

PUBLIC NOTICE CUM PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF PROVOGUE (INDIA) LIMITED



Provogue (India) Ltd

Registered Office: Provogue House, 105/106 Off New Link Road, Andheri (W), Mumbai 400 053 Tel: +91-22-30620000
 Fax: +91-22-30680570 Website: www.provogue.net Email: investorservice@provogue.net
 Compliance Officer: Mr. Anil Cheria, Company Secretary

This public notice cum public announcement (Announcement) dated August 14, 2009 is made pursuant to the provisions of Regulations 5A and Regulations 8(1) read with 15(c) of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 for the time being in force including any statutory modifications and amendments from time to time (Buy-Back Regulations) and contains the disclosures as specified in Schedule II to the Buy-Back Regulations.

1. DETAILS OF BUY-BACK OFFER AND OFFER PRICE.

1.1. Provogue (India) Limited (the "Company") hereby announces the buy-back ("Buy-Back") of fully paid-up equity shares of the face value of Rs.2/- each ("Equity Shares") not exceeding 50,00,000 Equity Shares ("Maximum Offer Shares"), from the existing owners of Equity Shares other than those who are promoters, promoter group, directors of promoters, persons in control and persons acting in concert (such shareholders hereinafter referred to collectively as "Persons in Control") (that being understood that the "persons in control" and "persons acting in concert" will be such persons as have been disclosed under the filings made by the Company under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended ("SEBI Takeover Regulations")) at a price not exceeding Rs. 100/- (Rupees One Hundred only) per Equity Share (the "Maximum Offer Price") payable in cash, for an aggregate amount not exceeding Rs. 50 crores ("Maximum Offer Size"). The Maximum Offer Size represents 7.45% of the aggregate of the Company's total paid-up equity capital and free reserves as on March 31, 2009 (the date of the latest standalone audited accounts). The Company subject to the Maximum Offer Price shall Buy-back at least 20,00,000 Equity Shares (the "Minimum Offer Shares").

1.2. The Buy-back will be implemented by the Company through the methodology of "Open market purchases through stock exchanges" using the electronic trading facilities of the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges") in accordance with the provisions of Sections 77A, 77B and other applicable provisions of the Companies Act, 1956 (the "Act") read with Article 36 of the Articles of Association of the Company and the Buy-Back Regulations, in the manner and on such terms and conditions as determined by the Board of Directors of the Company (the "Board") and disclosed in this Announcement.

The actual deployment in the Buy-back will depend upon the average price paid for the Equity Shares bought back and the actual number of Equity Shares bought back.

As an illustration, at the proposed Maximum Offer Price of Rs. 100/- per Equity Share and for the Minimum Offer Shares the actual deployment would be approximately Rs. 20 crores which would amount to approximately 2.98% of the paid-up equity capital and free reserves and for the Maximum Offer Shares the actual deployment would be approximately Rs. 50 crores which would amount to approximately 7.45% of the paid-up equity capital and free reserves. Should the average price be lower, the actual deployment would be lower for both the Minimum Offer Shares and the Maximum Offer Shares.

1.3. The Maximum Offer Price has been arrived at after taking into consideration factors such as the trends in the market price of the Equity Shares during the last 6 months prior to the date of the meeting held on August 14, 2009 of the Board for approval of Buy-back ("Board Meeting") and resolution passed on such date in this regard, the "Board Resolution", the book value of Equity Shares, price-earnings ratio and impact on other financial parameters and the possible impact of the Buy-back on the Company's share market per Equity Share. The Maximum Offer Price offers a premium of 61.03% over the average closing price of the Equity Shares on the Stock Exchanges, as on August 13, 2009 (the day prior to the Board Meeting).

1.4. The Company shall place buy orders and purchase the Minimum Offer Shares, so long as the price is below the Maximum Offer Price and the Buy-back will close in terms with the timetable mentioned herein. However, it is being clarified that the Company shall have the flexibility to close the Buy-back at an earlier date in the event the Minimum Offer Shares have been purchased.

The fact that the Board Resolution provides for the Maximum Offer Price does not indicate that the Company will or is obliged to buy or continue to buy Equity Shares, so long as the market price is below the Maximum Offer Price. Similarly, the fact that the Board Resolution indicates the Maximum Offer Size and Maximum Offer Shares that may be bought back at a price per Equity Share not exceeding Rs. 100/- does not indicate that the Company will utilize or is obliged to utilize, the entire amount of Rs. 50 crores (being the Maximum Offer Size) in the Buy-back or that the Company will buy or is obliged to buy all the Maximum Offer Shares.

1.5. Further, the maximum number of Equity Shares bought back shall be subject to (i) the Buy-back not causing the Company to be in violation of the conditions for continuous listing prescribed in terms of Clause 40A of the listing agreement between the Company and the Stock Exchanges, i.e., maintaining the public shareholding at 25%, (ii) such Equity Shares that may be bought back not exceeding the Maximum Offer Size and (iii) the aggregate consideration payable pursuant to the Buy-back not exceeding the Maximum Offer Size.

1.6. As part of the Buy-back, the Company shall not purchase Equity Shares which are partly paid-up, Equity Shares with call-in-arrears, locked-in or non-transferable Equity Shares in the Buy-back till the time they become fully-paid, or till the pendency of the lock-in or till the Equity Shares become transferable. There will be no negotiated deals (whether on or off Stock Exchanges), spot transactions or any other private arrangements in implementation of the Buy-back.

1.7. The Buy-back from shareholders who are persons resident outside India, including foreign Institutional Investors, Overseas Corporate Bodies, shall be subject to such approvals as are required including approvals from the RBI under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder.

2. AUTHORITY FOR THE OFFER OF BUY-BACK

2.1. Pursuant to the provisions of the Section 77A, 77B and other applicable provisions of the Act read with Article 36 of the Articles of Association of the Company and the Buy-Back Regulations, the Board approved the Buy-back up to the Maximum Offer Size and subject to the Maximum Offer Shares, at a price not exceeding the Maximum Offer Price, subject to approval(s) as may be necessary from time to time from statutory authorities, including but not limited to, the SEBI under the SEBI Takeover Regulations.

2.2. **BRIEF INFORMATION ABOUT THE COMPANY**

3.1. The Company is incorporated under the Companies Act, 1956 and having its registered office at 105/106, Provogue House, Off New Link Road, Andheri (W), Mumbai- 400 053, India.

3.2. The Company was incorporated on November 11, 1997 as Acme Clothing Private Limited. The Company was converted into a public limited Company (i.e. Acme Clothing Limited) on March 11, 2005, in terms of a special resolution dated March 2, 2005, passed under section 31 and section 44 of the Act in a meeting of the Shareholders of the Company. The name of the Company was subsequently changed to Provogue (India) Limited and a fresh certificate of incorporation dated March 14, 2005 was issued by the Registrar of Companies, Maharashtra, Mumbai.

Provogue (India) Limited is a retail centric business group with a global outlook focused on fashion brands, mass retail formats and retail infrastructure development. The Company has business interest in apparel manufacturing, textiles, brand marketing, brand retail, retail, retail infrastructure in terms of Retail Mall Development and Mall management. The Company has developed a very well established fashion brand 'Provogue' in India and is amongst the top selling brands for all major national retail chains and the all major organized retailers in India and is amongst the top selling brands for all major national retail chains and the all major organized retailers in India and is amongst the top selling brands in Daman and Baddi, Licensee/JV arrangement with major manufacturers, warehousing and marketing across the country. The brand has achieved an iconic status in the minds of the youth of the country by virtue of its innovative and aggressive marketing strategies.

Company has also forayed into brand retail through Promart. Promart store offers a wide range of merchandise in men's, women's, children's wear as well as home furnishing and accessories at discounted and value prices all year round. Promart ensures an exemplary shopping experience, with detailed attention to design look, ambience and service quality at its stores.

The company is also developing large number of retail-centric mixed-use projects across the country to capture the exceptional growth in modern format retailing in India. Each development is designed to meet the needs of the increasingly demanding Indian consumer as well as the retailers and other tenants. These projects are through its subsidiary Prozone Enterprises Private Limited, which is a joint venture between Provogue (India) Limited and Liberty International Pte of the UK.

3.3. Brief financial information of the Company for the Fiscals 2007, 2008 and 2009 (based on the audited financial statements), on a standalone basis, are as follows:

Particulars	Audited		
	FY-2006-07	FY-2007-2008	FY-2008-2009
Sales and other receipts	238.77	336.85	359.73
Other Income	1.62	4.16	26.26
Net Profit (After exceptional items)	19.60	25.08	29.45
Share Capital	18.26	20.00	23.28
Free Reserves (As defined under Explanation to Section 372A of the Companies Act 1956)	235.38	296.11	649.70
Total Debt	57.87	147.94	153.66
Net Worth	254.48	316.11	672.98
Key Ratios	FY-2006-07	FY-2007-2008	FY-2008-2009
Earnings Per Share (Rs.)	11.93	13.59	2.59
Book Value Per Share (Rs.)	133.25	158.07	57.81
Debt-Equity ratio (%)	22.38%	46.80%	22.83%
Return on Average Net worth (%)	10.79%	9.04%	9.59%

*Pursuant to the approval of members at the 12th AGM held on 15th September 2008, one equity share of the face value of Rs. 10 each of the company has been subdivided into 5 equity shares of the face value of Rs. 2 each. These ratios have been calculated as per the following formulas:

Key Ratios	Formula
Net Worth	Share Capital + Free Reserves
Basic Earning per Share	Net Profit / Weighted Average Number of shares
Book Value per share	Net worth / Number of shares issued
Debt-Equity ratio (%)	Total Debt / (Equity Share Capital + Free Reserves)
Return on Net Worth (%)	Profit after tax / Average net worth where "Average net worth" = (Current year's net worth + last year's net worth) / 2

3.4. Following are the financials for period ending June, 2009 as prepared and disclosed in accordance with Clause 41 of the Listing Agreement:

Sales and other receipts / Income from Operations	73.22
Other Income	5.33
Total Income	78.55
Cost of raw materials consumed (net)	15.79
Purchase of traded goods	19.00
Employees Cost	3.58
Depreciation	3.29
Other Expenditure	24.11
Total Expenditure	69.05
Interest	4.13
Profit before tax	6.64
Tax Expense (including deferred tax and fringe benefit tax)	1.90
Net Profit after tax	6.74
Face Value (in Rs.)	2-
Paid-up Equity Share Capital	23.28
Basic EPS (in Rs.) (not annualized)	0.58
Diluted EPS (in Rs.) (not annualized)	0.58

4. PRESENT EQUITY CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

a. The share capital of the company as on the date of this Announcement is as follows:

	(Rs. In Crores)
Authorized	Amount
16,50,00,000 Equity Shares of Rs. 2/- each	33.00
Total	33.00
Issued, Subscribed and Paid up:	23.28
11,64,06,705 equity shares of Rs. 2/- each	23.28
Less: Calls in arrears	Nil
Total	23.28

i. There are no outstanding instruments convertible into Equity Shares except the following, as on August 14, 2009:

Instrument	Number
Convertible warrants	14,24,000

Further, the Company confirms that except as stated above it has not entered into any arrangements that will result in instruments convertible into Equity Shares and which are outstanding during the Buy-back or during a period of six months post the completion of the Buy-back.

b. The shareholding pattern of the Company as of 7th August, 2009 (i.e., the last working Friday, prior to the date of the Board Meeting) and post the Buy-back is as shown below:

S. No.	Name of the shareholder	Outstanding Number of shares Pre-Buy-back offer	Pre-Buy-back Percentage holding (%)	Outstanding Number of shares Post-Buy-back offer	Post-Buy-back Percentage holding (%)
1.	Promoter and Promoter Group	4,83,18,430	41.51	4,83,18,430	43.53
2.	Mutual Fund/UTI	9,64,580	0.82	6,26,88,275*	56.47*
3.	Financial Institution Banks	7,36,480	0.63	-	-
4.	Insurance Companies	-	-	-	-
5.	Foreign Institutional Investors	2,86,22,89	24.58	-	-
6.	Bodies Corporate	1,27,79,394	11.00	-	-
7.	Individual Shareholders	1,69,64,548	14.58	-	-
8.	Others	80,05,382	6.88	-	-
Total		11,64,06,705	100.00	11,10,06,705*	100.00

* Assuming that all the Maximum Offer Shares are bought back, the equity shareholding and voting rights of the Persons in Control would increase from the existing 41.51% to 43.53% of the outstanding equity share capital of the Company. The shareholding pattern post the Buy-back may differ depending upon the actual number of Equity Shares bought back under the Buy-back.

c. The aggregate shareholding of the Persons in Control, as on date of this Announcement is 4,83,18,430 Equity Shares, constituting 41.51% of the paid-up share capital of the Company, certain details of which are as under-

Sr. No.	Name of the shareholder	Number of shares	(%)
1.	Promoters	3,65,17,985	31.37
2.	Promoter Group and Persons Acting in Concert	1,18,00,445	10.14
Total		4,83,18,430	41.51

d. As per the provisions of the Buy-Back Regulations and the Act, the Company shall not make any issue of Equity Shares during the Buy-back period, whether pursuant to a bonus issue or conversion of an outstanding convertible instrument, stock options or otherwise. Further, except as provided in the Buy-back Regulations and the Act, other than by way of bonus issue or in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares into Equity Shares, the Company will not issue fresh Equity Shares within a period of six months after the completion of the Buy-back.

e. There have been no purchases or sale of Equity Shares by the Persons in Control during the period of 12 months preceding the date of this Announcement. 4,33,733 warrants were converted into Equity Shares on September 2, 2008 at a premium of Rs. 440 per Share / Warrant.

f. The Buy-back shall not be made from any Persons in Control. The Persons in Control will not deal in the Equity Shares till the completion of the Buy-back.

5. **NECESSITY FOR BUY-BACK**

The Buy-back is being proposed in keeping with the Company's desire to enhance overall shareholder value. The Buy-back would lead to reduction in outstanding number of Equity Shares, and consequently may lead to increase in "Earnings per Share" and improvement in "Return on Net Worth" and other financial ratios thus increasing the overall shareholders' value.

6. **EXTRACT FROM THE BOARD RESOLUTION**

6.1. **RESOLVED THAT** pursuant to the provisions of Article 36 of the Articles of Association of the Company and in accordance with Section 77A, 77AA, 77B of the Companies Act, 1956 (the "Act") and subject to the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended ("Regulations") and any other applicable laws and such other permissions and exemptions as may be required from applicable regulatory and statutory authorities, approval of the Board be and is hereby accorded to purchase such number of its own fully paid-up equity shares of Rs. 2 each ("Equity Shares") not exceeding 50,00,000 Equity Shares ("Maximum Offer Shares") from its existing shareholders other than those who are promoters, promoter group, directors of promoters, persons in control and persons acting in concert (such shareholders hereinafter referred to collectively as "Persons in Control") (that being understood that the "persons in control" and "persons acting in concert" will be such persons as have been disclosed under the filings made by the Company under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended ("SEBI Takeover Regulations")) for a total consideration ("Maximum Offer Price") not exceeding Rs. 50 crores and at a price not exceeding Rs. 100/- per Equity Share ("Maximum Offer Size") (the amount required to be invested by the Company for the Buy-back, subject to the Buy-back, shall be within 10% of the total paid up capital and free reserves and 25% of the paid-up share capital of the Company in the current financial year).

6.2. **RESOLVED FURTHER THAT** the Buy-back is subject to: (i) the Buy-back not causing the Company to be in violation of the conditions for continuous listing prescribed in terms of Clause 40A of the listing agreement between the Company and the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") and together with BSE, the "Stock Exchanges"; (ii) maintaining the minimum public shareholding at 25%; (iii) the Equity Shares that may be bought back not exceeding the Maximum Offer Size; and (iv) the aggregate consideration payable pursuant to the Buy-back not exceeding the Maximum Offer Size.

6.3. **RESOLVED FURTHER THAT** the Buy-back be and is approved subject to approval(s) as may be necessary from time to time from statutory and regulatory authorities.

6.4. **RESOLVED FURTHER THAT** the Buy-back be implemented latest by February 12, 2010, or such extended or shorter period, as may be permitted under the Act or the Regulations or by the appropriate authorities under applicable laws, through the methodology of "Open Market Purchases through the Stock Exchanges", in one or more tranches from time to time, on the terms and conditions as may be decided by the Board, out of its free reserves of the Company, in such manner as prescribed under the Act and/or the Regulations and any other applicable laws.

6.5. **RESOLVED FURTHER THAT** within the limits of Maximum Offer Size, the Maximum Offer Price, the Maximum Offer Shares and the Buy-back not causing the Company to be in violation of the conditions for continuous listing prescribed in terms of Clause 40A of the listing agreement between the Company and the Stock Exchanges, Mr. Nikhil Chaturvedi, Managing Director, Mr. Deep Gupta, Mr. Akhil Chaturvedi, Whole time Directors and Mr. Anil Cheria, Company Secretary be and are hereby severally authorized to do all such acts and deeds matters and things that may be required for the successful completion of the Buy-back or for matters incidental thereto, including but not limited to determine the specific price at which the Equity Shares will be purchased, number of Equity Shares which will be placed in the orders pursuant to the Buy-back, file all such documents/declarations and undertakings with appropriate authorities and complete such other formalities as may be required for the Buy-back.

6.6. **RESOLVED FURTHER THAT** the amount required to be invested by the Company for the Buy-back, subject to the Maximum Offer Price, will be invested from the current surplus and/or cash balances and/or internal accruals of the Company.

6.7. **RESOLVED FURTHER THAT** the Maximum Offer Price does not indicate that the Company will or is obliged to buy or continue to buy Equity Shares so long as the price is below the Maximum Offer Price. Similarly, the Maximum Offer Size and the Maximum Offer Shares do not indicate that the Company will utilize or is obliged to utilize, the entire amount of the Maximum Offer Price. The Company shall have the flexibility to close the Buy-back at an earlier date in the event the Maximum Offer Shares, subject to compliance with applicable laws and regulations and instructions from appropriate statutory and regulatory authorities.

6.8. **RESOLVED FURTHER THAT** the draft of the Public Notice cum Public Announcement as required under Regulation 5A read with Schedule I of the Regulations and 8(1) read with 15(c) of the Buy-back Regulations, 1998 ("Announcement"), as placed before the Board and initiated by the Chairman for the purposes of identification, be and is hereby approved and Mr. Nikhil Chaturvedi, Managing Director, Mr. Akhil Chaturvedi, Whole time Director and Mr. Anil Cheria, Company Secretary, be and are hereby jointly and/or severally authorized to sign, execute and deliver the Public Notice and any other documents required for the Buy-back, as per the requirements of the Regulations.

6.9. **RESOLVED FURTHER THAT** Mr. Anil Cheria, Company Secretary, be and is hereby authorized to get the Public Notice cum Public Announcement published in newspapers and to file the same with the SEBI, Stock Exchanges, Registrar of Companies and/or any other appropriate statutory or regulatory authorities, as may be required.

6.10. **RESOLVED FURTHER THAT** the Company be and is hereby authorized to get the Declaration of Solvency along with annexures thereof, as placed before the Board and initiated by the Chairman for the purposes of identification, be and is hereby approved and Mr. Nikhil Chaturvedi, Managing Director, Mr. Akhil Chaturvedi, Whole time Director be and are hereby, jointly and/or severally, authorized to sign, execute, submit and deliver the same to the appropriate authorities.

6.11. **RESOLVED FURTHER THAT** JM Financial Consultants Private Limited (the "Merchant Banker") be and is hereby appointed as merchant banker for the purpose of the Buy-back in terms of Regulation 15(c) of the Regulations, on such terms and conditions as may be mutually agreed between the Merchant Banker and Mr. Nikhil Chaturvedi, Managing Director of the Company.

6.12. **RESOLVED FURTHER THAT** Mr. Nikhil Chaturvedi, Managing Director, Mr. Deep Gupta, Mr. Akhil Chaturvedi, Whole time Directors and Mr. Anil Cheria, Company Secretary, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary, expedient or proper with regard to the implementation of the Buy-back, including inter alia:

- to file the "Performance Certificate" as required under the Regulations;
- to furnish Returns to the Stock Exchanges, SEBI, Registrar of Companies and any other regulatory authorities;
- to make appropriate disclosures required under the Regulations or any other applicable laws;
- to file Return of Buy-back with Registrar of Companies and other statutory authorities as required under any other applicable laws;
- to maintain Register of Securities Bought Back as required under the Regulations;
- to undertake activities relating to the registration of Equity Shares;
- to prepare and execute all papers, documents, writings, deeds, forms, undertakings, applications including on behalf of the Persons in Control; and
- to delegate all or any of the authorities conferred as above to any officer(s)/authorised representative(s) of the Company.

6.13. **RESOLVED FURTHER THAT** Mr. Anil Cheria, Company Secretary be and is hereby appointed as Compliance Officer under the Regulations who shall co-ordinate the activities for the Buy-back with the SEBI, the Merchant Bankers, Stock Exchanges, shareholders of the Company, Reserve Bank of India ("RBI") and other connected intermediaries, agencies and regulatory authorities including establishment of Investor Service Centres through M/s. Link Intime India Private Limited, the Registrar and Share Transfer Agents of the Company, on such locations, as may be required under the Regulations.

6.14. **RESOLVED FURTHER THAT** the Buy-back from shareholders who are persons resident outside India, including the Foreign Institutional Investors, Overseas Corporate Bodies, shall be subject to such approvals as are required including approvals from the RBI under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder.

6.15. **RESOLVED FURTHER THAT** the common seal of the Company, if necessary, may be affixed in terms of its Articles of Association.

6.16. **RESOLVED FURTHER THAT** the following confirmation be and is hereby made by the Board:

(i) that it has made the necessary and full enquiry into the affairs and prospects of the Company and has formed the opinion:

- that immediately following the date of convening of this meeting, there will be no grounds on which the company could be considered to be paying its debts;
- as regards its prospects for the year immediately following the date of this meeting, that having regard to its intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the view of the Board, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this meeting; and

(ii) that in forming its opinion for the above purposes, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities).

6.17. **RESOLVED FURTHER THAT** the following confirmation be and is hereby made by the Board:

(i) that the Company shall not purchase Equity Shares under the Buy-back from Persons in Control.

(ii) that the Company shall not purchase partly paid-up Equity Shares or Equity Shares with call-in-arrears under the Buy-back.

(iii) that the Company shall not buy-back the locked in Equity Shares and non transferable Equity Shares till the time they become fully-paid or till the pendency of the lock-in or till the Equity Shares become transferable.

(iv) that the Company shall not buy-back its Equity Shares from any person through regulated deals (whether on or off the Stock Exchanges) or through spot transactions or through any private arrangement in the implementation of the Buy-back.

(v) that the Company shall not make further issue of the same kind of shares, including allotment of further shares under clause (a) of sub-section (1) of Section 81, within a period of six months from the date of closure of the Buy-Back, except by way of conversion of the Company's existing obligations such as conversion of warrants, stock option scheme, sweat equity or conversion of preference shares or debentures into equity shares, as may be permitted under applicable law by regulatory authorities including the SEBI.

(vi) that the Company shall not make any issue of Equity Shares during the Buy-back period, including by way of bonus or conversion of an outstanding convertible instrument including outstanding warrants and stock options.

(vii) that no offer of Buy-back through a board approval as permitted under the first and second proviso to Section 77A(2) of the Act is being made within a period of three hundred and sixty-five days reckoned from the date of the preceding offer of Buy-back, if applicable.

(viii) that there is no default in compliance of the provisions with Sections 159, 207 and 211 of the Act.*

(ix) that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.

(x) that the debt equity ratio of the Company after the Buy-back will be well within the limit of 2:1 as prescribed under the Act.

7. **REPORT OF STATUTORY AUDITORS**

The text of the report dated August 14, 2009 received from M/s. Singrodia Goyal & Co., Chartered Accountants, the statutory auditors of the Company, addressed to the Board is reproduced below.

In connection with the proposed buy-back of Equity Shares approved by the Board of Directors of Provogue (India) Limited (the "Company") at its meeting held on August 14th, 2009, in pursuance of the provisions of Section 77A, 77AA and 77B of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended from time to time (the "Buy-Back Regulations") and based on the information and explanations given to us, and on the basis of such verification of relevant records as we considered appropriate, we report that:

- We have inquired into the state of affairs of the Company in relation to its audited accounts for the year ended 31st March, 2009, which were taken on record by the Board of Directors in the meeting held June 26th, 2009.
- The Board of Directors has proposed to buy-back the Company's equity to the extent of Rs. 50 crores at a price not exceeding Rs. 100/- per share. The amount of permissible capital payment (including premium) towards buy-back of equity shares, as computed below, has been properly determined in accordance with Section 77A(2)(c) of the Companies Act, 1956.

Particulars	Amount (Rs. Cr)
Paid-up Equity Share Capital as at March 31, 2009*	23.28
Free Reserves as at March 31, 2009*	-
Share Premium Account	568.54
General Reserves	5.30
Profit and Loss Account	73.76
Total	670.88
Maximum amount permissible for the buy-back i.e. 10% of total paid-up equity capital and free reserves	67.09

* Based on standalone financial statements for the year ending March 31, 2009.

3. The Board of Directors in their meeting held on August 14th, 2009 have formed the opinion as specified in clause (x) of Schedule I of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of this report in respect of the Buy-back up to 10% of its paid-up equity capital and free reserves of the company under proviso to Section 77A (2) of the Companies Act, 1956.

4. This certificate has been prepared for and only for the Company and is in reference (including disclosing in the Public Notice cum Public Announcement as required under the Buy-Back Regulations) to proposed buy-back of Equity Shares approved by the Board of Directors of the Company at its meeting held on August 14th, 2009, in pursuance of the provisions of Section 77A, 77AA and 77B of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 and for no other purpose. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For Singrodia Goyal & Co.

Chartered Accountants

Sd/-
Suresh Murarka
 Partner
 Membership No. 44739
 Place : Mumbai
 Date : August 14, 2009

SOURCES OF FUNDS FOR THE BUY-BACK

6.1. The amount required to be invested by the Company for the Buy-back, subject to the Maximum Offer Size and the Minimum Offer Shares, will be invested from the current surplus and/or cash balances and/or internal accruals of the Company. Though the Company does not propose raising debt for effecting the Buy-back, it may continue to borrow funds in the ordinary course of its business.

6.2. The Company vide its declaration of solvency dated August 14, 2009 has declared that it is capable of meeting its total liabilities and will not be rendered insolvent within a period of one year from the abovementioned date.

9. LISTING DETAILS AND STOCK MARKET DATA

9.1. The Equity Shares are listed on the Stock Exchanges.

9.2. The high and low market prices of the Equity Shares for the last three years and the monthly, low and average market prices from last six months preceding this Announcement and the corresponding volumes on the Stock Exchanges are as follows :

BSE:

Time Period	Price (Rs.)	High Price		Low Price		Average Price (Rs.)*	Total Volume traded for the period	
		Date	Volume	Date	Volume			
Last 3 years								
2006-07	513.40	19-Jan-2007	34,671	159.70	24-July-2006	4,019	343.36	9,324,904
2007-08	1,460.00	2007		2006				
2008-09	1,392.45	14-Jan-2008	13,088	441.00	23-Apr-2007	4,822	824.60	2,303,596