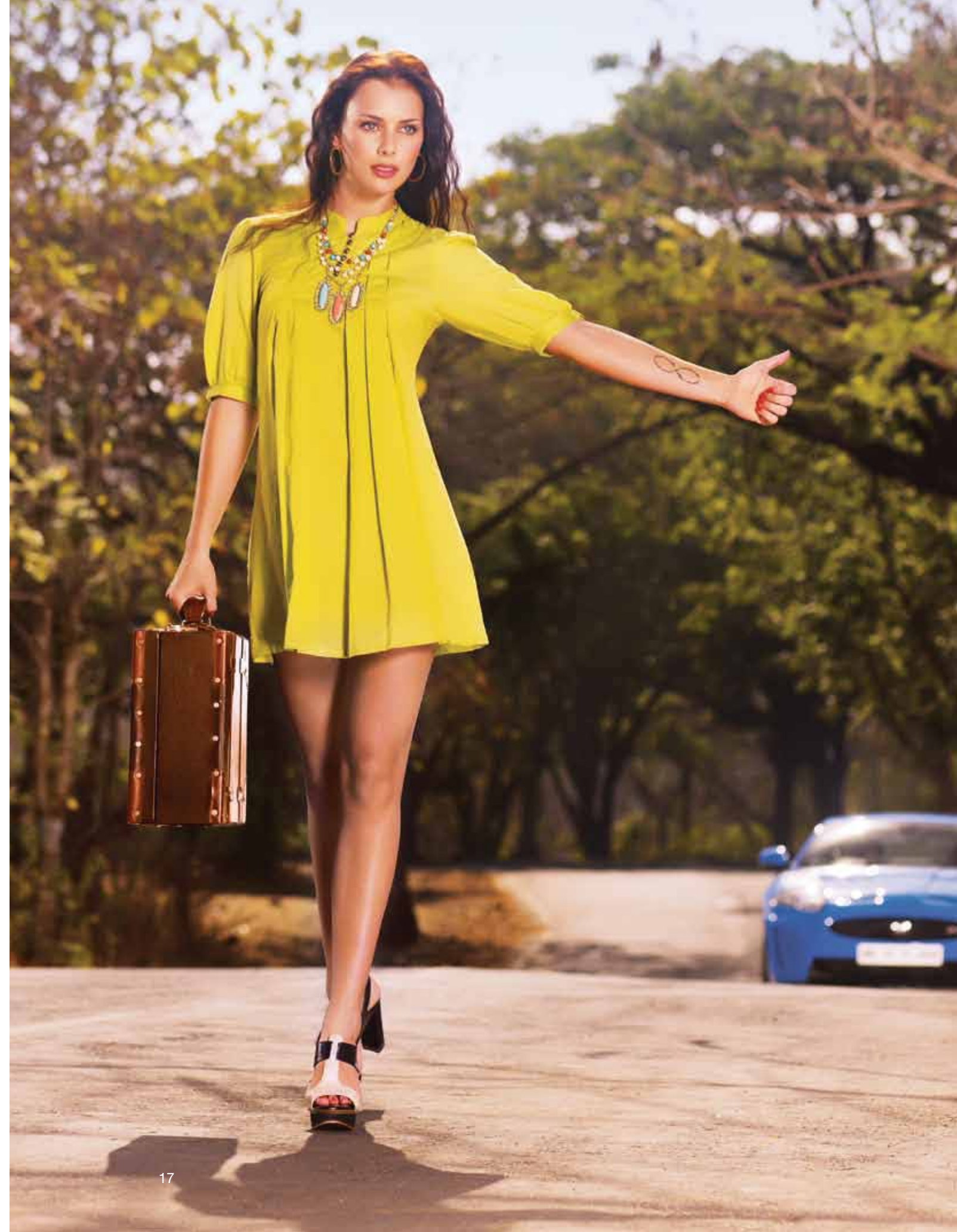
India has one of the highest growth retail sectors in the world. Powered by a robust and booming consumption story, retail is the prime driver of the new Indian economy and represents approximately two-thirds of overall consumption. With fashion and lifestyle as one of the prime drivers of the consumption 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 2013, Provogue is available through over 250 doors in more than 80 markets across the Indian geographic landscape.



BUSINESS UPDATE 2013

Provogue has evolved to be one of the best-known fashion labels in India and is now primed to extend its 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 5.5% 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 250 doors across more than 80 markets and we will extend this "brick and mortar" retail platform further with an aggressive programs in franchising and distribution to reach out to more potential Provogue customers.

The new 'Go Black' upgraded in-store experience and visual merchandising, which better reflects the aspirations of India's youthful consumers, has been widely accepted and the rest of the store footprint will be completed by end 2013.

We remain focused on designing our menswear range for the youthful and fashion conscious consumer and to offer our Provogue customers a complete wardrobe for every occasion enhanced by a line of accessories designed to compliment the look.

FMCG Collections

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

Other personal grooming products 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.

