



CREW B.O.S. PRODUCTS LTD.



ANNUAL REPORT 2011-2012



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CHAIRMAN'S AND MANAGING DIRECTORS' LETTER

Dear Shareholders

It is with some satisfaction I report to you that inspite of a difficult year with respect to the economic sentiments across the US and Europe, Crew B.O.S has posted reasonable growth, although has seen some pressures on the bottom line. It been a difficult year for manufacturing and conditions continue to be difficult with the fear of the major retailers and brands all over the world performing below expectation.

FY11 was a year in which Crew B.O.S. was trying to consolidate its business into more efficient, productive factories. During the year we continued to expand our capacities in hand bags and shoes. Crew B.O.S. is forging long term and strategic relationships with customers to best utilize the capacities it has created.

Industry overview

Inspite of the fact that the conditions are difficult, the opportunities for Indian manufacturers of leather goods are very good. It is hoped that the foreign participants take note of the highly conducive climate in India for investment on a big scale and the returns that these can offer. The strength of the Indian leather sector has been low capital investment, high ratio of value addition with negligible import content, wide raw material base and high export potential. Most of all, the sector is one of the largest providers of employment particularly in the rural and semi-urban areas and millions from all corners of the country depend on them for their livelihood directly and indirectly. In India, we focused on increasing operational efficiencies in our businesses and saw improvement in several metrics although the softness in the market during the second half of the year has some dampening effect. As the Indian economy stands in the midst of a multi year growth cycle, the Indian leather industry sector in general, and Crew B.O.S. Products in particular, are set to benefit immensely from this structural buoyancy, notwithstanding short periods of dampened sentiments as we saw in the second half of fiscal 2012. At the same time, we will remain vigilant, close to our markets and responsive, a stance made possible thanks to our decentralized organization. We will also persevere with our program of selective investments in our businesses. Crew B.O.S Products has always grown stronger in periods of uncertainty, while remaining true to the Group's values: creativity, high quality craftsmanship and entrepreneurial spirit.

Financial & Business review

Your Company's gross income for the year ended 31st March, 2012 stood at Rs. 43,903.56 Lakhs, as against Rs. 63,076.01 lakhs for the previous year. The net income from operations was Rs. 43,204.05 lakhs during FY12, as against Rs. 62,100.54 lakhs for the previous year. However, an increase in the total expenditure (with increased interest costs, finance charges, higher depreciation and staff and other costs going up) affected net profits during the year under review. Your company is confident of increasing its business during the current fiscal and steps taken in the form of consolidations, expansion plans encompassing the high adherence to world class quality standards shall contribute in realizing its aspirations.

Going ahead: Overview and Opportunity

Crew B.O.S. Products Ltd. is nurturing creativity, building competencies and continuously seeking unexplored new highways of growth. Outstanding growth at Crew B.O.S. has been a direct upshot of innovations and endeavors on the ground. In general, your company enjoys great brand pull in the foreign market. Demand is robust and the company is likely to maintain growth momentum. Crew B.O.S. is forging long term and strategic relationships with customers in the past year who would add significantly to our top and bottom lines.

Our long standing relationship with leading fashion brands over the world continue to remain strong. We continue to service reputed international retail brands like Fossil, Mark & Spencer, Coach Services, LIZ Claiborne, Chicos, Debenhams, Accessories, American Eagle, Old Navy, Next plc, Esprit, Zara, Massimodutti, Armani Exchange, H&M, Gap USA and Banana Republic. In the coming years we are making special efforts to optimize our capacities by engaging with customers that would provide higher margins. In an environment that looks tough for retailers it is an important initiative for us to be able to get a better price for our product.

I would also like to add that markets are no longer about buying and selling: they're about conversation, connection and interaction. And it's these that fuel innovation, build customer relationships and drive long-term business value. For us establishing a dialogue with customers and listening to what they have to say is the best way to keep our business strategies fresh, current and compelling – and customer-focused. After all, who knows us better than our customers and our most loyal ones at that?



We also realize that it's no longer the product or service that differentiates our brand; rather it's the customer's experience with that product or service that sets our brand apart from the competition. It's this change of perspective from inside-out to outside-in that's a key constituent of our strategy to boost our growth in the marketplace. And of course it's the enthusiasm, drive and hard work of our employees and business partners that's also helping push up our sales and earnings.

Retail Strategy- An update

With an exciting product range, brand "Crew Republica" targeting the Generation Y (people in the fast growing target 18-35 year age bracket). This generation represents the fashion conscious generation of people who are also decision makers, key influences and enjoy the propensity to spend. With rising incomes, multiple income households, exposure to premium lifestyle & media and easier financial credit, fashion occupies maximum share of discretionary spends, all of which represents a huge opportunity for us in retail.

A word of thanks

I take this opportunity to thank all team members for their dedication, commitment and drive which has played a key role in shaping the company. I am confident that, together, we will continue to achieve many more momentous years and decades of growth and performance. I would also thank our shareholders, bankers and customers for their continued faith and support.

Yours truly,

Tarun Oberoi
Chairman & MD

CORPORATE INFORMATION

CORPORATE INFORMATION

Board of Director	Mr. Tarun Oberoi Mr. Robin Bartholomew Mr. Deepak Manchanda Mr. Gautam Nair Mr. Jitindar Bir Singh	Managing Director Whole Time Director Independent Director Independent Director Independent Director
Chief Financial Officer	Mr. Rakesh Diwan	
Company Secretary	Mr. Ashish Goel	
Auditors	Anil K. Goyal & Associates Chartered Accountants 204-206, Siddharth Chambers, Hauz Khas, New Delhi - 110016	
Auditors	Arora & Choudhary Associates Chartered Accountants 8/28, W.E.A. Abdul Aziz Road, Karol Bagh, New Delhi - 110005	
Bankers	Citi Bank N.A. Canara Bank Allahabad Bank Standard Chartered Bank IDBI Bank Bank of Baroda State Bank of India ICICI Bank Axis Bank Bank of India	
Registrar & Share Transfer Agent	Skyline Financial Services Pvt. Ltd D-153/A, 1st Floor Okhla Industrial Area , Phase-1 , New Delhi -110020 Tel. No 011-26812682-83-84 Fax.011-26292681	
Registered Office	304A, Jaina Tower 1, District- Centre Janak Puri New Delhi - 110058	
Corporate Office	199, Udyog Vihar, Phase - 1, Gurgaon - 122016 (Haryana) India E-mail: communication@crewbos.com www.crewbos.com	



DIRECTORS' REPORT

To the Members,
Crew B.O.S. Products Limited

Your Directors have pleasure in presenting this Twenty-Third Annual Report and Audited Accounts for the financial year ended 31st March, 2012.

FINANCIAL RESULTS

	(Rs. In Lacs)	
	Year ended March 31, 2012 (Rs.)	Year ended March 31, 2011 (Rs.)
Income from Operation	43204.05	62100.54
Profit before interest and depreciation	5740.27	6958.29
Less: Interest	4060.18	2939.02
Depreciation	3873.50	957.31
Profit before taxation	687.60	3061.96
(Less) : Current Tax	(205.00)	(750.00)
Add / (Less) : Deferred tax	77.00	(47.75)
Add / (Less) : Extra ordinary Item	103.77	–
Add / (Less) : Adjustment for prior years	(143.03)	(21.38)
Profit after taxation	520.34	2242.83
Add: Balance in Profit and Loss account	11067.94	8825.09
Balance available for appropriation	11588.28	11067.92
Appropriation	–	–
Transfer to General Reserve	–	–
Balance carried to Balance Sheet	11588.28	11067.92

PERFORMANCE REVIEW

Your company is engaged in fashion accessories products, footwear and finished leather business. The income from operation is Rs. 43204.04 Lacs and the net profit is Rs 520.32 Lacs in the financial year 2011-2012. The Company expects healthy trend in the financial year 2012-13 on the basis of diversified product range and growing strategies adopted.

DIRECTORS

Mr. Tarun Joshi, Independent Director & Mr. Naveen Ganzu, Independent Director of the Company have resigned from the post of Directorship and approve the same by Board of Directors of the Company during the year.

Mr. Deepak Manchanda, Independent Director, retires by rotation and being eligible offers himself for re-appointment.

Brief profile of the Director who are reappointed/resigned is given in the Corporate Governance Report as Annexure 1 to this Report.

DIVIDEND

The Board has not recommended any Dividend during the financial year under review keeping in view its expansion plans and future growth.

CAPITAL STRUCTURE

Authorised Capital

During the year there is no change in the authorised capital of the Company, hence it remains the same i.e. **INR 30 crores.**

Paid Up Capital

Pursuant to the issue of 75000 equity shares & 1025267 equity shares upon the conversion of preferential warrants to an allottee, the paid up capital of the Company during the year increased from INR 128932000/- comprising of 12893200 equity shares of Rs10/- each to INR 139934670/- comprising of 13993467 equity shares of Rs10/- each

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that:

- In the preparation of the annual accounts for the year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation;
- Prudent accounting policies have been selected and have made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the Profit of the Company for the financial year ended 31st March, 2012;
- Proper and sufficient care has been taken 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;
- Annual accounts have been prepared on a going concern basis.

AUDITORS & AUDITOR'S OBSERVATION

The Statutory Auditors of the Company, M/s Anil K. Goyal & Associates, Chartered Accountants holds office until the conclusion of this Annual General Meeting, and being eligible offer themselves for re-appointment. They have furnished a certificate that their appointment, if made, shall be within the statutory limits as specified in Section 224(1B) of the Companies Act, 1956.

The observation of the Auditors in the Auditors' Report is explained, wherever necessary, in the appropriate notes to the accounts.

CORPORATE GOVERNANCE

As required by Clause – 49 of the Listing Agreement, a Report on Corporate Governance along with Certificate on Corporate Governance confirming compliances with the conditions of Corporate Governance obtained from the Statutory Auditors of the Company is annexed to this Report. (Annexure-1)

MANAGEMENT DISCUSSION & ANALYSIS

The Report as required by Clause-49 of the Listing Agreement is annexed herewith. (Annexure-2)

LISTING AT STOCK EXCHANGE

The Equity Shares of the Company continues to be listed on Bombay Stock Exchange Limited and The National Stock Exchange. Global Depository Receipts are listed on the Stock Exchange at Luxembourg. The Annual Listing Fees for the financial year 2012-13 have been paid to the Stock Exchanges.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

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

SUBSIDIARY COMPANIES

VOGUE HOME PRODUCTS LIMITED

Vogue Home Products Limited, wholly owned subsidiary of Crew B.O.S. Products Limited is engaged in manufacture and export of home furnishing and small leather goods.

CREW B.O.S. ENTERPRISES LIMITED

This is a wholly owned subsidiary of Crew B.O.S. Products Limited, carrying on the business of creative and stylish designing of lifestyle products, wearing apparels made of leather or non leather, consumer products, cosmetics, artificial furniture, beauty products and designer goods and furnishing.

EMPORIO B.O.S. DESIGN LIMITED

A wholly owned subsidiary of Crew B.O.S. Products Limited, with the main objects of carrying on the business of creative and stylish designing of lifestyle products, wearing apparels made of leather or non leather, consumer products, cosmetics, artificial furniture, beauty products and designer goods and furnishing.

CREW ROR PRODUCTS LIMITED

Incorporated as a wholly owned subsidiary of Crew B.O.S. Products Limited with the main objects of carrying on the business of manufacturing and trading including import and export of all kinds of fashion accessories made from leather, wood, metal, poly-urethane and fabrics including leather bags, portfolios, travel bags, shoes, wallets, leather garments and belts of all kinds, wearing apparel of leather and fabric, garments, textile, furniture.

CREW REPUBLICA RETAIL LIMITED

Incorporated as a subsidiary of Crew B.O.S. Products Limited with the main objects to establish/manage/carry retail business or trade in India through retail outlets, showrooms for retailing in house manufactured leather goods and apparels as well as manufactured by other popular brands.

CREW P.P.O LEATHERS LIMITED

Incorporated as a wholly owned subsidiary of Crew B.O.S. Products Limited with the main objects to carry on the manufacturing of leather products and accessories

I.BIZ TRADE POST

The wholly owned subsidiary incorporated in Mauritius is engaged in International trading.

ALCHEMY TRADE POST

The wholly owned subsidiary incorporated in Mauritius is engaged in International trading.

JOINT VENTURE COMPANIES

CENTRE OF EXCELLENCE IN DESIGN LIMITED

Centre of Excellence in Design Limited is a joint venture between the Crew B.O.S. Products Limited and Matrix Clothing Pvt Ltd. The object of the Company is to carry on the business of creative and stylish designing of lifestyle products, retailing, processing, assembling and crafting all type of apparel and wearing apparels made from all type of leather and non leather materials.

CREW MAG EXPORTS LIMITED

Crew MAG Exports Ltd. is a joint venture between Crew B.O.S. Products Limited and Leather Crafts (India) Pvt. Ltd. and it is engaged in the manufacturing of leather footwear. The annual accounts of the Company are appended herewith.

PUBLIC DEPOSIT

The Company has neither invited/nor accepted any deposits during the year within the meaning of Section 58A of the Companies Act, 1956, read with Companies (Acceptance of Deposit) Rules, 1975.

CONSOLIDATED FINANCIALS

As required by Accounting Standard-21 on Consolidation of Financial Statements, Consolidated Financial Statements and Cash Flow Statement are appended.

PARTICULARS OF EMPLOYEES

During the year under review no employee, whether employed whole or part of the year, was drawing remuneration exceeding the limits as laid down under Section 217(2A) of the Companies act, 1956 read with Companies (Particulars of Employees) Amendment Rules, 2011

ACKNOWLEDGEMENTS

Your Directors acknowledge with gratitude the co-operation and assistance received from our valued customers, bankers and financial institutions, business associates, shareholders, suppliers and other statutory authorities who have extended their precious continued support and encouragement to your company. Your Directors look forward for the same to whom the Company regards as the partners in its success and growth.

The Board wishes to place on record its appreciation for the dedication and commitment of your Company's employees at all levels, which has continued to be our major strength.

For and on behalf of the Board

sd/-
Tarun Oberoi
(Managing Director)

sd/-
Robin Bartholomew
(Director)

Place: Gurgaon
Date: 09.08.2012



ANNEXURE TO DIRECTORS' REPORT Annexure-A

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

1. CONSERVATION OF ENERGY

A. ENERGY CONSERVATION MEASURES TAKEN

The manufacturing operations of the Company are not energy intensive and do not consume high level of power, however the Company has undertaken appropriate steps to conserve the energy thereby enhancing energy conservation. These are:

1. Replacement of Copper chokes with Electronic blasts.
2. Installation of switches on each table so as to ensure that light is switched on as per requirement.
3. Installation of Power Factor panel so as to achieve UNITY power factor.
4. Introducing concept of task lighting vis-à-vis ambient lighting.

B. ADDITIONAL INVESTMENT AND PROPOSAL, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY-

C. IMPACT OF ABOVE MEASURES

Implementation of Energy Conservation measures have resulted-

1. In reduction of energy cost and thereby production cost.
2. In the increase of awareness in the employees.
3. Reduction of Carbon footprints

FORM 'A'

Form for Disclosure of Particulars with respect to Conservation of Energy:

POWER AND FUEL CONSUMPTION

1. Electricity Current Year Previous Year

	31.3.2012	31.3.2011
(a) Purchased from Electricity Board		
Total Units	2184419	3397565
Total Amount(Rs)	(Rs) 1,37,40,000	1,90,26,364
Rate per unit(Rs/units)	6.29	5.6
(b) Own Generation		
HSD/F.Oil/LSHS & LDO(Ltrs)	199009	325633
Cost of HSD/F.Oil/LSHS & LDO	(Rs) 80,40,000	1,19,18,167
Rate per ltr	40.4	36.6

2. Furnance Oils/LSHS/LDO/HSD Qty.(Ltrs.)

Total Amount	21,600	21,600
Total Quantity(Ltrs)	(Rs) 210	210
Average Rate(Rs/Ltrs)	102.85	102.85

FORM 'B'

Form for Disclosure of Particulars with respect to:

A) RESEARCH AND DEVELOPMENT (R & D)

Company has been giving thrust on R & D activities in the following areas:

1. New Product innovations
2. Increased efficiencies
3. Energy conservation
4. Improving yields
5. Improving quality

B) BENEFITS DERIVED AS THE RESULT OF THE ABOVE R&D

Increasing productivity and addition to value added products for better products quality and process efficiency to the stakeholder's satisfaction.

C) FUTURE PLAN OF ACTION

Steps are continuously taken for upgradation of technology which results in lower costs, improvement of production yields and improvement in quality.

D) EXPENDITURE ON R&D

No specific account is kept.

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

a) Efforts in brief made towards technology absorption, adaptation and innovation

Company uses latest Technology to keep the manufacturing process more automated to upgrade itself to the pertinent development as they occur.

Benefits derived as result of the above efforts.

Benefits derived from these efforts are improved product quality and higher efficiencies.

3. Foreign Exchange earnings and outgo

a) Export initiatives, development of new export markets for products and export plans

The Company's products continue to be well recognized and accepted in the international market due to its exclusive superiority and diversified array. The Company is continuously pursuing its proposals dynamically to further augment its existence in the overseas market through tapping new customers and new markets. Going forward the Company intends to keep its focus on finest leather products across the established markets., The Company would continue to emphasis on giving customized service and its commitment to excellence.

b) Foreign Exchange earning (on FOB basis) and outgo

	Rs/Million	
	2011-12	2010-11
Earning	3035.07	4245.16
Outgo	1618.77	2058.89



CORPORATE GOVERNANCE

Annexure-1

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Crew B.O.S Products Limited believes that for a company to succeed on a sustained basis, it must maintain global standards of corporate conduct towards its employees, shareholders, consumers and society.

The Company's philosophy of Corporate Governance is based on preserving core values and ethical business conduct and commitment to maximize shareholders value on a continuous basis while looking after the welfare of all the other stakeholders. The Company complies with the requirement regarding corporate governance as stipulated under clause 49 of the listing agreement of the Stock Exchanges where its shares are listed and a report on the same is as follows;

2. BOARD OF DIRECTORS

a) Composition

The Board of Directors has an optimum combination of executive and non-executive Directors. As on 31st March 2012, the Board comprised Five Directors out of which two are whole-time functional Directors including the Managing Director. The Directors bring to the Board wide range of experience and skills. Brief profile of the Directors is set out elsewhere in the Annual Report. The listing agreements with stock exchanges stipulate half of the Board members to be independent directors. We are compliant with Clause 49 (IA) of the Listing Agreement regarding composition of the Board of Directors.

b) Board Meetings

During the year ended 31st March, 2012, the Board met 8 (Eight) times on 28th May, 2011, 15th July, 2011, 10th August, 2011, 10th October, 2011, 21st October, 2011, 10th November, 2011, 28th January, 2012, 11th February, 2012. Directors attending the meetings actively participate in the deliberations at these meetings

The Composition of Board of Directors, Attendance of Directors at the Board Meeting and Last Annual General Meeting, Directorship in other Public Limited Companies and Membership in Committees as on 31st March, 2012 are as follows:

Name of Directors	Category of Directorship/ Promoters/ Independent	Director No. of Board Meetings Attended	Attendance at Last AGM held on 19th September, 2011	No. of Directorship held in other Companies*	No. of Committee Memberships/ Chairmanships held in other Companies.**
Mr. Tarun Oberoi	Promoter / Executive Director	8	Yes	7	Nil
Mr. Robin Bartholomew	Promoter / Executive Director	7	Yes	8	Nil
Mr. Deepak Manchanda	Non Executive Independent Director	6	Yes	Nil	Nil
Mr. Jitindar Bir Singh	Non Executive Independent Director	4	No	Nil	Nil
Mr. Gautam Nair	Non Executive Independent Director	2	No	3	Nil
Mr. Tarun Joshi #	Director	NIL	No	1	Nil
Mr. Naveen Ganzu@	Non Executive Independent Director	1	No	1	Nil

* Excluding private/foreign Companies and Companies registered under section 25 of the Companies Act, 1956

** Committees here means the Audit and Shareholders'/Investors' Grievance Committee of Companies apart from Crew B.O.S. Products Limited

Resigned from the directorship of the Company w.e.f 20th September, 2011

@ Resigned from the directorship of the Company w.e.f 11th February, 2012

c) Brief resume of Directors seeking appointment / re-appointment

Pursuant to the provisions of Section 255 and 256 of the Companies Act, 1956, one third of its rotational Directors retire every year and if, eligible offers themselves for re-election at every Annual General Meeting of the Company. Consequently, Mr. Deepak Manchanda would retire this year and being eligible, offer him for re-appointment

Mr. Deepak Manchanda

"Mr. Deepak Manchanda (64) holds an engineering degree from Birla Institute of Technology and Science, Pilani, Rajasthan. He also has a Diploma in Human Factors in Engineering from Polytechnic of Milan, Italy. Mr. Manchanda specialises in the field of packaging and offers complete solutions in development, design and technology to several FMCGs, Pharma and SME clients from his company, Autumn Design Consultants. He has been closely associated with the Indian Institute of Packaging as Member of the Northern Regional Committee as well as the Governing Body. He also writes regularly for packaging journals and lectures

at the Institute. He has headed the packaging functions at corporates like Oriflame, Dabur and Ranbaxy, where he worked on packaging for several popular brands. He started his packaging career with Metal Box India. He has been associated with the Company as an Independent Director since September 30, 2003.

Nature of expertise in specific functional areas

At Autumn Design Consultants Private Ltd; Mr. Manchanda has the functional responsibility of Business Development and Key Account Servicing in addition to his senior management responsibilities as an Executive Director of the Company.”

Companies in which Mr. Deepak Manchanda holds Directorships and Committee Memberships apart from Crew B.O.S. Products Limited

Name of the Director	Directorship	*Committee Membership	*Committee Chairmanship
Mr. Deepak Manchanda	Autumn Design Consultants Private Ltd.	NIL	NIL

* Committee here means the Audit & Shareholders’/Investors’ Grievance Committee

Shareholding in the Company

Mr. Deepak Manchanda does not hold any Equity Share in the Company.

3. AUDIT COMMITTEE

a) Composition, meetings and attendance:

The Audit Committee comprises of three (3) members, all being Independent Non-Executive Directors.

Name	Status	Category	Number of meetings
Attended			
Mr. Deepak Manchanda	Chairman	Independent	4
Mr. Gautam Nair	Member	Independent	3
Mr. Naveen Ganzu	Member	Independent	1

All the members of the Audit Committee have accounting and financial management knowledge

During the financial year 2011-2012, the Committee met 4 times as per detail given below and a time gap between two Audit Committee meetings was less than four months:

Date of the Meeting	Purpose of the meeting
28th May,2011	Appointment of the Statutory Auditors and Internal Auditors of the Company and to review the audited Financial Results for the Year ended on 31st March, 2011.
10th August,2011	To review the Un-audited Financial Results for the Quarter ended on 30th June, 2011
10th November,2011	To review the Un-audited Financial Results for the Quarter/half year ended on 30th September, 2011
11th February,2012	To review the Un-audited Financial Results for the Quarter/9 months ended on 31st December, 2011

(b) Terms of reference

The terms of reference of the Audit Committee are in line with those specified under Section 292A of the Companies Act, 1956 and under revised Clause 49 of the Listing Agreement. The Audit Committee oversees the financial reporting process for proper disclosure in the financial statements, recommends the appointment, re-appointment and removal of the auditors, fixes their remuneration and approves payments for any other services. The Committee provides directions to the audit function in the Company and monitors/reviews the quality of financial management and internal audit. It reviews with the Management, external and internal auditors adequacy and compliance of internal control mechanism of the Company along with risk management policies of the Company.

It also reviews the quarterly, half yearly and annual financial statements with primary focus on:

- Directors’ Responsibility Statement,
- accounting policies and practices,
- major accounting entries involving estimates based on exercise of judgment by the management,
- significant adjustments made in financial statements,
- compliance with listing and other legal requirements relating to financial statements
- disclosure of related party transactions,
- qualifications, if any, in the draft audit report,
- reviewing internal audit report system,

The minutes of audit committee meeting are placed before the Board. The Company Secretary is the Secretary of the Audit committee.



4. REMUNERATION COMMITTEE.

a) Terms of reference

The Remuneration Committee, inter alia, recommends for appointment on the Board, grant of remuneration to the Managing Director/Whole Time Director(s) etc, evaluation of their performance and also framing any remuneration(s) policy in relation thereto.

b) Composition, meetings and attendance

The Remuneration Committee comprises of Mr. Deepak Manchanda, Mr. Gautam Nair and Mr. Jitindar Bir Singh, all being Non-Executive Independent Directors.

During the year under review, there was no change in remuneration as provided to Directors for the financial year 2011-2012, therefore no remuneration committee meeting was held.

c) Remuneration Policy

The Executive Directors of the Company are paid remuneration, as approved by the Board of Directors, shareholders of the Company and the recommendation of the Remuneration Committee. The remuneration payable to the Executive Directors is determined by taking into account their qualification, expertise, contribution, and prevailing levels of remuneration in Companies of corresponding size and stature.

d) Details of Remuneration to Directors

(i) Details of remuneration paid to the Executive Directors of the Company for the financial year 2011-12 are as follow;

Name	Sitting Fees (Rs.)	Salary (Rs.)	Allowances & Perquisites (Rs.)	Total (Rs.)
Mr. Tarun Oberoi	NIL	6000000.00	3515100.00	9515100.00
Mr. Robin Bartholomew	NIL	3000000.00	1284600.00	4284600.00

(ii) Except paying the sitting fees to the Non-executive Independent Directors for attending the Audit Committee meeting and meetings of the Board of Directors no other pecuniary relationship or transaction are held by them with the Company. The details of sitting fee paid to them are as follow;

Name	Sitting Fees (Rs.)
Mr. Deepak Manchanda	11000.00
Mr. Jitindar Bir Singh	5500.00
Mr. Gautam Nair	4400.00
Mr. Naveen Ganzu	Nil

(iii) Non Executive Directors of the Company do not hold any shares in the Company.

5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE.

(a) Terms of reference

The Committee supervises the mechanism for redressal of investor grievances and ensures cordial investor relations, apart from looking into redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of annual reports, non-receipt of dividend and allied matters.

(b) Composition, meetings and attendance

The Committee comprises of 3 (Three) members, majority being Independent Non Executive Directors. During the financial year 2011-12, Committee met 4 times viz. 28th May, 2011, 10th August, 2011, 10th November, 2011 and 10th February, 2012. The Composition and member's attendance at the Committee meetings is presented below:

Sr. No.	Name	Category	Status	Number of meetings attended
1.	Mr. Deepak Manchanda	Independent Non-Executive Director	Chairman	4
2.	Mr. Tarun Oberoi	Executive Director	Member	4
3.	Mr. Jitindar Bir Singh	Independent Non-Executive Director	Member	2

Mr. Ashish Goel, Company Secretary is the Compliance Officer.

The details of correspondence of shareholders / SEBI / Stock Exchanges are being provided to the Committee along with MIS.

6. GENERAL BODY MEETINGS

Details of the last 5 (Five) General Meetings of shareholders held during the last three years are as follows:

Year	Date and Time	Category	Venue	Details of Special	Resolutions passed	Resolution passed through postal ballot
2011-2012	19.09.2011	10.00 A.M	AGM	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	Issue of preferential warrants u/s 81 (1A)	NIL
2010-2011	13.09.2010	10.00 A.M	AGM	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	NIL	NIL
2009-10	28.01.2010	03.30 P.M.	EGM	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	Issue of preferential warrants u/s 81 (1A)	NIL
2009-10	07.12.2009	10.00 A.M.	EGM	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	Issue of preferential warrants u/s 81 (1A)	NIL
2009-10	14.09.2009	10.00 A.M.	AGM	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	NIL	NIL

7. DISCLOSURES

During the year ended 31st March, 2012, there has been no materially significant transaction entered by the Company with any party, which is considered to have potential conflict with the interest of the Company at large.

There has not been any non-compliance, and no penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any statutory authority, or any matter relating to the capital markets, since 24th September, 2004, the date of listing.

The Company has not yet put in place a Whistle Blower Policy. However, no employee has been denied access to the Audit Committee of the Board of Directors of the Company.

Company has laid down adequate measures to update the Board about the risk evaluation and risk mitigation.

The Company has fully complied with the Mandatory Requirements of Clause 49 of the Listing Agreement, as revised / amended till date.

The Company also partly complies with the Non-Mandatory Requirements of the Listing Agreements such as the Remuneration Committee of the Independent and Non-executive Directors has been formed to determine on their behalf with agreed terms of reference, the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment.

DISCLOSURES OF ACCOUNTING TREATMENT

While in the preparation of the Financial Statements, the Accountant Standards, issued by The Institute of Chartered Accountants of India (ICAI), have been strictly followed and there is no deviation in any respect.

CEO / CFO CERTIFICATION

The Managing Director and the Chief Financial Officer of the Company have given requisite Certificate to the Board of Directors of the Company in terms of Clause V of Clause 49 of the Listing Agreement.

8. MEANS OF COMMUNICATION

The Company has always reported all material Information including declaration of quarterly financial un-audited results to all stock exchanges in prescribed formats where the shares of the company are listed.

The Financial results quarterly, half yearly and annual results and other statutory information are communicated to the shareholders by way of advertisement in daily newspapers, viz., "Mint/Financial Express" in English and "Jansatta/Hindustan" in Hindi and are also posted on the Company's website www.crewbos.com.

The financial results of the Company are also posted on the www.corpfiling.co.in (Corporate Filing and Dissemination System).

9. GENERAL INFORMATION FOR SHAREHOLDERS.

a. 23rd Annual General Meeting:

Date and Time: 24th Day of September, 2012 at 2.00 P.M.

Venue: Sri Sathya Sai International Centre
Institutional Area, Pragati Vihar,
Lodhi Road, New Delhi-110003



b. Financial Calendar 2012-2013: (tentative and subject to change)

Sr. No.	Event	On or before
1.	Unaudited Financial Results for the 1st Quarter ended 30th June, 2012	14th August, 2012
2.	Unaudited Financial Results for the 2nd Quarter ended 30th September, 2012	14th November, 2012
3.	Unaudited Financial Results for the 3rd Quarter ended 31st December, 2012	14th February, 2013
4.	Audited Financial / Quarterly results for the year / quarter ended on 31st March, 2013	30th May, 2013

c. Book Closure Period: Monday, 27th day of August, 2012 till Monday, 3rd day of September, 2012 (both days inclusive).

d. Listing on Stock Exchanges:

The shares of the Company are listed on the Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Luxembourg Stock Exchange

The annual listing fees for the financial year 2012-2013 have been paid to these Stock Exchanges with in the stipulated time.

e. Stock Code:

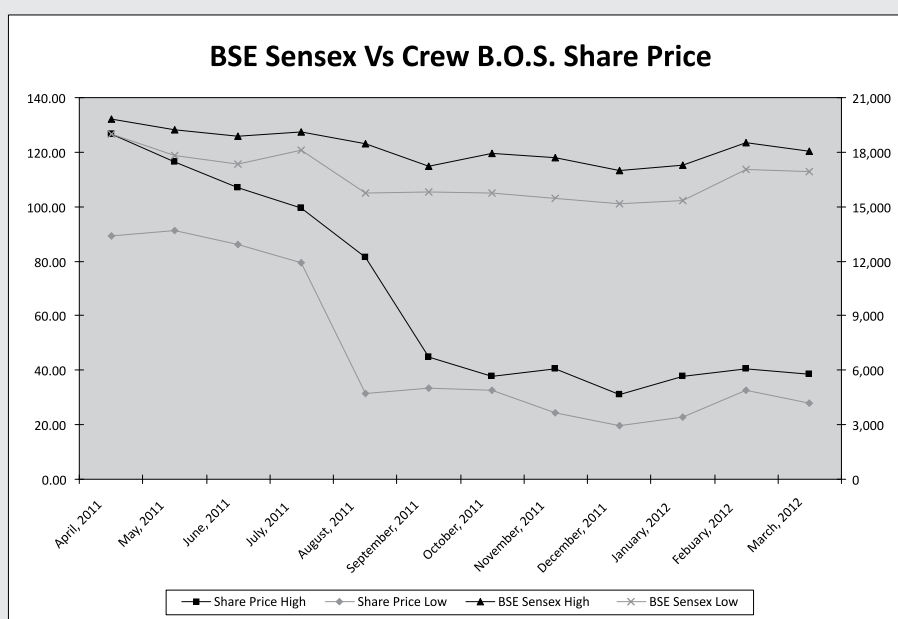
- Bombay Stock Exchange Limited : 532542
- National Stock Exchange of India Limited : CREWBOS

f. Stock Market Price data:

The monthly high and low quotations of shares traded on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, during the period under review are as follows:

	NSE				BSE		
Months	High (Rs)	Low (Rs)	Volume	Months	High (Rs)	Low (Rs)	Volume
April, 2011	126.75	89.20	2657585	April, 2011	126.50	89.15	1723683
May, 2011	115.60	90.70	4190628	May, 2011	116.40	91.25	2993325
June, 2011	107.15	86.10	2241339	June, 2011	107.00	86.10	1490368
July, 2011	97.00	79.50	919967	July, 2011	99.50	79.25	327110
August, 2011	81.85	31.65	5589917	August, 2011	81.35	31.65	2840026
September, 2011	44.80	33.60	2086245	September, 2011	44.85	33.55	1191741
October, 2011	37.50	32.90	540272	October, 2011	37.65	32.50	279316
November, 2011	41.10	24.60	1105874	November, 2011	40.65	24.45	560886
December, 2011	30.95	19.45	764530	December, 2011	31.00	19.60	345280
January, 2012	37.60	22.70	1630495	January, 2012	37.75	22.75	1078189
February, 2012	40.70	33.65	1837284	February, 2012	40.35	32.55	971127
March, 2012	38.40	28.00	1030050	March, 2012	38.70	28.00	375152

[Source: www.bseindia.com, www.nseindia.com]



g. Registrar and Share Transfer Agents:

M/s Skyline Financial Services Private Limited is the Registrar and Share Transfer Agent of the Company in respect of shares held in physical and de-mat form.

M/s Skyline Financial Services Private Limited

D-153/A, 1st Floor, Okhla Industrial Area,

Phase-1, New Delhi-110020

E-mail: admin@skylinerta.com

h. Share Transfer System:

M/s Skyline Financial Services Private Limited (RTA) process the share transfer / transmission on fortnightly basis and the share transfers in the physical form are approved by the Share Transfer Committee.

The Company has Share Transfer Committee consisting of Two (2) members, viz. Mr. Tarun Oberoi, Managing Director, Mr. Robin Bartholomew, Executive Director. The Company Secretary acts as Secretary to the Committee. Committee meetings are convened on the requirement basis to approve the share transfers and other related issues.

a. Distribution of Shareholding as on 31st March, 2012

No. of Shares	No. of Shareholders	% of Shareholders	Total Shares	% of Shareholding
Upto -500	8970	83.81	1213947	8.68
501-1000	831	7.76	659268	4.72
1001-2000	403	3.77	610601	4.36
2001-3000	152	1.42	388948	2.78
3001-4000	87	0.82	306061	2.18
4001-5000	55	0.52	258903	1.85
5001-10000	108	1.00	780994	5.58
10001 & above	97	0.9	9774745	69.85
Total	10703	100.00	1,39,93,467	100.00

b. Shareholding Pattern as on 31st March, 2012

Category	No. of Shares	% of Paid up Capital
Promoters Holding	4800320	34.31%
Persons acting in concert	--	--
Mutual Funds	559145	4.00%
Banks/Financial Institutions/Insurance Companies	--	-
FII's	-	-
Private Corporate Bodies	1740553	12.44%
Indian Public	5836825	41.71%
NRI's	691000	4.93%
GDRs	363624	2.60%
Any other (Clearing House/Public Trust)	2000	0.01%
Total	13,99,3467	100%

c. De-materialisation of Shares & liquidity

Equity shares of your company are in compulsory de-mat settlement mode and can be traded only in de-mat form. Except 1027401 Equity Shares out of total issued capital of the Company, all the shares of the Company are in de-mat form.

As on 31st March, 2012, 1,29,66,066 Equity Shares of the Company, forming 92.66% of the Share capital of the Company stands Dematerialized.

International Securities Identification Number (ISIN) allotted to the Company by NSDL and CDSL is: INE 514G01019



i. Plant locations

- i. 199, Udyog Vihar, Phase-I, Gurgaon, (Haryana)
- ii. 172, Udyog Vihar, Phase-1, Gurgaon (Haryana)
- iii. Plot No. 8 & 9, Sector -7, IMT, Manesar, Gurgaon (Haryana)
- iv. Plot No. 37, Sector-4, IMT, Manesar, Gurgaon (Haryana)
- v. Plot No. 153, Sector- 4, IMT, Manesar Gurgaon (Haryana)
- vi. 140, Leather Complex, Jalandhar, Punjab
- vii. 71/3B& 70/2, Manthangal Village, Walaja Taluk, Vellore District (Tamil Nadu)
- viii. Plot No.SPL-190, Industrial Area Neemrana, District Alwar Rajasthan

j. Outstanding GDRs/ADRs/Warrants/Options/FCCBs

Out of total GDRs issued by the Company, 363624 GDRs, each representing 1 (one) equity shares of Rs. 10/- each are outstanding as on 31st March, 2012.

k. Address for Correspondence

The Company Secretary
199, Udyog Vihar, Phase-1
Gurgaon, Haryana-122016
Tel:0124-4139400, Fax: 0124-4005011
Email: communication@crewbos.com

10. CODE OF CONDUCT:

The Board of Crew B.O.S. Products Limited has laid down a code of conduct for all Board members and senior management of the Company. The code of conduct is available on the website of the Company www.crewbos.com. All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer (CEO) to this effect is enclosed at the end of this report

Declaration by the Managing Director

It is hereby declared that the Company has obtained from each individual member of the Board of Directors and the Senior Management confirming that none of them has violated the conditions of the said Code of Conduct.

For Crew B.O.S Products Limited

Sd/-

(Tarun Oberoi)

Managing Director

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE FROM PRACTICING COMPANY SECRETARY.

To the members of

Crew B.O.S. Products Limited

We have examined the compliance of conditions of Corporate Governance by Crew B.O.S. Products Ltd. ("the Company") for the year ended on March 31, 2012, as stipulated in clause 49 of the listing agreement of the Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of information and explanation provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under abovementioned clause of the listing Agreement.

We state that no investor's grievances are pending for period exceeding one month as per the records placed before the Shareholder's/ Investors' Grievance Committee.

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

For **Shridhi Jain & Associates**
Practicing Company Secretary

Sd/-

(Shridhi Jain)

PCS: 10984

Date: 09.08.2012

Place: Gurgaon

CEO/CFO CERTIFICATION PURSUANT TO CLAUSE V OF THE CLAUSE 49 OF THE LISTING AGREEMENT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDING 31ST MARCH, 2012

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2012 and that to the best of their knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting statements, applicable laws and regulations
- (b) These are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors:
- (i) significant changes in internal control during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which they have become aware and the involvement therein if any, of the management or an employee have a significant role in the company's internal control systems.

Sd/-

(Tarun Oberoi)
Managing Director

Sd/-

(Rakesh Diwan)
Chief Financial Officer

Place : Gurgaon

Date : 9th August, 2012



MANAGEMENT DISCUSSION & ANALYSIS

ANNEXURE- 2

OVERVIEW

Crew B.O.S. Products Ltd. is a public listed Company engaged in the manufacture and export of leather Products. The majority sales of the company comprises of exports. In India Leather industry occupies a predominant place, being the second largest producer next to China. The industry is equipped with a potential for employment generation, growth and exports. The industry experienced a positive metamorphosis from being a mere transporter of raw materials to an established exporter of value added and finished leather products. Currently it is on an ever increasing phase with optimum utilization of available raw materials and maximum returns from exports. Leather industry in India is facing a shift of focus away from the domestic market due to globalization, which has opened up leather sector to foreign capital leading towards a complete transformation of the production chain in the industry. The control of the value chain is exercised by the international buyers and that even the largest firms in the Indian industry have little independence with respect to design and specification of the products being produced. The informal labour processes are augmented by the employment based on caste and segregated by gender.

SYNOPSIS OF THE INDUSTRY

The leather industry occupies an important place in the Indian economy in view of its huge potential for employment, growth and exports. Endowed with the largest cattle population in any country of the world and cheap and abundant manpower both skilled and unskilled, India is well-equipped to have a distinctive advantage in the production of leather and leather goods.

The leather industry is spread across different segments, namely, tanning & finishing, footwear & footwear components, leather garments, leather goods including saddler & harness, etc. The product variation covers semi and finished leather, footwear and footwear components, garments for ladies and gents, handbags for ladies and gents, wallets, diaries and cardholders, gloves and fashion accessories, tableware, upholstery (for houses, offices and vehicles), and luggage and portfolio bags.

The global trade in leather and leather products has been increasing over the years. Although the exports of Indian leather and leather products have grown manifold during the past decades, the major markets for Indian leather products are Germany with a share of 15.27%, UK 11.19%, Italy 10.97%, USA 8.88%, Hong Kong 7.18%, France 6.34%, Spain 6.12%, Netherlands 4.16%, Belgium 2.35%, U.A.E 2.23%, Australia 1.36%. These 11 countries together accounts for nearly 76.05% of India's total leather products export.

Export of leather & leather products to Germany, USA, UK, Italy, Spain, Netherlands, Australia, Russia, Canada, UAE, Portugal and Japan have shown positive growth during the period April-February 2011-12.

East European countries like Poland, Romania, Czech and Slovak Republics have re-emerged as major production centres particularly for footwear sector. These countries pose major challenge to Indian exporters as they enjoy geographical advantage.

To augment the footwear sector, Indian Government has come up with numerous initiatives. Footwear sector is now de-licensed and de-reserved, providing expansion of capacities on modern lines with state-of-the-art machinery. Government has also permitted 100% Foreign Direct Investment through the automatic route for the footwear sector.

PROSPECTS FOREFRONT

The leather sector offers a good potential which Indian entrepreneurs can exploit in European Union and other markets characterized by ever growing competitiveness in terms of price and quality, on one hand, and the environmental considerations, on the other. With a strong foothold that the Indian leather industry has had for long in these markets, and its advantage of raw material and labour resources, Indian leather exporters can mount a concerted marketing campaign to wrest a share consistent with their inherent strength and potential. This has to be done against the background of the well-known salient features of these markets:

- The world's second largest import and export market
- A difficult buyers' market with hyper competition and high expectations
- A dynamic multi-faceted market with rapid technological development and innovations A market where a considerable amount of buying power is devoted to satisfying individual needs
- A market influenced by the rising average age of the population and low birth rate
- A market where environment awareness and eco-friendly production becomes more and more a pre-requisite for successful marketing of products

The emerging trend in these markets has been towards direct imports. The other noteworthy feature is the integration of retailing and manufacturing, particularly for the footwear sector. This has led to increased emphasis on distribution aspects of business. Other distributors, like departmental stores, mail order houses, super markets and non-leather shops have also gained importance. Many outlets get direct supplies either from the manufacturers and importers or from wholesalers and buying associations.

These developments necessitate the marketing strategies to be attuned to the specifics of the different channels, keeping in sharp focus the changes taking place in the distribution pattern of chain stores, retailers, discounters, etc.

The strategy should focus on a structural approach to the promotion of export of leather products from India. This must include market information for exploring new markets, participation in different international trade fairs, organising trade delegations, organising buyer-seller meets, liaisoning with the representatives of the buying houses, etc.

RISK AND CONCERNS

Business uncertainties have magnified manifold in the recent times. Sluggish world economies in the aftermath of the financial

crisis are one of the factors that seem to destabilize the very foundation on which sound business models are built. In the event of another slowdown in the global and domestic economy, the leather industry could come under pressure which in turn would adversely affect demand for leather products.

The risk management framework of the Company aims to identify the diverse risks faced by the Company and evolve appropriate mitigation strategies.

Financial risks are concerned with volatility in interest and exchange rates, credit, asset-liability mismatch. The Company is exposed to forex risks arising from various currency exposures, primarily with respect to USD, Pound, GBP, Euro and Swiss Franc. The Company imports key raw materials which act as a partial hedge. The Company also hedges a part of its net foreign exchange earnings based on periodic cash flow review enabling it to minimise the impact of the strengthening rupee. The emphasis on business expansion and cost management takes such adverse exchange fluctuations in its stride. The Company has put in place a system-driven credit control procedure and proactive approach to prepare liquidity planner, and constant review thereof, to ensure that at any given point of time there is adequate cover available to extinguish its liabilities.

Operational risks

As a company having a global customer base, we are subject to the industry's business cycles, the timing, duration and volatility of which are difficult to predict. The Company is exposed to disruption in supply chain, failure of research & development facilities, and faulty application of information technology, besides non-compliance of regulatory provisions. However, the policies and process framework of the Company, supported by the strong management information system and group guidelines, provide it a proactive approach to mitigate to operational risks to a great extent.

HUMAN RESOURCES

The primary goal from a HR perspective is to build a robust and agile world class organization with a culture of high performance embedded in a value system that promotes respect for individuals, diversity and entrepreneurship. The Company believes that talented manpower is a key strength. Equally important is retention of talented manpower. In order to mitigate the risk it plays considerable emphasis on development of leadership skills and on building employee motivation. Both acquiring right talent which aligns with current resource pool and retaining existing talent are equally important. The Company has a concerted focus on building right capabilities in current business through intensive training and development of employees at all levels

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has an internal control mechanism to facilitate formulation and revision of policies and guidelines in order to align them with changing business needs. The areas of internal control weakness in business and financial processes are identified through a regime of routine checks and remedial actions taken to correct the deficiencies, wherever noticed. A comprehensive summary of the Company's internal control system is as follows:

- Utmost utilization and protection of the available natural resources
- Optimal utilization and safety of available resources.
- Guarding the Company's resources
- Accuracy in recording

- Adopting and implementing the latest statutes, policies, procedures, listing requirements, management guidelines and circulars.
- Strict compliance of the appropriate accounting standards and policies.
- All the assets are safeguarded, properly utilized and protected against loss from unauthorized use or disposition.
- All the transactions are authorized, recorded and reported correctly.

A comprehensive and effective internal control system is essential for business excellence. Such a system helps your Company improve its day-to-day operational efficiency as well as maintain the highest standards of corporate ethics and excellence in line with international bench marks. In consonance with the internal policies and procedures, the Company's Audit Committee has examined and meticulously discussed the internal audit reports during the fiscal year 2011-12. The comments that emerge are reviewed and their compliance is monitored from time to time. The Audit Committee makes a formal review of the internal audits and the status of the action taken on each one of them as well as future action required.

FINANCIAL COMPARISON OF FISCAL YEAR 2012 WITH 2011

The Company's Financial Statements have been prepared in accordance with the requirements of Indian Generally Accepted Accounting Principles (GAAP) and the Companies Act, 1956 in India. The Crew B.O.S. Management accepts responsibility for the integrity and objectives of these financial statements.

Fiscal year 2012 pertains to the year that commenced on April 1, 2011 and ended on March 31, 2012. Fiscal year 2011 pertains to the year that commenced on April 1, 2010 and ended on March 31, 2011.

More than the physical and tangible strengths, our intellectual wealth is playing a crucial role in sustaining our growth. The advantages that have accrued as a result are apparent and for all to see.

1. Income from operations

Total Income from operations for the fiscal year 2012 aggregated to Rs. 4390.36 million, as compare from Rs. 6307.60 million in fiscal year 2011. Table 1 presents a break -up of total income from operations for fiscal years 2012 and 2011

Particulars	2012		2011	
	(Rs. Million)	%	(Rs. Million)	%
Exports	3035.07	69.13	4245.15	67.30
Domestic	1229.53	28.01	1851.56	29.35
Duty Drawback	125.76	2.86	210.89	3.35
Total	4390.36	100.00	6307.60	100.00

(i) Export Sales

Export sales are primarily generated from export of fashion accessories. Export sales for fiscal year 2012 stood to Rs. 3035.07 Million, as compare from Rs. 4245.16 million in fiscal year 2011.



- Sales Breakup

The company's sales generated from export of fashion accessories can be classified into following product categories:

- a) Fashion Bags
- b) Fashion Belts
- c) Fashion Footwear
- d) Wallets
- e) Gift items and other small goods

The break-up of sales from these product categories has been reflected below:

Particulars	2012		2011	
	(Rs. Million)	%	(Rs. Million)	%
Fashion Bags	446.06	11.12	1111.75	18.33
Fashion Belts	432.33	10.78	387.13	6.38
Fashion Footwear	1060.34	26.43	1323.73	21.82
Wallets	629.52	15.69	835.73	13.78
Leather	250.98	6.26	431.95	7.12
Other Finished Goods	260.93	6.50	400.76	6.60
Fabrics	931.19	23.22	1575.84	25.97
Total	4011.35	100.00	6066.89	100.00

The list of top ten customers and their % contribution to Manufacturing export sales are:

Sr. No.	Name of Customer	% Contribution
1	ESPRIT EUROPE SERVICE GMBH ac	12.26
2	FOSSIL RETRODOME	11.42
3	AEO MANAGEMENT CO.	6.71
4	CHICOS 921 DISTRIBUTION SVCS	5.76
5	LIZ CLAIBORNE INC	5.74
6	DEBENHAMS RETAIL PLC	4.88
7	MARKS & SPENCER SCM LIMITED	2.93
8	LUCKY BRAND	2.62
9	BANANA REPUBLIC, INC.	2.28
10	DIESEL	2.07

Crew B.O.S. continues to focus on strengthening its presence in Europe and the rest of the world.

2. Expenditure

i) Material Consumed Expenses

The total material Consumed expenses constituted 40.18% of income from operation in the fiscal year 2012 as compared to 47.41% of income from operation in the fiscal year 2011.

ii) Contract Manufacturing

The outsourced processes have helped in developing new vendors/partners, accordingly resulting into cost efficiency. Simultaneously, our in-house Quality Assurance Team ensures that there are no compromises with regard to the quality of the product.

iii) Investment in Fixed Assets

The Company has invested Rs. 81.13 million in the Fixed Assets to make its manufacturing processes mechanized, thereby enabling reduction in the cost of production leading to better product at cheaper cost.

iv) Personnel, Administrative & Selling Expenses

Personnel, Administrative expenses have increased to 16.38 per cent of Income from operations in the fiscal year 2012 from 13.46 percent of Income from operations in fiscal year 2011.

v) Financial Cost

The finance charges are 10.20 per cent of the income from operations in the fiscal year 2012, as compare to 6.14 per cent of the income from operations in the fiscal year 2011.

The Company is in the expansion phase and would need supplementary funds for enhancement of its existing facilities, finishing unit and also for diversification purposes. The requirement of the funds is proposed to be met by Internal Accruals and fresh borrowings on long-term basis.

vi) Taxation

Current Income Tax has been provided on income not exempted under the tax laws.

3. Profit before Tax

The Profit before Tax for the fiscal year 2012 (PBT) constituted Rs. 68.76 million, representing 1.57% of income from operations, as against Rs. 306.20 million, representing 4.85 per cent of income from operations for the fiscal year 2011.

4. Profit after Tax

Profit after tax for the fiscal year 2012 stood to Rs. 52.03 million as compare from Rs. 224.28 million in the fiscal year 2011.

5. Financial Position

i) Share Capital

The Company Authorized Share Capital stood at Rs. 300,000,000/-, comprising 29,000,000 Equity Shares of Rs. 10/- each and 1,000,000 Preference Shares of Rs. 10/- each.

The paid up capital of the Company in fiscal year 2012, increased to Rs.139.9 million from Rs.128.93 million in the fiscal year 2011 as the result of conversion of 75000 & 1025267 share warrants in to equity shares.

ii) Reserves and Surplus

During the fiscal year 2012, addition to the Reserve & Surplus is due to surplus available in Profit & Loss Account and Security premium.

iii) Borrowings

a) Long Term Borrowing

The Overall Long term borrowing for the year stood at Rs.349.28 million as against Rs.447.66 million in the fiscal year 2011.

b) Short Term Borrowing

The Overall Short term borrowing for the year stood at 2178.22 million as against Rs.2297.61 million in the fiscal year 2011.

iv) Fixed Assets

The Company invested an amount of Rs. 81.13 million in Fixed Assets in the Fiscal Year 2012, as compared to Rs. 121.21 million in the fiscal year 2011.

v) Investments

The investments at the end of the year stood at Rs. 182.41 million, representing the amount invested in the subsidiaries.

vi) Inventories

Inventories stood at Rs.1794.41 million in the fiscal year 2012, as against Rs. 1792.00 million in the fiscal year 2011.

vii) Sundry Debtors

Sundry Debtors as of March 31, 2012 were Rs.3960.74 million, as against Rs. 3431.89 million as of March 31, 2011. These debtors are considered good and realizable.

viii) Cash & Bank Balances

Cash and Bank Balances stood at Rs. 58.81 million for the fiscal year 2012 as against Rs. 86.10 million in the fiscal year 2011 to improve the operations of the funds.

ix) Loans and Advances

Loan and advances as of March 31, 2012 stood at Rs.660.33 million as against Rs. 502.16 million in the fiscal year 2011. which is given on account of:

		(Rs. Million)
Long term loans & Advances	=	25.37
Short term loans & Advances	=	413.86
Others Current Asset	=	221.10
		<u>Rs.660.33</u>

x) Sundry Creditors

Sundry Creditors include amount payable to vendors for supply of goods and services and amount accrued for operational expenses.

Cautionary Statement

Statements in the Management Discussion & Analysis Report describing the Company's expectations, opinion, and predictions may please be considered as "forward looking statements" only. Actual results could differ from those expressed or implied. Company's operations should be viewed in light of changes in market conditions, prices of raw materials, economic developments in the country and such other factors.



AUDITORS' REPORT

To the Members of

Crew B.O.S. Products Limited

We have audited the attached Balance Sheet of Crew B.O.S. Products Limited, as at 31st March, 2012 and Statement of Profit & Loss and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above :-
 - 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 account, as required by Law, have been kept by the Company so far as appears from our examination of the books subject to note number 31 to notes on accounts.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) *In our opinion, subject to note number 6(a) regarding provision of gratuity on estimate basis without actuarial valuation, note number 9(a) regarding short provision for bonus, note number 18(a) and note number 33 regarding no provision for write-off of loans & investment made in*

non functional subsidiaries / joint venture companies or overdue balances, note number 20(b) and note number 20(c) regarding trading of fabrics, note number 20(b) regarding previous year transactions for purchases & expenses amounting to Rs. 120.02 lacs,, note number 26(d) regarding accounting for professional charges of Rs 8.78 lacs for incorporation of a associate company as expense of the company resulting in overstatement of profit by this amount, note number 28 on parties account non-reconciliation/ pending balances confirmation and resultant effect on final accounts and note number 37 regarding excess remuneration a amounting to Rs. 59.45 has paid to managerial people subject to Central Govt. approval , the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by the Report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.

- e) On the basis of written representation received from the directors and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our knowledge and information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :-
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2012.
 - (ii) In the case of the Statement of Profit & Loss of the profit for the year ended on that date.
 - (iii) In the case of the Cash Flow Statement, on the cash flows for the year ended on that date.

For ANIL K. GOYAL & ASSOCIATES
Chartered Accountants
(Firm Reg. No. 04558N)

Sd/-
(V.P. Sony)
Partner

Place: New Delhi
Date : 29th May, 2012

Membership No. 86718

ANNEXURES REFERRED TO IN PARA 1 OF THE AUDITOR'S REPORT TO THE MEMBERS OF CREW B.O.S. PRODUCTS LIMITED ACCOUNTS FOR THE YEAR ENDED MARCH 31st, 2012

- 1) a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. As confirmed by the Management the records are being compiled for all assets owned by the Company.
- b) The Management has occasionally physically verified the fixed assets and no material discrepancies are reported to have been observed on such verification as compared to book records.
- c) In our opinion, and according to the information and explanations given to us, the company has not disposed off a substantial part of fixed assets during the year and therefore paragraph 4(i) (c) of the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as the Order) is not applicable.
- 2) a) The Inventory has been occasionally physically verified during the year by the Management and Auditors appointed by the bankers from whom the company is enjoying various credit facilities. In our opinion the frequency of verification needs to be increased in view of the size and nature of its business. The physical stock at the year end has been taken and valued as certified by Management.
- b) In our opinion, the procedures of physical verification of inventory followed by the Management need better scientific method and more frequent in relation to the size of the company and the nature of its business besides also involving Internal Auditors as part of their scope.
- c) On the basis of our examination of the inventory records, in our opinion, the company needs to implement a proper ERP System for improvement of inventory records. As confirmed by the Management the discrepancies noticed on physical verification of inventory compared to book records / erstwhile ERP System used by the Company, have been dealt with.
- 3) The Company has granted interest free unsecured loans/ advances to nine parties covered in the register maintained under section 301 of the Act, aggregating to Rs 1799.82 Lakhs. The terms and conditions thereof are prejudicial to the interest of the company to the extent of interest paid by the company to its bankers for funds borrowed from them. The company has taken interest free unsecured, loans/advances from five parties covered in the register maintained under section 301 of the Act, aggregating to Rs. 1684.40 Lakhs. The terms and conditions thereof are generally not prima facie prejudicial to the interest of the company
- 4) In our opinion, and according to information and explanations given to us and as seen in Internal Audit Reports, there are scope for improvement in internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of stores & spare parts, fixed assets, and with regard to sale of products and maintaining records in accounts thereof.
- 5) The transactions that need to be entered into a register in pursuance of section 301 of the Companies Act have been entered. According to the information and explanations given

to us, purchase of goods and sale of services aggregating during the year to Rs. 5,00,000/- or more in respect of a party in pursuance of contracts or arrangements entered into the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time for such goods.

- 6) In our opinion and according to information and explanations given to us the Company has not accepted any deposits from the public.
- 7) In our opinion the Company has an internal audit system that is commensurate with the size and nature of its business. The company needs to increase the scope of Internal Auditors including physical stock verification, which will help enhance the control.
- 8) The company has not maintained the cost records as per the requirement of clause (d) of sub – section (1) of Section 209 of the Companies Act, 1956.
- 9) In our opinion and according to the information and explanations given to us, the company is not regular in depositing undisputed statutory dues including Provident Fund, employees' state insurance, investor education and protection fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty ,cess, and other statutory dues, as applicable to its activities, with appropriate authorities. The arrears of outstanding statutory dues as at 31st March, 2012 for a period of more than six months from the date they became payable are as under:-

S. No.	Particulars	Amount (Rs. in Lacs)
1	ESI-FY 2011-12	53.46
2	Provident Fund-FY 2011-12	129.72
3	Self Assessment Tax-AY- 2011-12	1524.64
4	TDS other than Salary-FY 2011-12	77.40
5	TDS Salary-FY 2011-12	32.73
6	Excise Duty-FY 2011-12	10.53
	TOTAL	1828.48

As explained to us, the Company did not have any dues on account of investor education and protection fund.

According to the records of the Company, following are the disputed liabilities of the Company. The Company has not made the provision for the same in its books of accounts and the amount paid has been shown under Loans & Advances.

Name of Statute	Nature of Dues	Amount (Rs.in Lakhs)	Period to which the amount relates	Forum where dispute is pending	Amount paid against Demand (Rs. in Lakhs)
Income Tax Act, 1961	Income Tax	31.01	AY 2005-06	ITAT (New Delhi)	31.01
Income Tax Act, 1961	Income Tax	50.14	AY 2006-07	ITAT (New Delhi)	50.14



- 10) The company has neither accumulated losses as at the end of the financial year nor it incurred cash losses in the current financial year as well as in the immediately preceding financial year.
- 11) Based on our audit procedures and as per the information and explanations given by the management, the Company has defaulted in repayment of loans and interest to following banks and financial institutions as at 31st March, 2012.

Overdue				
Bank/Financial Institution	Interest	Principal	Total	Period of Overdue
Working Capital				
- IDBI Bank Ltd	17,837,117		17,837,117	From Oct, 2011
- Bank of Baroda	1,135,479		1,135,479	March, 2012
- State Bank of India	4,318,570	50,039,328	54,357,898	March, 2012 & Overdue in principal due to LC devolvement
- Allahabad Bank	5,579,680		5,579,680	March, 2012
- Bank of India	4,513,133		4,513,133	Feb & March, 2012
-SIDBI		11,270,629		For the year
- DBS		127,223,468		For the year
Term Loan				
- HSIIDC Limited	4,178,503		4,178,503	For the quarter ended Jan, 2012
- Bank Of Baroda	2,291,218		2,291,218	March, 2012
- Citi Bank ECB Loan	1,763,611	32,389,274	34,152,885	For the quarter ended December, 2011 and March, 2012
- IFCI Factors Limited		4,163,737	4,163,737	March, 2012
- Karvy Financial Services Limited	228,887		228,887	March, 2012
TOTAL	41,846,198	225,086,436		

Delays were noticed in payment of interest & principal on several occasions during the year. The company has not issued any debentures.

- 12) In our opinion and according to the information and explanations given to us the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and therefore paragraph 4(xii) of the Order is not applicable.
- 13) In our opinion and according to the information and explanations given to us, the provisions of any special statute applicable to chit fund and nidhi/mutual benefit fund/society are not applicable to the company and therefore paragraph 4(xiii) of the Order is not applicable.
- 14) The company is not dealing or trading in shares, securities and debentures, therefore paragraph 4(xiv) of the Order is not applicable.
- 15) According to the records of the company and the information and explanations provided by the management, the company has given guarantees aggregating to USD 25 Million and INR 600.00 Lacs to the bankers of its overseas and Indian WOS respectively for loans taken by them from banks. The company's operations may substantially be affected in case of encashment of guarantee by their bankers due to default by these overseas subsidiaries.
- 16) The company has availed term loans from a bank/financial institutions. According to the information and explanation given and in our opinion these term loans were applied for the purpose for which the loans were obtained.
- 17) According to the information & explanations given to us and based on examination of documents & records made available, we are of the opinion that fund raised on short term basis have prima facie not been used: during the year for long term investment.
- 18) According to the information and explanations given to us, the company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 except conversion of share warrants when paid in same as per share warrant conditions within SEBI Guidelines, and therefore paragraph 4(xviii) of the Order is not applicable.
- 19) The company has not issued any debentures during the year and therefore paragraph 4(xix) of the Order is not applicable.
- 20) During the year under review, no money was raised by public issue except receipt of money against share warrants as per their issue terms and as such disclosure of end use of money raised is not applicable.
- 21) During the course of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the company, noticed nor reported during year nor we have been informed of such case by the Management, however since some of the material transactions remain unconfirmed the probability thereof cannot be ruled out altogether.

For **ANIL K. GOYAL & ASSOCIATES**

Chartered Accountants
(Firm Reg. No. 04558N)

Sd/-

(V.P. Sony)

Partner

Membership No. 86718

Place: New Delhi

Date : 29th May, 2012

BALANCE SHEET AS AT MARCH 31, 2012

		(₹ in Lacs)	
Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	1,399.35	1,289.32
(b) Reserves and Surplus	3	15,486.61	14,522.53
(c) Money received against share warrants		—	242.21
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	3,492.83	4,476.57
(b) Deferred tax liabilities	5	262.82	339.82
(c) Other Long term liabilities		—	—
(d) Long term provisions	6	489.42	443.37
(4) Current Liabilities			
(a) Short-term borrowings	7	21,782.22	22,976.05
(b) Trade payables	8	30,054.28	23,183.06
(c) Other current liabilities	9	4,984.71	2,942.22
(d) Short-term provisions	10	2,614.81	2,409.81
Total		80,567.05	72,824.96
II. Assets			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		10,764.19	9,348.70
(ii) Intangible assets		119.41	152.71
(iii) Capital work-in-progress		3,116.49	4,684.94
(iv) Intangible assets under development			
(b) Non-current investments	12	1,814.10	304.48
(c) Deferred tax assets (net)			
(c) Long term loans and advances	13	253.71	222.28
(d) Other non-current assets			
(2) Current assets			
(a) Current investments	14	10.00	10.00
(b) Inventories	15	17,944.07	17,919.98
(c) Trade receivables	16	39,607.39	34,318.85
(d) Cash and cash equivalents	17	588.14	860.97
(e) Short-term loans and advances	18	4,138.55	3,176.61
(f) Other current assets	19	2,211.00	1,825.44
Total		80,567.05	72,824.96
Significant Accounting Policies and Notes to Financial Statements	1 to 40		
The notes form an integral part of these financial statements.			
Cash Flow Statement			

As per our report of even date attached.

For **Anil K. Goyal & Associates**
Chartered Accountants
Firm Registration No. 04558N

For and on behalf of the Board

Sd/—
(V. P. Sony)
Partner
Membership No. : 86718

Sd/—
(Tarun Oberoi)
Managing Director

Sd/—
(Robin Bartholomew)
Director

Place : Gurgaon
Date : 29.05.2012

Sd/—
(Rakesh Diwan)
C.F.O.

Sd/—
(Ashish Goel)
Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31ST, 2012

(₹ in Lacs)

Particulars	Note No	Year ended 31st March, 2012	Year ended 31st March, 2011
I. Revenue from operations	20	43,903.56	63,076.01
Less: Inter-unit Transfer(s)		699.51	975.47
Net Income from Operations		43,204.05	62,100.54
II. Other Income	21	52.28	42.24
III. Total Revenue (I +II)		43,256.33	62,142.78
IV. Expenses:			
Cost of materials consumed	22	17,640.40	29,904.34
Purchase of Stock-in-Trade		10,662.82	15,664.46
Changes in inventories	23	1,353.36	(481.96)
Employee benefit expense	24	4,012.33	5,230.31
Financial costs	25	4,481.28	3,873.50
Depreciation and amortization expense		992.49	957.31
Other expenses	26	3,426.05	3,932.86
Total Expenses		42,568.73	59,080.82
V. Profit before exceptional and extraordinary items and tax (III - IV)		687.60	3,061.96
VI. Exceptional Items			
Prior Period Expenses		143.03	21.36
VII. Profit before extraordinary items and tax (V - VI)		544.57	3,040.60
VIII. Extraordinary Items			
Forfeiture of Shares Warrants		103.77	-
IX. Profit before tax (VII - VIII)		648.35	3,040.66
X. Tax expense:			
(1) Current tax		205.00	750.00
(2) Deferred tax		(77.00)	47.75
XI. Profit for the year (IX-X)		520.35	2,242.85
XII. Earning per equity share:			
(1) Basic		3.85	17.40
(2) Diluted		3.85	15.14
Significant Accounting Policies and Notes to Financial Statements.	1 to 40		
The notes form an integral part of these financial statements.			
Cash Flow Statement			

As per our report of even date attached.

For **Anil K. Goyal & Associates**
Chartered Accountants
Firm Registration No. 04558N

For and on behalf of the Board

Sd/-
(V. P. Sony)
Partner
Membership No. : 86718

Sd/-
(Tarun Oberoi)
Managing Director

Sd/-
(Robin Bartholomew)
Director

Place : Gurgaon
Date : 29.05.2012

Sd/-
(Rakesh Diwan)
C.F.O.

Sd/-
(Ashish Goel)
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	(₹ in Lacs)	
	Year ended 31st March, 2012	Year ended 31st March, 2011
A. Cash flow from operating activities:		
Net (loss)/profit before tax but after exceptional/extraordinary items	648.35	3,040.58
Adjustments for:		
Depreciation	992.49	957.31
Interest Expense	4,481.28	3,873.50
Interest Income	(25.80)	(31.42)
Profit from Foreiture of Share Warrants	(103.77)	—
(Profit)/Loss on Fixed Assets sold	(0.88)	3.67
(Profit)/Loss on sale of Investments	(0.15)	—
Deferred revenue expenditure written off	—	11.58
Provision for Bad & Doubtful Debts	18.41	—
Liability no longer required written back	(3.23)	(8.09)
Provision for diminution in value of Investments	—	4.35
Unrealised foreign exchange (gain) /loss	198.62	122.71
Operating profit before working capital changes	6,205.31	7,974.19
Adjustments for changes in working capital :		
- (INCREASE)/DECREASE in Sundry Debtors	(6,048.17)	(20,286.93)
- (INCREASE)/DECREASE in Other Receivables	(1,032.82)	(933.65)
- (INCREASE)/DECREASE in Inventories	(24.09)	(2,378.65)
- INCREASE/(DECREASE) in Trade and Other Payables	7,160.45	13,929.58
Cash generated from operations	6,260.69	(1,695.46)
- Taxes (Paid) / Received (Net of TDS)	(361.30)	(788.04)
Net cash from operating activities	5,899.39	(2,483.48)
B. Cash flow from Investing activities:		
Purchase of fixed assets	(811.28)	(1,212.09)
Proceeds from Sale of fixed assets	5.91	59.14
Investment in Subsidiary	(1,496.05)	(51.00)
Investment in Associates	(24.00)	—
Investment Others	—	(10.00)
Proceeds from sale of Investment in Subsidiary	10.59	—
Interest Received (Revenue)	41.00	27.73
Net cash used in investing activities	(2,273.83)	(1,186.22)
C. Cash flow from financing activities:		
Proceeds form fresh issue of Share Capital (including Share Premium)	415.32	28.31
Proceeds from long term borrowings	1,361.40	(33.71)
Proceeds from short term borrowings	(1,193.83)	6,900.32
Interest Paid	(4,481.28)	(3,873.50)
Net cash used in financing activities	(3,898.39)	3,021.43
Net Increase/(Decrease) in Cash & Cash Equivalents	(272.83)	(648.27)
Cash and cash equivalents as at 31.03.2011	860.97	1,509.24
Cash and cash equivalents as at 31.03.2012	588.14	860.97
Cash and cash equivalents comprise		
Cash, Cheques & Drafts (in hand) and Remittances in Transit	18.31	28.29
Balance with Banks	569.83	832.68
	588.14	860.97

As per our report of even date attached.

For **Anil K. Goyal & Associates**
Chartered Accountants
Firm Registration No. 04558N

For and on behalf of the Board

Sd/—
(V. P. Sony)
Partner
Membership No. : 86718

Sd/—
(Tarun Oberoi)
Managing Director

Sd/—
(Robin Bartholomew)
Director

Place : Gurgaon
Date : 29.05.2012

Sd/—
(Rakesh Diwan)
C.F.O.

Sd/—
(Ashish Goel)
Company Secretary



NOTES FORMING PART OF THE BALANCE SHEET

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies

1.1 Basis of Preparation

The Financial Statements are prepared on accrual basis under the historical cost convention in accordance with applicable Accounting Standards issued by The Institute of Chartered Accountants of India and relevant presentational requirements of the Companies Act, 1956.

Presentation and disclosure in Financial Statements

During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of financial statements. The adoption of new Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

Operating Cycle

As per the revised Schedule VI, 'An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

For the company there is generally no clearly identifiable normal operating cycle and hence the normal operating cycle for the company is assumed to have duration of 12 months.

1.2 Revenue Recognition

Sales are recognized upon the transfer of significant risks and rewards of ownership to the customers.

Cost of samples developed and supplied is recognized on accrual basis net of recoveries.

The Company adequately hedges its inherent Foreign Currency Exposures. There are also adequate measures implemented by the Company to assess and mitigate the exchange rates fluctuation risks timely and efficiently. Effects of Exchange Difference on Derivative transactions are booked at the time of cancellation and/or maturity of the contract.

Duty Drawback Income on deemed export on purchases of goods made by 100% Export Oriented Unit (EOU) as per provisions of chapter 8 of Foreign Trade Policy are recognized in the year in which the income is received.

Debit and credit balances of the parties which are outstanding for more than three years without having any transaction during these years in that account are written off/written back and accounted for as income or expense as the case may be.

1.3 Borrowing Costs

The borrowing costs on funds other than those directly attributable to the acquisition of a qualifying asset i.e. assets that necessarily takes a substantial period of time to get ready for its intended use, are charged to revenue in the period in which they are incurred.

The borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of that asset.

1.4 Fixed Assets

Fixed Assets are stated at actual cost of acquisition inclusive of taxes, duties, freight and other incidental expenses including interest related to acquisition, net of Grants.

Intangible assets are recognized at cost which comprises of purchases price (including taxes and duties, if any) and any directly attributable expenditure on making the assets ready for their intended use.

Fixed assets are reviewed for impairment on each balance sheet date, in accordance with the accounting standard AS 28 issued by The Institute of Chartered Accountants of India.

1.5 Depreciation

Depreciation on fixed assets used in Fashion Accessories Business is provided on WDV Method & Depreciation on fixed assets used in Leather Business being Leather Finishing & Processing units is provided on SLM Method at the rates and in the manner as prescribed in Schedule XIV of the Companies Act, 1956.

Intangible Assets: Technical recipes and formulas is being amortized on a straight line method over the estimated useful lives of ten years as decided by the company and depreciation on Computer software is charged as per rates prescribed under Companies Act.

All assets costing Rs 5,000 or below are depreciated in full by way of a one time depreciation charge.

Leasehold improvements are amortized over the period of lease, including the optional period of lease.

1.6 Inventories

a. Raw materials are valued at weighted average cost.

NOTES FORMING PART OF THE BALANCE SHEET

- b. Semi finished goods are valued at cost up to estimated stage of process.
- c. Finished Goods are valued at lower of cost and net realizable value.

1.7 Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the rate prevailing on the date of the transactions. Monetary items are translated at the exchange rates prevailing at the end of the year and the gain/loss arising on such translation is credited /charged to the profit and loss account.

1.8 Retirement Benefits

The Company's contribution to defined contribution schemes such as provident fund and family pension fund are charged to the profit and loss account as incurred. The Company also provides gratuity benefit to the employees, which is funded through a LIC group gratuity scheme. The Liability at the year-end for the same is determined by an actuarial valuation done at year-end and shortfall/surplus over the amount contributed to the scheme is charged off to the profit and loss account. Provision for Leave Encashment is made on accrual basis and charged to profit and loss account.

1.9 Prior Period and Extra Ordinary items

Prior period and Extra Ordinary items having material impact on the financial affairs of the Company are disclosed separately.

1.10 Investments

i) *Quoted Investments:*

Quoted Investments are carried at lower of cost and fair value. Fair value in the case of quoted investments refer to the market value of the investments arrived at on the basis of last traded prices as at the year end.

ii) *Unquoted Investments:*

Unquoted Investments are carried at cost.

1.11 Taxation

Current Tax

Provision for current tax is computed on the basis of tax payable on estimated taxable income and fringe benefit computed in accordance with the applicable provisions of Income Tax Act 1961, after considering the benefit available under the said Act.

Deferred Tax

In accordance with Accounting Standard -22 "Accounting for Taxes on Income", issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date.

Deferred Tax Assets arising from temporary timing differences are recognized to the extent there is reasonable certainty that the asset can be realized in future.

1.12 Contingent Liabilities

Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved

1.13 Earning Per Share

Earning per share is calculated in accordance with the procedure laid out in the relevant Accounting Standard (AS20) issued by the Institute of Chartered Accountants of India.

Warrants issued are considered as capital for the purpose of computing diluted earning per share.

1.14 Segment Accounting Policies:

i) Identification of Segment

For management purposes, the Company is organized in three major operating divisions – Fashion Accessories, footwear & Leather. These divisions include manufacturing, domestic as well as overseas activities. These divisions are the basis on which the Company reports its primary segment information.

ii) Segment Assets and Liabilities

All Segments assets and liabilities are directly attributable to the segment. Segment assets include all operating assets used by the segment and consist primarily of fixed assets, inventories, sundry debtors, loans and advances and operating cash and bank balances. Segment liabilities all operating liabilities and consist primarily of creditors and accrued liabilities. Segment assets and liabilities do not include investments, miscellaneous expenditure, and current income tax and deferred tax.



NOTES FORMING PART OF THE BALANCE SHEET

iii) Inter Segment Transfers

Segment revenues and segment results include transfers between business segments. Inter segment sales to leather are accounted for at cost of production. These transfers are eliminated on consolidation.

iv) Segment revenues and expenses

Joint expenses are allocated to business segments on a reasonable basis. All other revenues and expenses are directly attributable to the segments. They do not include interest income and interest expenses

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
NOTE :2		
SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
29,000,000 Equity Shares of Rs. 10/- each	2,900.00	2,900.00
1000,000 Preference Share of Rs 10/- each	100.00	100.00
TOTAL	3,000.00	3,000.00
ISSUED, SUBSCRIBED & PAID UP		
13993467 Equity Shares of Rs. 10/- each fully paid up.	1,399.35	1,289.32
TOTAL	1,399.35	1,289.32
a) Reconciliation for Closing Number of shares		
Opening Number of Equity Shares	12,893,200	12,818,200
Add :		
Share warrants converted into Equity Shares	1,100,267	75,000
Closing Number of Equity Shares	13,993,467	12,893,200

b) The holders of the Equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

c) The Company has not issued shares for a consideration other than cash or bonus shares during the immediately preceding 5 years.

d) Following shareholders hold equity shares more than 5% of the total equity shares of the company at the end of period :

S. No.	Name of Shareholder	No of shares as at 31st March, 2012	% of Shareholding	No of shares as at 31st March, 2011	% of Shareholding
1	Tarun Oberoi	1393542	9.96%	3248897	25.20%
2	Robin Barthlomew	1067698	7.63%	909117	7.05%
3	Vivek Laxminath Mehrotra	719735	5.14%	-	-
4	Fable Concepts & Technology Pvt. Ltd.	1027019	7.34%	1453847	11.27%
5	Elan Trade Post Pvt. Ltd.	1312061	9.38%	1325188	10.28%
6	Integrated Master Securities Pvt. Ltd	-	-	927870	7.20%

e) Forfeiture share warrant note

In the Financial year 2009-10 the Company had issued 20 Lacs warrants convertible into equity shares of the Company on Preferential Basis at a price of Rs. 50.33/- per warrants, which will entitle the holder to subscribe to one equity share of the face value of Rs. 10/- at a price not being less than Rs. 50.33/- (including premium of Rs. 40.33/-) per equity share of the Company against each warrant and have an option to apply for and be allotted one equity share of the Company per warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. In Financial Year 2010-11 only one warrant holder exercised his option and converted his 75,000 warrants into equity shares. In current Financial Year 2011-12 Six warrant holders holding 11,00,267 warrants (which include 73172 warrants exercised by one Holder i.e. Fable Concept & Technology (P) Ltd. out of 258172 warrants) has been exercised his option and convert his warrant into equity shares. Those warrant holders who did not exercise option and not converted his warrant into equity shares within a period of 18 months from the date of allotment, the 25% amount paid being Rs. 103.77 Lacs by the warrant holders at the time of allotment has been forfeited under Clause 77 of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The forfeited amount of Rs. 103.77 lacs has been shown under the head- "Extra-ordinary Items" in the Statement of Profit and Loss.

NOTES FORMING PART OF THE BALANCE SHEET

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
NOTE :3		
RESERVES & SURPLUS		
GENERAL RESERVE		
Balance as per Last Balance sheet	424.14	424.14
Transferred from Profit & Loss Accounts	—	—
SECURITY PREMIUM		
Opening Balance	3,030.45	3,000.20
Add : Received during the year	443.74	30.25
Closing Balance	3,474.19	3,030.45
Surplus in Profit & Loss Account		
Opening Balance	11,067.94	8,825.09
Add: Net Profit after Tax transferred from Statement of Profit & Loss	520.35	2,242.85
Closing balance	11,588.28	11,067.94
TOTAL	15,486.61	14,522.53

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
NOTE : 4		
LONG TERM BORROWINGS		
SECURED		
Loan from Banks		
— Vehicle / Equipment Loans	199.23	98.05
— Term Loan	2,297.69	4,378.52
UNSECURED		
Loan from Other		
— From Related Parties		
a) From Director		
— Mr. Tarun Oberoi	843.48	—
b) From Associated Enterprises		
— Elan Trade Post Pvt. Ltd.	19.82	—
— Fable Concepts & Technology Pvt. Ltd.	132.61	—
TOTAL	3,492.83	4,476.57



NOTES FORMING PART OF THE BALANCE SHEET

Detail of Term Loan

Sl. No.	Bank	Amount outstanding as at 31st March, 2012 (₹ in Lacs)	Terms of Repayment	Nature of Security
1	Bank of Baroda			
	Term Loan I	1,027.26	Repayable in 5 quarterly installments commencing from Sept'2012	Term loans secured by way of Exclusive charge Hypothecation of Plant & Machinery financed out of term loan of B.O.B. and Exclusive charge Equitable Mortgage of factory land & building at Neemrana & Ranipet Tamil Nadu.
	Term Loan II	298.37	Repayable in 8 quarterly installments commencing from Sept'2012	
	Term Loan III	531.97	Repayable in 18 quarterly installments commencing from Sept'2012	
2	HSI IDC			
	Term Loan I	50.76	Repayable in Eight years inclusive of moratorium period of one and half year in equal 26 quarterly installments	Term loans secured by way of extension of first charge on the entire Fixed Assets of the company already mortgage and MFA located at Plot No. 37, sector-4, IMT Manesar. Personel guarantee by Mr. Tarun Oberoi & Mr. Robin Bartholomew along with corporate guarantee by M/s Elan Trade Post Pvt. Ltd. & M/s Fable Concepts & Technologies Pvt. Ltd.
	Term Loan II	171.26	Repayable in Eight years inclusive of moratorium period of six months in equal 30 quarterly installments	
	Term Loan III	24.31	Repayable in five and a half years inclusive of moratorium period of six months in equal 20 quarterly installments	
	Term Loan IV	190.65		
	Term Loan V	254.20		
	Term Loan VI	121.80		
	Term Loan VII	401.70		
3	UCO Bank	394.34	Repayable in 20 quarterly installments commencing from March'12	Term Loan secured by exclusive charge on Machinery & second charge on other fixed assets of the company.
4	Citi Bank	341.53	Balance as at 1st May, 2012, of JPY 440.50 Lacs is to be repaid in 12 fortnightly installment started from 15th May, 2012, as per the repayment schedule submitted by the Company	Loan is secured by exclusive charge on the fixed assets of the Company purchase out of Term Loan
5	IFCI Factors Limited	991.64	Repayable in 10 monthly installemnts commencing from July'2012	Loan is secured by way of pledge of shares of Crew BOS Products Limited & personel guarantee by Mr. Tarun Oberoi
6	IFCI Venture Capital Fund Limited	281.05	Repayable in 13 monthly installments commencing from June'2012	Loan is secured by way of pledge of shares of Crew BOS Products Limited & personel guarantee by Mr. Tarun Oberoi
7	Karvy Financial Services Limited	182.47	Bullet payment for principal at the end of 24 months	Loan is secured by way of pledge of shares of Crew BOS Products Limited & personel guarantee by Mr. Tarun Oberoi

The total term loan outstanding at the year end amounts to Rs. 5,263.30.Lacs Out of these a sum of Rs. 2,297.69 being due after 31.03.2013 have been shown under "Long-Term Borrowing and the Installments falling due in respect of all the above Loans upto 31.03.2013 amounting to Rs. 2,965.61 Lakhs have been grouped under "Current maturities of long-term debt" (Refer Note 9)

NOTES FORMING PART OF THE BALANCE SHEET

- a. During the financial year 2006-07, the Company was sanctioned the External Commercial Borrowings (ECB) loan consisting of Japanese Yen equivalent of USD 5,000,000 for capital expenditure requirements vide credit arrangement entered with Citi Bank N.A. London. The ECB loan amount had been revised to USD 4,000,000 and accordingly fully utilized by the Company. During the year the company has repaid ECB Loan by USD 5,69,894 equaling to INR 429.87 lakhs). The interest rate on ECB loan is JPY Libor plus based. Outstanding Balance of ECB at the last day of financial year 2011-12 equals to INR 338.34 Lakhs including interest of Rs. 17.64 Lacs. The aforesaid ECB loan was scheduled to be repaid by 31st March, 2012, but Company has filed re-schedulement request with Citi Bank NA, London to repay the remaining balance in installments by 31st October, 2012.
- b. The Company has borrowed short term loans from IFCI Factors Limited, IFCI Venture Capital Funds Limited, Karvy Financials Services Limited and Pinkhem Investment Company Pvt. Ltd against the pledge of shares of the Company held by promoters and promoters group Companies. 3161996 shares has been sold by the aforesaid Companies due to fall in the share price and value of collateral margin as per terms and condition of sanction letter and the amount recovered on such sale has been adjusted by them against loan amount due from the company. The company has given credit to the account of promoters & their group companies respectively by the amount which has been recovered by the above companies against sale of pledged shares and are shown under the head- "Unsecured Loans from related parties".
- c. The outstanding loan amount of Rs. 77.65 Lakhs due to S.E Investments Ltd has been squared up during the year against security deposits of Rs 76.00 Lakhs & the balance amount of Rs. 1.65 Lakh has been accounted for as the interest income for the year. The confirmation from the party for above transaction is not available.

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
NOTE :5		
DEFERRED TAX LIABILITIES		
As at 1st April,2011	339.82	292.07
Add : Additional adjustment for current year	(77.00)	47.75
Closing Balance	262.82	339.82

Working for Deferred Tax is as follows :

(₹ in Lacs)

	For the year Ended March 31,2012		For the year Ended March 31, 2011	
Timing differences on account of:	Deferred Tax Assets	Deferred Tax Liability	Deferred Tax Assets	Deferred Tax Liability
a) Depreciation	–	464.31	–	471.16
b) Employees Benefits	201.49	–	131.34	–
Total	201.49	464.31	131.34	471.16
Net Deferred Tax Liability/ Asset	–	262.82	–	339.82

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
NOTE :6		
LONG TERM PROVISION		
Gratuity Payable	330.40	281.93
Leave encashment Payable	159.03	161.44
TOTAL	489.42	443.37

- a) The Company has a Group Gratuity Policy with LIC of India. The company discontinued to make payments to them for last more than couple of years. Therefore, LIC of India could not provide details of due payments to regularise the said policy and to make balance provision of gratuity. In such circumstances, the company has made a provision of Rs. 35 lacs (Previous Year Rs. 163.92 lacs for Gratuity for the current Financial Year and no actuarial valuation is available to support this provision.



NOTES FORMING PART OF THE BALANCE SHEET

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
NOTE :7		
SHORT TERM BORROWING		
SECURED		
Working capital Facilities		
– Cash Credit Limits	14,072.21	13,455.03
– Packing Credit Limits	4,681.81	5,612.53
– Bills Purchased by Banks	2,731.49	2,856.83
UNSECURED		
From Bank		
– SIDBI	112.71	662.73
– Yes Bank	–	238.93
From Others-Loans repayable on demand		
– Transnational Growth Fund Ltd.	125.00	125.00
– Sri Amarnath Finance Ltd.	25.00	25.00
– Raghav Aditya Chits Pvt. Ltd.	34.00	–
TOTAL	21,782.22	22,976.05

Notes:

- Working Capital Loans from banks are secured against hypothecation of present and future moveable assets of the Company. These Loans are further secured by collateral security of immoveable properties of the Company and personal guarantee by Promoter Directors and by Corporate Guarantee of the Associate Companies namely Fable Concept & Technology P Limited and Elan Trade Post P Limited. Further Axis Bank has exclusive charge on property at Manesar belonging to WOS of the Company namely Vogue Home Products Limited.
- The Company has taken interest free unsecured loan from below mentioned parties, the terms & condition of the loans are not in writing and however the same are repayable on demand as confirmed by the management. Accordingly Company has classified these loans under the head Short Term Borrowing.

Name of the party	Balance outstanding as on 31-03-2012 (Rs in lakhs)	Outstanding Since
Amarnath Finance Ltd	25.00	FY 2008-09
Transactional Growth Funds Ltd	125.00	FY 2009-10

- The Company has received Rs. 70 Lacs from Raghav Aditya Chits Private Ltd by redeeming chits. The Company has been paying monthly chits of Rs. 3 lacs each. As confirmed by the company it will account for profit/loss on this account at the close/completion of the chits hence no profit/loss on redemption of chits has been booked in the current financial year The outstanding amount as on 31st March, 2012 is Rs. 34.00 Lacs, confirmation from the party is still awaited.
- The Company has received legal notices from two banks, namely SIDBI and DBS Bank Ltd. u/s 138 of Negotiable Instrument Act for dishonor of cheques amounting to Rs. 511.34 Lacs and Rs. 1352.64 Lacs respectively. The Company had issued these cheques as security cheques for the vendor bill discounting facility from SIDBI and LC/Buyers Credit facility from DBS Bank. Both SIDBI and DBS bank have filed legal cases against the Company and are running in the District Courts. However the Company has paid some amount against the above liability and the outstanding balance as at 31st March, 2012 is Rs. 112.71 Lacs and Rs.1272.23 Lacs with SIDBI and DBS Bank respectively.
- During the year, the company has taken Short-term loan of Rs. 200 Lakhs from M/S Matrix Clothing Pvt Ltd in which one of the directors of the company is interested. The said loan has been repaid with interest during the year.

NOTES FORMING PART OF THE BALANCE SHEET

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
NOTE : 8		
TRADE PAYABLES		
Micro, Small & Medium Enterprises	305.01	227.01
Others	29,749.27	22,956.05
TOTAL	30,054.28	23,183.06

- a. The Company has sent letters to vendors to identify their status of registration as Micro, Small & Medium Enterprises Development Act, 2006. The Company has received reply from few vendors and has provided interest of Rs. 10.57 Lakhs (previous year Rs.8.60 lacs) on delayed payment to parties as identified by the management. The Company has not paid interest amount to any party and the total outstanding amount of interest is Rs. 23.31 lacs at the year end.

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
NOTE :9		
OTHER CURRENT LIABILITIES		
Current Maturity of Long term debts		
– Vehicle / Equipment Loans	312.94	27.12
– Term Loan	2,965.61	1,262.62
Credit Balance in Bank Current Accounts	117.35	289.80
Unclaimed Dividend	0.75	0.84
Other Payables*	918.84	754.43
Statutory Dues	669.22	607.41
TOTAL	4,984.71	2,942.22

* Other Payables include Provision for Expense & Advance from customer

- a. The Company has provided bonus of Rs 64.49 Lakh (previous year Rs 115.83 Lakh) for the year at minimum rate of bonus as prescribed in Bonus Act. The company has not made calculation of allocable surplus as per Bonus Act despite having profits to determine the rate at which bonus should have been paid subject to maximum rate of 20% of wages & salary. The variation amount in provision made for bonus to actual calculation of bonus as per provisions of Bonus Act is contingent and unascertained. Had it been at maximum @ 20% then the amount would have been Rs. 154.84 Lakhs and the profit would have been reduced by this amount.

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
NOTE :10		
SHORT TERM PROVISION		
Provision for Income Tax	2,614.81	2,409.81
TOTAL	2,614.81	2,409.81

NOTES FORMING PART OF THE BALANCE SHEET

Note : 11

FIXED ASSETS

(₹ in Lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK		
	As On 01/04/2011	Additions During the Year	Deletions / Sales / Adjustment	As On 31/03/2012	As On 01/04/2011	For the Year	On Deletions / Sales / Adjustment	As On 31/03/2012	As On 31/03/2011
TANGIBLE ASSETS									
FACTORY LAND	1,597.00	—	—	1,597.00	—	—	—	—	1,597.00
FACTORY BUILDING	3,787.30	1,562.49	450.40	4,899.39	1,242.24	230.33	450.40	1,022.16	2,545.06
COMPUTER	458.96	2.76	1.18	460.54	382.16	30.79	—	412.94	76.80
ELECTRICAL FITTINGS	295.49	0.93	—	296.42	130.62	18.83	—	149.45	164.86
FURNITURE & FIXTURES	575.61	1.21	—	576.82	284.62	44.10	—	328.72	290.99
PLANT & MACHINERIES	6,241.21	793.79	1.89	7,033.11	1,946.65	567.17	—	2,513.81	4,294.57
VEHICLES	298.43	16.34	9.83	304.94	184.20	31.79	7.88	208.12	114.23
OFFICE EQUIPMENTS	456.71	2.20	-	458.91	191.52	36.19	-	227.70	265.19
TOTAL	13,710.70	2,379.71	463.30	15,627.11	4,362.01	959.19	458.28	4,862.92	9,348.70
INTANGIBLE ASSETS									
COMPUTER SOFTWARE	208.90	—	—	208.90	108.34	20.33	—	128.67	100.56
TECHNICAL RECIPES & FORMULAE	129.70	—	—	129.70	77.55	12.97	—	90.52	52.15
TOTAL	338.60	—	—	338.60	185.88	33.30	—	219.18	152.71
CAPITAL ADVANCES & WIP									
CAPITAL ADVANCES & WIP	4,684.94	27.06	1,595.51	3,116.49	—	—	—	—	4,684.94
TOTAL	4,684.94	27.06	1,595.51	3,116.49	—	—	—	—	4,684.94
GRAND TOTAL (Rs.)	18,734.24	2,406.76	2,058.81	19,082.19	4,547.89	992.49	458.28	5,082.10	14,186.35
PREVIOUS YEAR	17,607.12	1,357.93	230.81	18,734.24	3,612.74	957.31	22.16	4,547.89	14,197.14

a. Capital advances / WIP include Rs 3113.62 Lakhs (Previous year Rs 3572.05 Lakh) on account of building under construction at Neemrana (Raj.).

b. Depreciation on factory building includes Rs 62.28 Lakh (Previous year 62.28 Lakh) being the amount of amortization on lease hold property over the lease period.

c. The Company has amortized Rs. 12.97 lakhs being one-tenth (previous year Rs 12.97 lakhs) of total Rs 129.70 lakhs on development of new recipes and formulation for its leather finishing unit at Manesar being incurred in Financial Year 2005 - 06.

d. The company has capitalized following amount under the respective heads during the year under reference which were being shown under head Capital work in progress till previous year :-

Particulars/Heads	Amount (₹ in Lacs)
Plant & Machinery	26.63
Factory Building	1560.32
Office Equipment	0.04
Pre-operative expenses	8.52
TOTAL	1595.51



NOTES FORMING PART OF THE BALANCE SHEET

	(₹ in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
NOTE :12		
NON CURRENT INVESTMENTS		
Unquoted-Long Term (Non-Trade)-At Cost		
Investment in Equity Instrument		
Investment in Subsidiaries		
i) 50000 Equity Shares of Rs 10.00 each in Vouge Home Products Limited	5.00	5.00
ii) 1000 Equity Shares of USD 1.00 each in Crew B O S Far East Ltd., Hong Kong	—	0.43
iii) 100000 Equity Shares of Rs 10.00 each in Crew BOS Enterprises Limited	10.00	10.00
iv) 100000 Equity Shares of Rs 10.00 each in Villa BOS Leathers Limited	—	10.00
v) 100000 Equity Shares of Rs 10.00 each in Emporio BOS Designs Limited	10.00	10.00
vi) 500000 Equity Shares of Rs 10.00 each in Crew ROR Products Limited	50.00	50.00
vii) 510000 Equity Shares of Rs 10.00 each in Crew Republica Retail Limited	51.00	51.00
viii) 50000 Equity Shares of Rs 10.00 each in Crew PPO Leathers Limited	5.00	—
ix) 30,00,000 Equity Shares of 1 USD each in I.Biz Trade Post	1486.05	—
x) 10,001 Equity Shares of 1 USD each in Alchemy Trade Post	5.00	—
Investment in joint Ventures		
i) 790500 Equity Shares @ Rs 10/- each in Crew MAG Exports Limited (Out of above 765,000 Equity Share at a premium of Rs 10/- each.)	155.55	155.55
ii) 124997 Equity Shares of Rs 10/- each in Centre of Excellence in Design Limited	12.50	12.50
Investment in Associate		
i) 240000 Equity Shares of Rs. 10 each in Tempesta Luxury products Pvt. Ltd.	24.00	—
TOTAL	1,814.10	304.48
Unquoted Investment		
Investment in Equity Instrument		
Book Value	1,814.10	304.48

- a. The Company has invested Rs. 1486.05 Lacs (equivalent USD 3 Million) and Rs. 5.00 Lacs (equivalent USD 10001) in its two wholly owned subsidiaries in Mauritius during the year under reference namely i.biz Trade Post and Alchemy Trade Post respectively. The audited accounts of these Companies since incorporation up to the end of the financial year have been incorporated in consolidated financial statement.
- b. i) The Company has sold its entire holding of 1000 equity share of its wholly owned subsidiary Crew BOS Far East Limited, Hong Kong during the year under reference at US\$ 1200 (equivalent INR. 58571/-). The profit on sale of investment is Rs. 15,321/- has been taken as income in the Profit and Loss Account. Since the Company has disinvested 100% shareholding of the Company the loan due from WOS amounting to Rs. 27.06 Lacs has been written off.
- ii) The Bankers have been informed for disinvestment of 999 shares of Crew BOS Far East Limited, Hong Kong sold to Everest Dunes Trading LLC, Dubai. One share has been sold to one of the employee of the Company, which is still to be reported to the bank.
- c. The Company has sold its entire holding of 100000 equity shares of its wholly owned subsidiary Villa BOS Leathers Limited during the year under reference at book value of Rs. 10/- each amounting to Rs. 10 Lacs. These shares were sold to one of the director and employees of the Company.
- d. The Company has invested Rs. 5.0 Lakhs in its wholly owned subsidiary Crew PPO Leathers Limited during the year under reference against purchase of 50000 equity share of Rs. 10 each.
- e. The Company has invested Rs. 24.00 Lacs in its associate company Tempesta Luxury Products Private Limited during the year under reference against purchase of 240000 equity shares of Rs. 10 each at par.



NOTES FORMING PART OF THE BALANCE SHEET

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
NOTE :13		
LONG TERM LOANS & ADVANCES		
Security Deposit	253.71	222.28
TOTAL	253.71	222.28

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
NOTE :14		
CURRENT INVESTMENTS		
Unquoted-At Cost		
Investment in Mutual Fund		
99404 Units of Bank of Baroda Pioneer	10.00	10.00
Mutual Fund of Rs. 10 each		
TOTAL	10.00	10.00
UNQUOTED INVESTMENTS		
Investment in Bank of Baroda Mutual Funds		
Book Value	10.00	10.00
NAV	7.29	8.93

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
NOTE :15		
INVENTORIES		
(As Taken, Valued & Certified by the Management)		
Raw Material : Imported	3,554.24	2,994.20
: Indigenous	9,573.21	8,980.69
Semi Finished Goods	3,198.25	4,656.33
Finished Goods	1,076.35	566.76
Goods-in-Transit : Raw Material	234.06	9.17
: Finished Goods	307.96	712.83
TOTAL	17,944.07	17,919.98

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
NOTE :16		
TRADE RECEIVABLES		
(Unsecured, Considered Good)		
Debts Outstanding for a period exceeding six months	7,982.81	5,596.35
Others Debts	31,624.58	28,722.50
TOTAL	39,607.39	34,318.85

NOTES FORMING PART OF THE BALANCE SHEET

	(₹ in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
NOTE :17		
CASH & BANK BALANCES		
Cash & Cash Equivalents		
Cash in Hand	11.80	19.99
Bank Balance	169.37	203.22
In Margin Money accounts	399.34	522.65
Cheque in Hand	6.51	8.30
Bank Deposits	1.12	106.81
TOTAL	588.14	860.97

- a. There is one bank account with SBI Mumbai (A/c No:-11147725327) which is in the name of Crew B.O.S Products Pvt Ltd. The balance as on 31-03-2012 is Rs 1,02,062.00 as per the balance confirmation certificate issued by the bank. The Company has confirmed that this account belongs to the company, however the company has not yet informed to the bank regarding change of name of the company.
- b. The company has opened a new bank account with HDFC Bank (A/c no:- 06162320000717) by depositing Rs.10,000 during the year. The company has neither received the bank statement nor balance confirmation certificate for balance lying as on 31-03-2012. During the year there are no other transactions in the said account as per the books of account.
- c. There is a difference of Rs 26590/- in the balance of bank account – SBI Nangal Dairy (A/c No.-10141910389) as per books and the bank statement. This difference is on account of being a cheque of Rs 26590/- received from a party which could not be deposited as the same was misplaced. The company is following up with the party for issue of duplicate cheque and this amount is being shown in the bank reconciliation.

	(₹ in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
NOTE :18		
SHORT TERM LOANS & ADVANCES		
(Unsecured, Considered good)		
Loans and advances to related parties		
Advance to Crew BOS Enterprises Limited	24.14	18.33
Advance to Emporio BOS Design Limited	1.58	1.22
Advance to W.O.S., Crew BOS Far East Limited	-	7.68
Advance to W.O.S., Crew Home Products Limited	349.88	311.57
Advance to Crew MAG Exports Limited	1,304.89	1,301.91
Advance to Centre of Excellence in Design Limited	292.35	292.27
Advance to Crew ROR Products Limited	609.41	326.18
Advance to Crew Republica Retail Ltd.	325.93	363.72
Advance to Crew PPO Leathers Ltd.	90.48	-
Advance to Alchemy Trade Post	1.33	-
Other Loans & Advances		
Advances recoverable in cash or in kind		
or for value to be received	461.18	110.81
Advance to HSIIDC for Plot	202.75	202.75
Advance to Staff	136.37	112.28
Advances to Suppliers / Capital Advance	338.26	127.89
TOTAL	4,138.55	3,176.61

- a. The Company had invested in its wholly owned subsidiaries and joint venture companies from time to time. Some of these companies are still operational and sum of these companies have stopped operations with negative net worth. Therefore, amount invested in those non-functional companies are non recoverable/receivable including any share capital , loans given to them. Such non functional companies investment and advance are as:- Crew MAG Exports Limited Rs. 1460.44 lacs, Crew ROR Products Limited Rs. 659.41 lacs and Centre of Excellence in Design Limited Rs. 304.85 lacs. Since the settlement process with these companies are still in progress hence the company has not made any provision for these outstanding receivable.



NOTES FORMING PART OF THE BALANCE SHEET

- b. The Company has sold machinery worth Rs. 1.34 lacs to Crew BOS Society in which two directors of the company are interested a Member of the Society. The outstanding amount recoverable from the Society as on 31st March, 2012 is Rs 436.51 Lakhs (Previous Year Rs 55.47 Lakh).
- c. The company had given a sum of Rs. 12.5 Lakhs to M/S Garv Marketing as advance for construction, supplying and commission in 200 M3/day cap. Thermax Sewage Treatment Plant including electrical, mechanical & civil work at factory complex on plot no. SPL 190 RIICO Neemrana Phase - II. The plant work is yet to be completed. This amount was given in the FY 2008-09 and the company has not made any provision in the books for this amount. The confirmation from this party is also not available.
- d. The company had given a sum of Rs. 30.00 Lakhs in FY 2009-10 to M/S Gopi Engg & Sons as advance against purchase of machineries. The said machines have not yet been delivered by the party. The company has not made any provision in the books for this amount. The confirmation from this party is also not available.
- e. HSIDC Ltd. had allotted plot measuring 9000 sq.mtrs at IMT Manesar. The company had given an advance of Rs. 202.75 Lakh (Previous year-Rs. 202.75 Lakhs) to HSIDC Ltd. being 25% of the total value of Rs. 810.00 Lakhs. The Company has not yet got the possession of the plot, since the installments as per allotment letter are yet to be paid. As per Re-allotment Letter dated 14th Dec, 2009 the company should have paid a sum of Rs. 412.32 Lacs (including interest of Rs. 108.57 lacs not provided for in the books) beside initial payment of Rs. 202.75 lacs by 31/03/2012 which has not been paid and is overdue for payment. The HSIDC may cancel the allotment / forfeit the plot allotment in case the company makes the default in payment due.
- f. During the previous year Company had entered into an agreement for sale of its factory building located at Plot No. 172, Udyog Vihar Phase I, Gurgaon (Haryana) for total consideration of Rs. 650 Lakhs. The Company had received advance aggregating to Rs. 60 Lakh in the previous year. The said agreement has been cancelled during the current year since the required permission from its banker for vacation of mortgage/charge on the said property could not be obtained and advance received has been refunded back to the party without interest thereon.

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
NOTE :19		
OTHER CURRENT ASSETS		
Advance Income Tax and TDS	1,404.92	1,043.62
Duty Drawback Receivable	239.35	231.71
Interest/Dividend/Other Receivable	8.60	23.79
Refundable Vat	350.43	292.97
Refundable Sales Tax	9.48	11.38
Cenvat Recoverable	184.41	204.62
Prepaid Expenses	13.81	17.35
TOTAL	2,211.00	1,825.44

- a. In the opinion of the board of directors the current assets, loan and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities have been made.

(₹ in Lacs)

	Year ended 31st March, 2012	Year ended 31st March, 2011
NOTE :20		
REVENUE FROM OPERATIONS		
A) Sale of Product		
Export Sales (FOB)	18,875.22	24,705.78
Overseas Merchanting Trade	11,475.47	17,745.76
Domestic Sales	11,802.86	18,239.28
Duty Drawback	1,257.61	2,108.89
B) Income from Services		
Jobwork Income	492.40	276.30
TOTAL	43,903.56	63,076.01

- a. Export Sales includes Rs 12.48 Lacs being profit (Previous Year 22.09 Lakh profit) from exchange difference on realization of foreign currency.
- b. The Company has sold cotton fabrics to its Mauritius WOS i.biz Trade Post worth Rs.788.00 lacs, the same has been delivered in India to its associate company Villa BOS Leathers Limited against further sale thereof by WOS to Villa BOS Leathers Limited.
- c. The company has purchased fabric worth Rs.7460.65 lacs from various parties and sold the said fabric worth Rs. 9291.47 lacs to various parties. The confirmations from these parties have not been received.

NOTES FORMING PART OF THE BALANCE SHEET

(₹ in Lacs)

	Year ended 31st March, 2012	Year ended 31st March, 2011
NOTE :21		
OTHER INCOME		
Interest	25.80	31.42
Rent Received	1.50	1.50
Profit on Sale of Investment	0.15	—
Profit on Sale of Fixed Assets	0.88	—
Misc Income	23.95	9.32
TOTAL	52.28	42.24

- a. There are credit balance of Sundry Creditors amounting to Rs 3.23 Lakhs being which have not been claimed for more than three years by the suppliers are unconfirmed and the company has accounted for as income during the year under reference as per Accounting Policy followed by the company.

(₹ in Lacs)

	Year ended 31st March, 2012	Year ended 31st March, 2011
NOTE :22		
COST OF MATERIAL CONSUMED		
Raw Material Consumed : Indigenous	11,952.86	22,223.43
Raw Material Consumed : Imported	2,927.73	3,329.98
Consumables Stores : Indigenous	1,539.79	1,502.25
Raw Material Consumed : Imported	44.51	86.54
Fabrication and Processing	858.06	2,105.22
Freight, Cartage and Clearing	317.45	656.91
TOTAL	17,640.40	29,904.34

(₹ in Lacs)

	Year ended 31st March, 2012	Year ended 31st March, 2011
NOTE :23		
CHANGES IN INVENTORIES		
Closing Stock		
Finished Goods	1,076.35	566.76
Semi Finished Goods	3,198.25	4,656.33
Goods-in-Transit : Finished Goods	307.96	712.83
	4,582.56	5,935.92
Less : Opening Stock		
Finished Goods	566.76	1,054.70
Semi Finished Goods	4,656.33	3,704.28
Goods-in-Transit : Finished Goods	712.83	694.98
	5,935.92	5,453.96
TOTAL	(1,353.36)	481.96

(₹ in Lacs)

	Year ended 31st March, 2012	Year ended 31st March, 2011
NOTE :24		
EMPLOYEE BENEFITS		
Wages, Salary & Bonus	3,418.36	4,494.84
Contribution to E.S.I. Fund	81.63	100.81
Contribution to Provident Fund	248.28	242.83
Staff Welfare Expenses	125.85	253.68
Directors Remuneration	138.21	138.15
TOTAL	4,012.33	5,230.31



NOTES FORMING PART OF THE BALANCE SHEET

(₹ in Lacs)

	Year ended 31st March, 2012	Year ended 31st March, 2011
NOTE :25		
FINANCE COST		
INTEREST ON :		
Term Loans	874.67	669.45
Others	3,185.51	2,269.57
OTHER FINANCE COSTS:		
Processing Fees	92.74	357.43
Bank Charges	328.36	577.05
TOTAL	4,481.28	3,873.50

(₹ in Lacs)

	Year ended 31st March, 2012	Year ended 31st March, 2011
NOTE :26		
OTHER EXPENSES		
Electricity, Water & Fuel Charges	289.67	356.48
Repair and Maintenance	38.02	64.15
Discount and Rebate	60.94	252.48
Freight Outward and Packaging	323.18	472.10
Travelling and Conveyance	332.80	466.86
Printing and Stationery	22.49	37.98
Communication & Courier	191.17	352.81
Consultancy & Professional	213.82	223.99
Books & Periodicals	0.20	1.10
Sales Promotion	76.00	91.66
Security & Office Expenses	187.73	258.27
Vehicle Running & Maintenance	73.90	66.59
Insurance Charges	65.12	73.25
Payments to Auditors	12.33	10.37
Fees & Subscriptions	30.19	30.54
Testing Expenses	107.97	79.15
Miscellaneous Expenses	78.63	108.33
Loss on Sale of Fixed Assets	—	3.67
Rent	275.74	395.72
Foreign Exchange Loss	1,027.72	575.78
Bad Debts written off	18.41	—
Deferred Revenue Expenditure Written Off	—	11.58
TOTAL	3,426.05	3,932.86

- The Foreign Exchange Loss includes Rs 298.89 Lakhs (Previous year Rs. 301.79 Lakhs) being loss from Forward booking/Derivative transactions for the year and has been accounted for as expense for the year under reference.
- The Company has accounted for purchases of Rs. 120.02 lacs during the year against bills pertaining to earlier years of various parties upon reconciliation of their account. Which includes Rs. 71.50 Lacs being spare parts purchased from Trigon Marketing and Rs. 41.34 lacs being fabric purchased from Global Marketing and Resources INC. The Company has transferred these purchases under the head prior period expenses since goods were received and consumed in earlier years. These parties are regular and discrepancies were noticed and reconcile based on reconciliation of accounts with them.

NOTES FORMING PART OF THE BALANCE SHEET

- c. The Company has received short payment of Rs. 67.74 lacs against claims and rejections of the buyers for export made to them. The Company has debited Rs. 33.78 lacs under the head "Rebate and Discounts and remaining amount of Rs. 33.96 lacs has been debited under the head "Foreign Exchange Fluctuation". The Company has not refunded the Duty Draw Back on the above claims to the Govt. Authority and the same is contingent liability in case the same is asked by the department to refund the excess amount of Duty Draw Back received.
- d. The company has paid a sum of Rs. 8.78 Lakhs(US \$ 21650) towards incorporation of a new company named Crew B.O.S Products (INT) Pte Ltd, Singapore. The company has debited this expenditure under the head Professional Charges. However this is not a business expenditure of the Company and this payment has resulted in increase in profit of the company by this amount.
- e. The company has purchased Vastu Yantra for Rs 8.18 Lakhs and also paid vastu consultancy fee of Rs 2.21 Lakhs in relation thereto & these expenses have been accounted for under the head Professional charges instead of capitalizing the same hence resulting in increase in profit by Rs. 10.38 lacs
- f. There are domestic debtors from whom Rs 18.41 Lakh is due to be recovered for over more than three years. These debtors are unconfirmed and doubtful and same has been written off as Bad Debts during the year under reference as per Accounting Policy followed by the company.
- g. Auditors' remuneration

	(₹ in Lacs)	
	For the year ended March 31,2012	For the year ended March 31,2011
a) Audit Fee	7.00	6.50
b) Limited review of quarterly results	2.60	2.20
c) Tax Audit Fees	0.85	0.85
d) Others	0.75	0.84
TOTAL	11.20	10.39

	(₹ in Lacs)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
27. Contingent liabilities in the respect of:		
a) Guarantees given by Bankers	-	3.00
b) Capital Commitments (Net of Advance)	806.01	1529.39
c) Bonds given to Excise authorities for its Export Oriented Unit(s) (Total amount of Bond-Rs. 800.00 Lakhs)	711.41	635.43
d) Bonds/LUT given to custom authority against EPCG Licences	1855.26	1855.26
e) Letter of Credit established by bank	1509.85	4564.77
f) The Company has given Corporate Guarantee to the bankers of its following wholly owned subsidiaries for credit facility availed by them		
I.Biz Trade Post, Mauritius	USD 15 Million [Equivalent to INR 7673.48 Lacs]	
Alchemy Trade Post, Mauritius	USD 10 Million [Equivalent to INR 5115.65 Lacs]	
Vogue Home Products Limited	INR 300 Lacs	
Crew PPO Leathers Limited	INR 300 Lacs	
g) Claims made by four employees are pending in the Industrial Tribunals/High Court. Any liability which may arise out of awards from Tribunal is Contingent and shall be account for in the year of settlement of case. These cases are still running in Courts as confirmed by the Management.		
h) Effects of Exchange Difference on Derivative transactions shall be accounted for at the time of cancellation and/or maturity of the Foreign Exchange hedging contract. Pending derivatives contracts as on 31.03.2012 are USD 8.58 Million (Equivalent INR 4389,23 Lacs) and GBP 0.6 Million (Equivalent INR 490.80 Lacs)		



NOTES FORMING PART OF THE BALANCE SHEET

- i) The Company has outstanding Export obligation of Rs. Nil (Previous Year 58.15 Lakhs) under EPCG Licenses obtained for Import of Capital Goods. The redemption of EPCG licenses having Export Obligation completed aggregating to Rs.16166.28 Lakhs is under process with DGFT.
- j) There was a Tax Survey on the company on April 12th, 2010. The proceeding are on and final report of Survey team have not yet been finalized as confirmed by the Management. Therefore tax impact due to survey is not quantifiable and remains unprovided and will be dealt with in the year when the same is finalized.
28. The various parties balances including merchant trade outstanding are subject to confirmation. The Company has sent letter to certain parties for confirmation of statement of account/balances for the year. The Company has not received confirmed statement/balance confirmation from those parties except in few cases. Wherever statement received and there were deviation it has been reconciled to accounts as per documents available and others not received are subject to reconciliation and in case of variance upon reconciliation this may affect the profitability to that extent.
29. The company has served a legal notice upon Zeta Leather Exports u/s 138 of Negotiable Instrument Act for dishonour of cheques aggregating to Rs. 4.0 lacs. The total outstanding of the above mentioned firm is Rs. 10.10 lacs at the yearend as per books of account of the Company. The company has not made provision for Bad Debts for this amount since the Company is hopeful for recovery after filling of legal case against the party.
30. The Company received import license for duty credit amount of Rs. 166.50 Lacs during the year out of which Company has utilized duty credit of Rs. 60.14 lacs during the year against import of capital goods and unutilized balance at the year end is Rs. 106.36 Lacs. The Company has also received Status Holder Incentive Scripts for duty credit of Rs. 177.83 Lacs during the year, which is unutilized at the year end.
31. The Company has been using Tata Ex software for their accounting. The Company has confirmed that software is no more supported by vendor being old software. Accounts have been compiled based on trial balance print out from software. The Company acknowledges that different reports from different inputs from the software do not reconcile with each other. The Company is planning to purchase new software for accounting to overcome the error reports in the existing software.
32. The physical stock at the yearend has been taken and valued as certified by Management. The discrepancies found upon physical verification on test basis compared to the system generated data from the software is due to the error in report generation as mentioned in para 31 above and are under reconciliation for necessary rectification.
33. a) The Company continues to do international merchant trade in Dubai. Now with the opening of WOS in Mauritius this trading stands shifted to Mauritius. The Company sold goods worth Rs. 47052.50 lacs during the year which includes goods worth Rs. 35634.93 lacs returned back due to quality issue and resold to different vendors in Dubai itself. The aggregate receivable from these vendors amounts to Rs. 22771.90 lacs. RBI compliances if applicable as regard resale of such material are pending.
- b) During the year the Company has purchase goods worth Rs. 41365.34 lacs out of which goods worth Rs. 31356.83 lacs were returned to the supplier due to quality issue. The outstanding at the year end is Rs. 19008.79 lacs payable to the supplier.
- c) No provision has been made in respect of overdue debts related to International Trading and Domestic Trading. Management has confirmed this to be good and realizable.

34. Earning Per Share (E.P.S)

The basic/diluted earning per share calculated as per Accounting Standard- 20 issued by The Institute of Chartered Accountants of India is as under:

	(₹ in Lacs)	
	Current Year	Previous Year
a) Net Profit after tax available for equity shareholders (Rs / Lakhs)	520.35	2242.85
b) Weighted average no of equity shares outstanding during the year	13993467	14818200
c) Basic earning per Rs. Share (a÷13993467)*	3.85	17.40
d) Diluted earning per Rs. Share (a÷b) *(PAT ÷ Paidup Equity Shares)	3.85	15.14

NOTES FORMING PART OF THE BALANCE SHEET

35. Segment Reporting

I) Reportable Business Segment		Current Year					Leather	Total 31-03-2012
		Fashion Accessories		Footwear Division	Total			
		Cotton Made	Leather Made					
A	Manufacturing Production	(i) Domestic Less : Inter-Segment Sales Net Sales	9,340.87 — 9,340.87	376.47 — 376.47	9,717.34 — 9,717.34	1,066.95 — 1,066.95	1,510.97 — 1,510.97	12,295.26 699.51 11,595.74
		(ii) Exports Less : Inter-Segment Sales Net Sales	— — —	15,102.35 — 15,102.35	15,102.35 — 15,102.35	3,488.91 — 3,488.91	1,541.57 — 1,541.57	20,132.83 — 20,132.83
		(iii) Total [(i)+(ii)]	9,340.87	15,478.83	24,819.69	4,555.86	3,052.54	31,728.57
		(iv) Segment Result	1,880.21	3,851.61	5,731.82	904.53	326.86	6,963.21
B	Trading Activity	(a) Merchanditing (Overseas) Less : Inter-Segment Sales Net Sales	— — —	5,083.94 — 5,083.94	5,083.94 — 5,083.94	6,391.53 — 6,391.53	— — —	11,475.47 — 11,475.47
		(b) Total [(a)]	—	5,083.94	5,083.94	6,391.53	—	11,475.47
		(c) Segment Result	—	163.46	163.46	726.39	—	889.85
C	Total	Revnue{(iii+b} Result{(iv+c}	9,340.87 1,880.21	20,562.76 4,015.07	29,903.63 5,895.27	10,947.39 1,630.92	3,052.54 326.86	43,204.04 7,853.05 156.06 (4,481.28) (2,879.47) (205.00) 77.00 520.35
	Other Income							
	Interest							
	Unallocable Expenditure							
	Provision for Taxation							
	Deferred Tax							
	Net Profit After Tax							
	Other Information							
	Segment Assets							
	Unallocated Assets		—		39,551.10	16,592.46	12,343.13	68,486.70
	Deferred Tax Assets/(Liability)							12,080.35 (262.82)
Total Assets			—		39,551.10	16,592.46	12,343.13	80,304.23
Segment Liabilities					15,583.95	12,782.31	1,489.32	29,855.59
Unallocated Liabilities			—					33,562.69
Share Capital & Reserves			—					16,885.96
Total Liabilities			—		15,583.95	12,782.31	1,489.32	80,304.23

(₹ in Lacs)



NOTES FORMING PART OF THE BALANCE SHEET

36. Related Party Disclosures :

Related party disclosures, as required by AS – 18 “Related Party Disclosures” are given below :

Related Parties

Subsidiaries	Country of Origin
Vogue Home Products Ltd.	India
Crew ROR Products Limited	India
Crew BOS Enterprises Limited	India
Emporio BOS Design Limited	India
Crew PPO Leathers Limited	India
Crew Republica Retail Ltd.	India
I BIZ Trade Post	Mauritius
Alchemy Trade Post	Mauritius
Assosiate Enterprises	
Tempesta Luxury Products Private Limited	India
Villa BOS Leather Limited	India
Fable Concept & Technology Private Limited	India
Elan Trade Post Private Limited	India
Joint Ventures	
Centre of Excellence in Design Limited	India
Crew MAG Exports Limited	India
Trust/ Society/AOP	
Crew BOS Co-operative Group Housing Society Limited	India
Crew BOS Society	India
Key Managerial Personnal (KMP) and their relatives	
Name	Designation
Tarun Oberoi	Managing Director
Robin Bartholomew	Director
Shallay Bartholomew	President Product Developer
Sanjeev Sehgal	Chief Financial Officer
Neeru Sehgal	Design Consultant
Enterprises over which KMP and their relatives have significant influence	
Name	Country of Origin
Everest Dunes Trading LLC	UAE
IANs Trading Private Limited	India
Gorkela Sehgal & Co.	India

Summary of Transaction with Related Parties

(₹ in Lacs)

Name of related party & Nature of relationship	Nature of transaction	Outstanding as on 31.03.2012	Transactions during the year 2011-12	Transactions during the year 2010-11
(A) Subsidiaries				
Vogue Home Products Ltd.	Capital Contribution	5.00	-	-
	Loan Given	349.88	172.21	397.37
	Loan Repayment recd.		180.62	131.54
	Rent		8.40	-
	Sale		-	1855.67
	Purchase		2112.32	1855.69

NOTES FORMING PART OF THE BALANCE SHEET

(₹ in Lacs)

Name of related party & Nature of relationship	Nature of transaction	Outstanding as on 31.03.2012	Transactions during the year 2011-12	Transactions during the year 2010-11
Crew ROR Products Limited	Capital Contribution	50.00	-	-
	Sales	609.41	-	82.92
	Purchase		-	121.68
	Loan Given		389.82	465.12
	Loan Repayment recd.		108.92	17.26
	Re-Imbursement of Expenses		0.06	-
Crew BOS Enterprises Limited	Capital Contribution	10.00	-	-
	Loan Given	24.14	33.01	17.72
	Loan Repayment recd.		32.37	-
	Sale of Goods		-	7.80
	Re-Imbursement of Expenses		5.17	-
Emporio BOS Design Limited	Capital Contribution	10.00	-	-
	Loan Given	1.58	25.35	-
	Loan Repayment recd.		25.00	10.00
	Re-Imbursement of Expenses		0.02	-
Crew Republica Retail Ltd.	Capital Contribution	51.00	-	-
	Loan Given	428.15	192.62	335.22
	Loan Repayment recd.		231.31	-
	Job Work		-	24.44
	Sale of Goods		48.21	35.54
	Re-Imbursement of Expenses		0.90	-
I BIZ Trade Post	Capital Contribution	1486.05	1486.05	-
	Sale	-	836.19	-
Alchemy Trade Post	Capital Contribution	5.00	5.00	-
	Sale	(1917.98)	1720.85	-
	Loan Given		1.33	-
	Advance received		2432.82	-
Crew PPO Leathers Limited	Capital Contribution	5.00	5.00	-
	Loan Given	90.48	501.10	-
	Loan Repayment recd.		463.23	-
	Reimbursement of Exp		0.10	-

(B) Associate Enterprises

Villa BOS Leather Limited	Sale of investment in shares	-	(10.00)	-
	Purchase	(247.14)	446.20	1288.90
	Loan repaid		294.54	-
	Loan Taken		224.93	-
	Job Work		-	8.09
	Sales		216.10	777.53
	Re-Imbursement of Expenses		3.23	-



NOTES FORMING PART OF THE BALANCE SHEET

(₹ in Lacs)

Name of related party & Nature of relationship	Nature of transaction	Outstanding as on 31.03.2012	Transactions during the year 2011-12	Transactions during the year 2010-11
TEMPESTA LUXURY PRODUCTS PVT. LTD.	Capital Contribution	24.00	24.00	-
	Sale of Goods	7.16	6.72	-
	Sale of Machinery		2.13	-
	Loan Taken		139.30	-
	Loan repaid		132.75	-
	Re-Imbursement of Expenses		4.86	-
Elan Trade Post Private Limited	Loan repaid	(19.82)	65.65	-
	Reimbursement of Exp		0.04	-
	Loan Taken		85.50	37.88
	Investment in CBPL		85.61	-
Fable Concept & Technology Private Limited	Loan repaid	(132.61)	25.00	-
	Loan Taken		157.70	3.12
	Reimbursement of Exp		0.08	-
	Investment in CBPL		27.62	-

(C) Joint Ventures

Centre of Excellence in Design Limited	Capital Contribution	12.50	-	-
	Purchase	292.35	-	21.32
	Loan Given		-	143.00
	Re-Imbursement of Expenses		0.07	0.67
Crew MAG Exports Limited	Capital Contribution	155.55	-	-
	Re-Imbursement of Expenses	1304.89	0.11	-
	Loan given		5.03	610.94
	Loan Repayment recd.		2.16	417.15

(D) Society

Crew BOS Society	Loan Given	410.90	479.35	146.49
	Loan Repayment recd.		129.00	270.18
	Sale of Fixed Assets		1.34	55.02
	Reimbursement of Exp		3.74	-

(E) Key Managerial Personnel (KMP) and their relatives

Mr. Tarun Oberoi	Director's remuneration	(843.34)	100.00	95.15
	Loan Taken		1077.12	-
	Loan Repaid		233.63	-
Mr. Robin Bartholomew	Director's remuneration	-	45.20	42.85
	Sale of 49998 Shares of Rs. 10/- each of Villa BOS Leathers Ltd.	-	4.99	-
Mrs Shallay Bartholomew	Remuneration	-	15.00	15.00
Mr. Sanjeev Sehgal	Remuneration	-	28.01	25.01
Mrs Neeru Sehgal	Professional Fee	(1.35)	9.75	0.68

NOTES FORMING PART OF THE BALANCE SHEET

(₹ in Lacs)

Name of related party & Nature of relationship	Nature of transaction	Outstanding as on 31.03.2012	Transactions during the year 2011-12	Transactions during the year 2010-11
(F) Enterprises over which KMP and their relatives have significant influence				
Everest Dunes, LLC, Dubai	Purchase	18506.63	12380.50	15329.09
	Sale of Investment in subsidiary-Crew BOS Far East Limited	-	0.59	-
IANS Trading Private Limited	Sale	1418.44	2702.20	1188.19
Gorkela Sehgal & Co.	Professional Fee	(1.28)	8.50	8.50

(₹ in Lacs)

Location	Current Year
II) Information about Secondary Geographical Segment	
Exports Sales	31,608.30
Domestic Sales	12,295.26
Total	43,903.56
Less: Inter Segment Sales	699.51
Total Revenues	43,204.05

37. Directors Remuneration

(a) Total remuneration comprising of:

(₹ in Lacs)

Particulars	2011-12	2010-11
Salary	90.00	90.00
Allowances & Perquisites	48.00	48.00
Sitting Fees	0.21	0.15
Total	138.21	138.15

(b) Computation of Net profit in accordance with section 198 read with section 349 & 350 of the Companies Act 1956.

(₹ in Lacs)

Particulars	2011-12	2010-11
Profit before taxation as per Profit & Loss A/c	648.35	3,061.98
Add:		
(1) Loss on sale of Fixed Assets	-	3.67
(2) Directors Remuneration	138.00	138.00
(3) Directors Sitting Fee	0.21	0.15
Total	786.56	3,203.80
Less:		
Profit on sale of Investments	0.15	0.66
Profit on Sale of Fixed Assets	0.88	-
Total	1.04	0.66
Profit u/s 349 of the Companies Act 1956 for Calculation of remuneration payable to Directors	785.52	3,203.15
Maximum amount Payable as per ceiling specified u/s 309(3) of the Companies Act, 1956 (10% of net profit)	78.55	320.31

The Company has paid director remuneration in excess of limit prescribed under schedule XIII of the Companies Act by Rs. 59.45 lacs. The Company is applying for waiver of excess managerial remuneration paid by filling an application with the Central Government. In case the approval for waiver of excess remuneration paid is not received from the Central Government, the directors will refund to the Company the above excess amount received by them.



NOTES FORMING PART OF THE BALANCE SHEET

(₹ in Lacs)

	2011-12	2010-11
38. Foreign Currency Transactions		
A. Expenditure / Outflow		
Foreign Travelling Expenses	68.18	105.47
Investment in Subsidiaries	1,491.05	-
Internet Expenses	3.57	-
Subscription Expense	-	1.56
Raw Material	4,109.39	4,690.10
ECB Repayment	436.46	695.57
Rebate & Discout	60.94	251.83
Professional Charges	-	32.93
Salary	2.61	-
Software Licence fee EDI	-	0.81
Machine Spares	-	8.49
Testing Charges	0.55	0.67
Sales Promotion	-	6.79
Commission on Exports	6.40	6.58
Traded Goods Imported	10,008.51	14,788.14
B. Earnings		
Exports Sales (FOB)	30,350.68	42,451.55

39. As notified by the Ministry of Corporate Affairs of the Government of India revised schedule VI under the Companies Act, 1956 is applicable to all financial statements for the financial year commencing on or after 1st April, 2011. Accordingly, the Financial Statement for the year ended 31st March, 2012 are prepared in accordance with the aforesaid Revised Schedule VI

40. Figures pertaining to the previous year have been rearranged, regrouped, reclassified and restated, wherever necessary to make them comparable with those of current year.

Signatures to Notes 1-40

For **Anil K. Goyal & Associates**

Chartered Accountants

Firm Registration No. 04558N

Sd/-

(V. P. Sony)

Partner

Membership No. : 86718

Place : Gurgaon

Date : 29.05.2012

For and on behalf of the Board

Sd/-

(Tarun Oberoi)

Managing Director

Sd/-

(Rakesh Diwan)

C.F.O.

Sd/-

(Robin Bartholomew)

Director

Sd/-

(Ashish Goel)

Company Secretary

AUDITORS' REPORT

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF CREW B.O.S. PRODUCTS LIMITED

We have examined the attached Consolidated Balance Sheet of Crew B.O.S. Products Limited, as at 31st March, 2012 and the Consolidated Profit & Loss Account for the year ended on that date annexed thereto and the consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Financial statements of subsidiaries (including foreign subsidiaries) and joint ventures have been audited by other auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these consolidated entities, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of the company and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the company, its subsidiaries and its joint venture subject to note no. 6(a) regarding provision of gratuity on estimate basis without actuarial valuation, note number 9(a) regarding short provision for bonus, note number

20(a) and note number 20(b) regarding trading of fabrics, note number 26(a) regarding previous year transactions for purchases & expenses amounting to Rs. 120.02 lacs,, note number 26(c) regarding accounting for professional charges of Rs 8.78 lacs for incorporation of a associate company as expense of the company resulting in overstatement of profit by this amount, note number 28 on parties account non-reconciliation / pending balances confirmation and resultant effect on final accounts and note number 34 regarding excess remuneration amounting to Rs. 59.45 Lacs paid to managerial people subject to Central Govt. approval, note no. 35 in respect of loss of a WOS company namely Crew PPO Leathers Limited being understated by sum of Rs. 22.38 lacs we are of the opinion that the said consolidated financial statements give a true and fair view of confirmative with the accounting principles generally accepted in India;

- (i) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiaries as at March 31st, 2012.
- (ii) In the case of the Consolidated Profit & Loss Account of the consolidated results of operations of the company and its subsidiaries for the year ended on that date.
- (iii) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

For **ANIL K. GOYAL & ASSOCIATES**
Chartered Accountants
(Firm Reg. No. 04558N)

Sd/-
(V.P.Sony)
Partner

Place: Gurgaon
Date: 29th May, 2012

Membership No. 86718



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2	1,399.35	1,289.32
(b) Money Received against Share Warrant			242.21
(c) Reserves and Surplus	3	14,965.13	12,901.20
(2) Non-Current Liabilities			
(a) Long Term Borrowing	4	3,542.83	4,588.03
(b) Deferred Tax Liabilities (Net)	5	257.49	183.58
(c) Long-Term Provisions	6	498.20	443.37
(3) Current liabilities			
(a) Short-Term Borrowings	7	35,395.06	23,463.41
(b) Trade Payable	8	32,323.68	23,780.48
(c) Other Current Liabilities	9	5,434.76	3,229.56
(d) Short-Term Provisions	10	2,621.18	2,417.09
		96,437.68	72,538.25
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed assets	11		
(i)		11,619.29	9,960.11
(ii)		124.46	154.47
(iii)		3,117.11	4,684.97
(iv)			
(b) Non Current Investments	12	24.00	10.43
(d) Deferred Tax Assets (Net)			
(d) Long-Term Loans and Advances	13	606.59	570.81
Minority Interest		738.68	580.33
(2) Current assets			
(a) Current Investments	14	10.00	10.00
(b) Inventories	15	18,520.73	18,649.14
(c) Trade Receivables	16	54,581.46	34,080.11
(d) Cash and Cash Equivalents	17	3,217.17	997.19
(e) Short-Term Loans and Advances	18	1,537.33	947.41
(f) Other Current Assets	19	2,340.86	1,893.28
		96,437.68	72,538.25
Significant Accounting Policies and Notes to Consolidated Financial Statements	1 to 40		
The notes form an integral part of these financial statements.			
Cash Flow Statement			

As per our report of even date attached.

For **Anil K. Goyal & Associates**
Chartered Accountants
Firm Registration No. 04558N

For and on behalf of the Board

Sd/-
(V. P. Sony)
Partner
Membership No. : 86718

Sd/-
(Tarun Oberoi)
Managing Director

Sd/-
(Robin Bartholomew)
Director

Place : Gurgaon
Date : 29.05.2012

Sd/-
(Rakesh Diwan)
C.F.O.

Sd/-
(Ashish Goel)
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012

(₹ in Lacs)			
Particulars	Note No.	Year ended 31st March, 2012	Year ended 31st March, 2011
I. Revenue from Operations	20	59,414.44	62,800.80
Less: Interunit Sales		699.51	975.47
Net Income from Operations		58,714.93	61,825.32
II. Other Income	21	55.16	45.51
III. Total Revenue (I + II)		58,770.09	61,870.83
IV. Expenses:			
Cost of materials consumed	22	15,706.09	19,404.86
Purchase of Stock in Trade		25,468.92	25,863.94
Changes in inventories	23	1,614.17	(625.38)
Employee Benefits Expense	24	4,215.12	5,712.12
Financial Costs	25	4,749.54	3,928.75
Depreciation and amortization expense		1,055.31	992.90
Other Expenses	26	3,959.88	4,550.91
Total Expenses		56,769.03	59,828.10
V. Profit before Exceptional and Extraordinary Items and Tax (III-IV)		2,001.06	2,042.72
VI. Exceptional Items (Prior Period Expenses)		179.30	261.13
VII. Profit before Extraordinary Items and Tax (V - VI)		1,821.76	1,781.60
VIII. Extraordinary Items (Forfeiture of Shares Warrants)		(103.77)	-
IX. Profit before Tax (VII- VIII)		1,925.54	1,781.60
X. Tax expense:			
(1) Current Tax		205.00	753.67
(2) Deferred Tax		73.91	271.17
X. Profit (Loss) for the period (IX - X)		1,646.63	756.76
XI. Earnings per Equity Share :			
(1) Basic		12.19	5.87
(2) Diluted		12.19	5.11
Significant Accounting Policies and Notes to Consolidated Financial Statements	1 to 40		
The notes form an integral part of these financial statements.			
Cash Flow Statement			

As per our report of even date attached.

For **Anil K. Goyal & Associates**
Chartered Accountants
Firm Registration No. 04558N

For and on behalf of the Board

Sd/-
(V. P. Sony)
Partner
Membership No. : 86718

Sd/-
(Tarun Oberoi)
Managing Director

Sd/-
(Robin Bartholomew)
Director

Place : Gurgaon
Date : 29.05.2012

Sd/-
(Rakesh Diwan)
C.F.O.

Sd/-
(Ashish Goel)
Company Secretary



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in Lacs)

	Year ended 31st March, 2012	Year ended 31st March, 2011
A Cash flow from operating activities:		
Net (loss)/profit before tax but after exceptional/extraordinary items	1,925.54	1,781.60
Adjustments for		
Depreciation	1,055.31	992.90
Interest Expense	4,749.54	3,928.75
Interest Income	(25.80)	(31.42)
Profit from Forfeiture of Share Warrant	(103.77)	-
(Profit)/Loss on Fixed Assets sold	(0.69)	21.65
(Profit)/Loss on sale of Investments	(0.15)	-
Deferred revenue expenditure written off	-	49.08
Provision for Bad & Doubtful Debts/ Creditors Written off	60.83	6.48
Unrealised foreign Exchange	13.24	105.43
Operating profit before working capital changes	7,674.04	6,854.47
Adjustments for changes in working capital :		
– (INCREASE)/DECREASE in Sundry Debtors	(21,303.36)	(19,541.69)
– (INCREASE)/DECREASE in Other Receivables	(726.34)	223.56
– (INCREASE)/DECREASE in Inventories	128.41	(2,671.33)
– INCREASE/(DECREASE) in Trade and Other Payables	9,000.66	14,124.74
Cash generated from operations	(5,226.59)	(1,010.24)
– Taxes (Paid) / Received (Net of TDS)	(363.04)	(792.53)
Net cash from operating activities	(5,589.63)	(1,802.78)
B. Cash flow from Investing activities:		
Purchase of fixed assets	(1,121.53)	(1,531.01)
Proceeds from Sale of fixed assets	6.19	56.98
Purchase of Investments	(24.00)	(20.43)
Proceeds from sale of Investments	10.59	-
Interest Received (Revenue)	40.99	27.73
Net cash used in investing activities	(1,087.77)	(1,466.73)
C. Cash flow from financing activities:		
Proceeds from fresh issue of Share Capital (including Share Premium)	415.32	28.31
Investments from Minorities	-	(90.70)
Proceeds from long term borrowings	1,299.94	(156.97)
Proceeds from short term borrowings	11,931.66	6,826.29
Interest Paid	(4,749.54)	(3,928.75)
Net cash used in financing activities	8,897.38	2,678.19
Net Increase/(Decrease) in Cash & Cash Equivalents	2,219.98	(591.32)
Cash and cash equivalents as at 31.03.2011	997.19	1,588.51
Cash and cash equivalents as at 31.03.2012	3,217.17	997.19
Cash and cash equivalents comprise		
Cash, Cheques & Drafts (in hand) and Remittances in Transit	31.72	27.50
Balance with Banks	3,185.45	969.69
	3,217.17	997.19

Notes :

- The above Cash flow statement has been prepared under the indirect method setout in AS-3 issued by the Institute of Chartered Accountants of India.
- Figures in brackets indicate cash outgo.
- Previous period figures have been regrouped and recasted wherever necessary to conform to the current period classification. This is the Consolidated Cash Flow Statement referred to in our report of even date

For **Anil K. Goyal & Associates**

Chartered Accountants

Firm Registration No. 04558N

For and on behalf of the Board

Sd/–

(V. P. Sony)

Partner

Membership No. : 86718

Sd/–

(Tarun Oberoi)

Managing Director

Sd/–

(Robin Bartholomew)

Director

Sd/–

(Rakesh Diwan)

C.F.O.

Sd/–

(Ashish Goel)

Company Secretary

Place : Gurgaon

Date : 29.05.2012

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies

1.1 Basis of Preparation

The Financial Statements are prepared on accrual basis under the historical cost convention in accordance with applicable Accounting Standards issued by The Institute of Chartered Accountants of India and relevant presentational requirements of the Companies Act, 1956.

Presentation and disclosure in Financial Statements

During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of financial statements. The adoption of new Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

Operating Cycle

As per the revised Schedule VI, 'An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

For the company there is generally no clearly identifiable normal operating cycle and hence the normal operating cycle for the company is assumed to have duration of 12 months.

1.2 Principles of Consolidation

The Consolidated Financial Statements relate to Financial Statements of Crew B.O.S. Products Limited and its Subsidiary Companies.

The Consolidated financial statements have been prepared on the following basis:

The Subsidiaries have been consolidated by applying Accounting Standard 21 "Consolidated Financial Statements."

Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal.

The financial statements of the Company and its Subsidiaries Companies have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances & intra-group transactions resulting in unrealized profits or losses.

The excess of the Company's portion of equity and reserves of the Subsidiaries Companies as at the time of its investment is recognized in the financial statements as Capital Reserve.

The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

1.3 Revenue Recognition

Sales are recognized upon the transfer of significant risks and rewards of ownership to the customers. Cost of samples developed and supplied is recognized on accrual basis net of recoveries.

The Company adequately hedges its inherent Foreign Currency Exposures. There are also adequate measures implemented by the Company to assess and mitigate the exchange rates fluctuation risks timely and efficiently.

Effects of Exchange Difference on Derivative transactions are booked at the time of cancellation and/or maturity of the contract.

Duty Drawback Income on deemed export on purchases of goods made by 100% Export Oriented Unit (EOU) as per provisions of chapter 8 of Foreign Trade Policy are recognized in the year in which the income is received.

1.4 Fixed Assets

Fixed Assets are stated at actual cost of acquisition inclusive of taxes, duties, freight and other incidental expenses including interest related to acquisition, net of Grants.

Intangible assets are recognized at cost which comprises of purchases price (including taxes and duties, if any) and any directly attributable expenditure on making the assets ready for their intended use.

Fixed assets are reviewed for impairment on each balance sheet date, in accordance with the accounting standard AS 28 issued by The Institute of Chartered Accountants of India.

1.5 Depreciation

Depreciation on fixed assets used in Fashion Accessories Business is provided on WDV Method & Depreciation on fixed assets used in Leather Business is provided on SLM Method at the rates and in the manner as prescribed in Schedule in Schedule XIV of the Companies Act, 1956



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

Intangible assets are being amortized on a straight line method over the estimated useful lives of ten years, in line with the accounting standard AS 26 issued by the institute of Chartered Accountants of India

All assets costing Rs 5000/- or below are depreciated in full by way of a one time depreciation charge.

Leasehold improvements are amortized over the period of lease, including the optional period of lease.

1.6 Inventories

- a. Raw materials are valued at weighted average cost.
- b. Semi finished goods are valued at cost up to estimated stage of process.
- c. Finished Goods are valued at lower of cost and net realizable value.

1.7 Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the rate prevailing on the date of the transactions. Monetary items are translated at the exchange rates prevailing at the end of the year and the gain/loss arising on such translation is credited /charged to the profit and loss account.

For the purpose of consolidation, being the non-integral foreign operations, the Company has translated Assets and Liabilities of subsidiaries outside India at the year-end exchange rate and Income and Expenditure items at an average rate that approximates to the exchange rate prevailing on the date of transactions. The resultant translation adjustment is reflected as a separate component of Shareholders' funds as "Foreign Exchange Translation Reserve".

1.8 Retirement Benefits

The Company's contribution to defined contribution schemes such as provident fund and family pension fund are charged to the profit and loss account as incurred. The Company also provides gratuity benefit to the employees, which is funded through a LIC group gratuity scheme. The Liability at the year-end for the same is determined by an actuarial valuation done at year-end and shortfall/surplus over the amount contributed to the scheme is charged off to the profit and loss account. Provision for Leave Encashment is made on the basis of accrual basis and charged to profit and loss account.

1.9 Borrowing Costs

The borrowing costs on funds other than those directly attributable to the acquisition of a qualifying asset i.e. assets that necessarily takes a substantial period of time to get ready for its intended use, are charged to revenue in the period in which they are incurred.

The borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of that asset.

1.10 Investments

i) Quoted Investments:

Quoted Investments are carried at lower of cost and fair value. Fair value in the case of quoted investments refer to the market value of the investments arrived at on the basis of last traded prices as at the year end.

ii) Unquoted Investments:

Unquoted Investments are carried at cost.

1.11 Taxation

Current Tax

Provision for current tax is computed on the basis of tax payable on estimated taxable income and fringe benefit computed in accordance with the applicable provisions of Income Tax Act 1961, after considering the benefit available under the said Act.

Deferred Tax

In accordance with Accounting Standard -22 "Accounting for Taxes on Income", issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date.

Deferred Tax Assets arising from temporary timing differences are recognized to the extent there is reasonable certainty that the asset can be realized in future.

1.12 Export Benefits

Export benefits i.e. Duty Drawback is accounted for on accrual basis. Duty Drawback on Deemed Exports benefits to 100% Export Oriented Unit (EOU) is accounted for when the amount is quantified upon receipt of disclaimer certificates from Domestic Tariff Area (DTA) suppliers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

1.13 Prior Period items

Income and expenses which arise in the current year as a result of errors or omissions in the preparation of financial statements of one or more prior periods are shown as prior periods adjustments.

1.14 Contingent Liabilities

Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

1.15 Segment Accounting Policies:

a. Identification of Segment

For management purposes, the Company is organized in three major operating divisions – Fashion Accessories, footwear & Leather. These divisions include manufacturing, domestic as well as overseas activities. These divisions are the basis on which the Company reports its primary segment information.

b. Segment Assets and Liabilities

All Segments assets and liabilities are directly attributable to the segment. Segment assets include all operating assets used by the segment and consist primarily of fixed assets, inventories, sundry debtors, loans and advances and operating cash and bank balances. Segment liabilities all operating liabilities and consist primarily of creditors and accrued liabilities. Segment assets and liabilities do not include investments, miscellaneous expenditure, and current income tax and deferred tax.

c. Inter Segment Transfers

Segment revenues and segment results include transfers between business segments. Inter segment sales to leather are accounted for at cost of production. These transfers are eliminated on consolidation.

d. Segment revenues and expenses

Joint expenses are allocated to business segments on a reasonable basis. All other revenues and expenses are directly attributable to the segments. They do not include interest income and interest expenses

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
Note: 2		
Share Capital		
AUTHORISED CAPITAL		
29,000,000 Equity Shares of Rs. 10/- each	2,900.00	2,900.00
1000,000 Preference Share of Rs 10/- each	100.00	100.00
	3,000.00	3,000.00
ISSUED , SUBSCRIBED & PAID UP CAPITAL		
13993467 Equity Shares of Rs. 10/- each , Fully Paid up	1,399.35	1,289.32
Total	1,399.35	1,289.32
a) Reconciliation for Closing Number of shares		
Opening Number of Equity Shares	12,893,200	12,818,200
Add :		
Share warrants converted into Equity Shares	1,100,267	75,000
Closing Number of Equity Shares	13,993,467	12,893,200

- b) The holders of the Equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.
- c) The Company has not issued shares for a consideration other than cash or bonus shares during the immediately preceding 5 years.
- d) Following shareholders hold equity shares more than 5% of the total equity shares of the company at the end of period :

S.No.	Name of Shareholder	No of shares as at 31st March, 2012	% of Shareholding	No of shares as at 31st March, 2011	% of Shareholding
1	Tarun Oberoi	1393542	9.96%	3248897	25.20%
2	Robin Barthlomew	1067698	7.63%	909117	7.05%
3	Vivek Laxminath Mehrotra	719735	5.14%	–	–
4	Fable Concepts & Technology Pvt. Ltd.	1027019	7.34%	1453847	11.27%
5	Elan Trade Post Pvt. Ltd.	1312061	9.38%	1325188	10.28%
6	Integrated Master Securities Pvt. Ltd	–	–	927870	7.20%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

e) Forfeiture of share warrant Money

In the Financial year 2009-10 the Company had issued 20 Lacs warrants convertible into equity shares of the Company on Preferential Basis at a price of Rs. 50.33/- per warrants, which will entitle the holder to subscribe to one equity share of the face value of Rs. 10/- at a price not being less than Rs. 50.33/- (including premium of Rs. 40.33/-) per equity share of the Company against each warrant and have an option to apply for and be allotted one equity share of the Company per warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. In Financial Year 2010-11 only one warrant holder exercised his option and converted his 75,000 warrants into equity shares. In current Financial Year 2011-12 Six warrant holders holding 11,00,267 warrants (which include 73172 warrants exercised by one Holder i.e. Fable Concept & Technology (P) Ltd. out of 258172 warrants) has been exercised his option and convert his warrant into equity shares. Those warrant holders who did not exercise option and not converted his warrant into equity shares within a period of 18 months from the date of allotment, the 25% amount paid being Rs. 103.77 Lacs by the warrant holders at the time of allotment has been forfeited under Clause 77 of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
Note : 3		
Reserve & Surplus		
Securities Premium Reserve		
– Opening Balance	3,030.45	3,000.20
– Add: Received during the year	443.74	30.25
– Closing Balance	3,474.19	3,030.45
Foreign Exchange Translation Reserve	(185.38)	–
General Reserve (As per last balance sheet)	424.14	424.14
Surplus (Profit & Loss Account)		
– Opening Balance	9,446.62	8,110.12
– Add: Surplus/(Deficit) during the year	1,805.57	1,336.49
Minority Adjustment	(158.94)	(579.74)
– Closing Balance	11,252.18	9,446.62
Total	14,965.13	12,901.20

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
Note : 4		
Long Term Borrowings		
Secured Loan		
From Bank		
Vehicle / Equipment Loans	199.23	98.05
Term Loan	2,297.69	4,384.98
Unsecured		
From Related parties		
a) From Director		
– Mr. Tarun Oberoi	843.48	–
b) From Associated Enterprises		
– Elan Trade Post Pvt. Ltd.	19.82	–
– Fable Concepts & Technology Pvt. Ltd.	132.61	–
From Other Parties		
Simpal Leaf Pvt. Ltd	–	40.00
Garg Petroleum Pvt. Ltd.	–	15.00
India Traders Pvt. Ltd	50.00	50.00
Total	3,542.83	4,588.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

Detail of Term Loan

Sl. No	Bank	Amount outstanding as at 31st March, 2012 (₹ in Lacs)	Terms of Repayment	Nature of Security
1	Bank of Baroda			
	Term Loan I	1,027.26	Repayable in 5 quarterly installments commencing from Sept'2012	Term loans secured by way of Exclusive charge Hypothecation of Plant & Machinery financed out of term loan of B.O.B. and Exclusive charge Equitable Mortgage of factory land & building at Neemrana & Ranipet Tamil Nadu.
	Term Loan II	298.37	Repayable in 8 quarterly installments commencing from Sept'2012	
	Term Loan III	531.97	Repayable in 18 quarterly installments commencing from Sept'2012	
2	HSI IDC			
	Term Loan I	50.76	Repayable in Eight years inclusive of moratorium period of one and half year in equal 26 quarterly installments	Term loans secured by way of extension of first charge on the entire Fixed Assets of the company already mortgage and MFA located at Plot No. 37, sector-4, IMT Manesar. Personal guarantee by Mr. Tarun Oberoi & Mr. Robin Bartholomew along with corporate guarantee by M/s Elan Trade Post Pvt. Ltd. & M/s Fable Concepts & Technologies Pvt. Ltd.
	Term Loan II	171.26	Repayable in Eight years inclusive of moratorium period of six months in equal 30 quarterly installments	
	Term Loan III	24.31	Repayable in five and a half years inclusive of moratorium period of six months in equal 20 quarterly installments	
	Term Loan IV	190.65		
	Term Loan V	254.20		
	Term Loan VI	121.80		
	Term Loan VII	401.70		
3	UCO Bank	394.34	Repayable in 20 quarterly installments commencing from March'12	Term Loan secured by exclusive charge on Machinery & second charge on other fixed assets of the company.
4	Citi Bank	341.53	Balance as at 1st May, 2012, of JPY 440.50 Lacs is to be repaid in 12 fortnightly installment started from 15th May, 2012, as per the repayment schedule submitted by the Company	Loan is secured by exclusive charge on the fixed assets of the Company purchase out of Term Loan
5	IFCI Factors Limited	991.64	Repayable in 10 monthly installments commencing from July'2012	Loan is secured by way of pledge of shares of Crew BOS Products Limited & personal guarantee by Mr. Tarun Oberoi
6	IFCI Venture Capital Fund Limited	281.05	Repayable in 13 monthly installments commencing from June'2012	Loan is secured by way of pledge of shares of Crew BOS Products Limited & personal guarantee by Mr. Tarun Oberoi
7	Karvy Financial Services Limited	182.47	Bullet payment for principal at the end of 24 months	Loan is secured by way of pledge of shares of Crew BOS Products Limited & personal guarantee by Mr. Tarun Oberoi



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

The total term loan outstanding at the year end amounts to Rs. 5,263.30 Lakhs. Out of these a sum of Rs. 2,297.69 being due after 31.03.2013 have been shown under "Long-Term Borrowing and the Installments falling due in respect of all the above Loans upto 31.03.2013 amounting to Rs.2,965.61 Lakhs have been grouped under "Current maturities of long-term debt" (Refer Note 9).

- a. During the financial year 2006-07, the Company was sanctioned the External Commercial Borrowings (ECB) loan consisting of Japanese Yen equivalent of USD 5,000,000 for capital expenditure requirements vide credit arrangement entered with Citi Bank N.A. London. The ECB loan amount had been revised to USD 4,000,000 and accordingly fully utilized by the Company. During the year the company has repaid ECB Loan by USD 5,69,894 equaling to INR 429.87 lakhs). The interest rate on ECB loan is JPY Libor plus based. Outstanding Balance of ECB at the last day of financial year 2011-12 equals to INR 338.34 Lakhs including interest of Rs. 17.64 Lakhs. The aforesaid ECB loan was scheduled to be repaid by 31st March, 2012, but Company has filed re-schedule request with Citi Bank NA, London to repay the remaining balance in installments by 31st October, 2012.
- b. The Company has borrowed short term loans from IFCI Factors Limited, IFCI Venture Capital Funds Limited, Karvy Financials Services Limited and Pinkhem Investment Company Pvt. Ltd against the pledge of shares of the Company held by promoters and promoters group Companies. 3161996 shares has been sold by the aforesaid Companies due to fall in the share price and value of collateral margin as per terms and condition of sanction letter and the amount recovered on such sale has been adjusted by them against loan amount due from the company. The company has given credit to the account of promoters & their group companies respectively by the amount which has been recovered by the above companies against sale of pledged shares and are shown under the head "Unsecured Loans from related parties".
- c. The outstanding loan amount of Rs. 77.65 Lakhs due to S.E Investments Ltd has been squared up during the year against security deposits of Rs 76.00 Lakhs & the balance amount of Rs. 1.65 Lakh has been accounted for as the interest income for the year. The confirmation from the party for above transaction is not available.

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
Note : 5		
DEFERRED TAX LIABILITIES		
As at 1st April, 2011	183.58	(87.59)
Add : Additional adjustment for current year	73.91	271.17
Closing Balance	257.49	183.58

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
Note : 6		
Long Term Provisions		
Gratuity Payable*	334.40	281.93
Leave Encashment Payable	163.80	161.44
Total	498.20	443.37

- a) The Company has a Group Gratuity Policy with LIC of India. The company discontinued to make payments to them for last more than couple of years. Therefore, LIC of India could not provide details of due payments to regularise the said policy and to make balance provision of gratuity. In such circumstances, the company has made a provision of Rs. 35 lacs (Previous Year Rs. 163.92 lacs for Gratuity for the current Financial Year and no actuarial valuation is available to support this provision. regard from LIC of India.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
Note : 7		
Short-term borrowings		
<u>Secured</u>		
Working capital Facilities		
– Yes Bank	300.00	238.93
– Working Capital/Cash Credit Loan	25,783.68	13,535.19
– Packing Credit Limits	4,681.81	5,612.53
– Bills Purchased by Banks	2,731.49	2,856.83
<u>Unsecured</u>		
– SIDBI	112.71	662.73
<u>Demand Loan From Others</u>		
Loans & Advances from related parties		
– Leather Craft India Private Limited	112.48	116.98
– Matrix Clothing Private Ltd.	286.00	287.30
– MAS Linea Leather Accessories Pvt Ltd.	143.26	
– Transnational Growth Fund Ltd.	125.00	125.00
– Sri Amarnath Finance Ltd.	25.00	25.00
– Raghav Aditya Chit fund	34.00	
– Other	1,059.63	2.92
Total	35,395.06	23,463.41

Notes:

- Working Capital Loans from banks are secured against hypothecation of present and future moveable assets of the Company. These Loans are further secured by collateral security of immoveable properties of the Company and personal guarantee by Promoter Directors and by Corporate Guarantee of the Associate Companies namely Fable Concept & Technology P Limited and Elan Trade Post P Limited. Further Axis Bank has exclusive charge on property at Manesar belonging to WOS of the Company namely Vogue Home Products Limited.
- The Company has taken interest free unsecured loan from below mentioned parties, the terms & condition of the loans are not in writing and however the same are repayable on demand as confirmed by the management. Accordingly Company has classified these loans under the head Short Term Borrowing.

Name of the party	Balance outstanding as on 31-03-2012 (Rs in lakhs)	Outstanding Since
Amarnath Finance Ltd	25.00	FY 2008-09
Transactional Growth Funds Ltd	125.00	FY 2009-10

- The Company has received Rs. 70 Lacs from Raghav Aditya Chits Private Ltd by redeeming chits. The Company has been paying monthly chits of Rs. 3 lacs each. As confirmed by the company it will account for profit/loss on this account at the close/completion of the chits hence no profit/loss on redemption of chits has been booked in the current financial year The outstanding amount as on 31st March, 2012 is Rs. 34.00 Lacs, confirmation from the party is still awaited.
- The Company has received legal notices from two banks, namely SIDBI and DBS Bank Ltd. u/s 138 of Negotiable Instrument Act for dishonor of cheques amounting to Rs. 511.34 Lacs and Rs. 1352.64 Lacs respectively. The Company had issued these cheques as security cheques for the vendor bill discounting facility from SIDBI and LC/Buyers Credit facility from DBS Bank. Both SIDBI and DBS bank have filed legal cases against the Company and are running in the District Courts. However the Company has paid some amount against the above liability and the outstanding balance as at 31st March, 2012 is Rs. 112.71 Lacs and Rs.1272.23 Lacs with SIDBI and DBS Bank respectively.
- During the year, the company has taken Short-term loan of Rs. 200 Lakhs from M/S Matrix Clothing Pvt Ltd in which one of the directors of the company is interested. The said loan has been repaid with interest during the year.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
Note : 8		
Trade Payable		
Micro, Small & Medium Enterprises	305.01	227.01
Others	32,018.67	23,553.47
Total	32,323.68	23,780.48

- a. The Company has sent letters to vendors to identify their status of registration as Micro, Small & Medium Enterprises Development Act, 2006. The Company has received reply from few vendors and has provided interest of Rs. 10.57 Lakhs (previous year Rs.8.60 lacs) on delayed payment to parties as identified by the management. The Company has not paid interest amount to any party and the total outstanding amount of interest is Rs. 23.31 lacs at the year end

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
Note : 9		
Other Current Liabilities		
A) Current Maturity of Long Term Debts		
– Vehicle / Equipment Loans	312.94	27.11
– Term Loan	2,965.60	1,262.62
B) Unclaimed Dividend	0.75	0.84
C) Credit Balance in Current A/cs	219.27	294.23
D) Advance from Customers	298.31	113.73
E) Other Payables*	1,637.87	1,531.03
Total	5,434.76	3,229.56

*** Other Payables include Statutory Liabilities & Provision for Expense**

- a. The Company has provided bonus of Rs 64.49 Lakh (previous year Rs 115.83 Lakh) for the year at minimum rate of bonus as prescribed in Bonus Act. The company has not made calculation of allocable surplus as per Bonus Act despite having profits to determine the rate at which bonus should have been paid subject to maximum rate of 20% of wages & salary. The variation amount in provision made for bonus to actual calculation of bonus as per provisions of Bonus Act is contingent and unascertained. Had it been at maximum @ 20% then the amount would have been Rs. 154.84 Lakhs and the profit would have been reduced by this amount.

	As at 31st March, 2012	As at 31st March, 2011
Note : 10		
Short Term Provisions		
Provision for Income Tax	2,617.60	2,413.51
Provision for Wealth Tax	3.58	3.58
Total	2,621.18	2,417.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

Note : 11

FIXED / INTANGIBLE ASSETS										(₹ in Lacs)
PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK			
	Opening As On 01/04/2011	Additions During the Year	Deletions / Sales / Adjustment	As On 31/03/2012	"Opening As On 01/04/2011"	For the Year	On Deletions / Sales / Adjustment	As On 31/03/2012	As On 31/03/2012	As On 31/03/2011
FIXED ASSETS										
FACTORY LAND	1,634.38	—	—	1,634.38	—	—	—	1,634.38	1,634.38	1,634.38
FACTORY BUILDING	4,077.82	1,571.41	450.40	5,198.84	1,321.62	248.98	450.40	4,078.64	4,078.64	2,756.20
COMPUTER	480.59	14.76	1.84	493.51	393.44	35.16	0.28	428.31	65.20	87.38
ELECTRICAL FITTINGS	300.50	4.61	—	305.11	131.43	19.77	—	151.20	153.91	169.07
FURNITURE & FIXTURES	665.34	22.51	—	687.86	306.32	63.44	—	369.76	318.10	359.02
PLANT & MACHINERIES	6,508.24	1,046.17	1.89	7,552.52	1,957.42	582.24	—	2,539.67	5,012.85	4,550.81
VEHICLES	322.85	16.34	9.83	329.36	193.18	32.82	7.88	218.12	111.24	129.68
OFFICE EQUIPMENTS	467.22	10.15	—	477.37	193.43	38.96	—	232.39	244.97	273.56
TOTAL	14,456.94	2,685.96	463.96	16,678.94	4,496.83	1,021.37	458.55	5,059.65	11,619.29	9,960.11
INTANGIBLE ASSETS										
COMPUTER SOFTWARE	211.58	4.02	0.09	215.51	109.26	20.97	0.01	130.23	85.28	102.32
TECHNICAL RECIPES & FORMULAE	129.70	—	—	129.70	77.55	12.97	—	90.52	39.18	52.15
TOTAL	341.28	4.02	0.09	345.21	186.81	33.94	0.01	220.74	124.46	154.47
CAPITAL ADVANCES & WIP										
CAPITAL ADVANCES & WIP	4,685.56	27.06	1,595.51	3,117.11	—	—	—	—	3,117.11	4,684.94
TOTAL	4,685.56	27.06	1,595.51	3,117.11	—	—	—	—	3,117.11	4,684.94
GRAND TOTAL(Rs.)	19,483.78	2,717.04	2,059.56	20,141.26	4,683.64	1,055.31	458.56	5,280.39	14,860.86	14,799.52



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
Note : 12		
INVESTMENTS		
Unquoted-Long Term (Non-Trade)		
Investment in Equity Instrument		
Investment in subsidiary Company		
i) 1000 Equity Shares of USD 1.00 each in Crew B O S Far East Ltd., Hong Kong	–	0.43
ii) 100000 Equity Shares of Rs 10.00 each in Villa BOS Leathers Limited	–	10.00
Investment in Associate		
i) 240000 Equity Shares of Rs. 10 each in Tempesta Luxury products Pvt. Ltd.	24.00	
TOTAL	24.00	10.43
Investment in Equity Instrument Book Value	24.00	10.43

- a. i) The Company has sold its entire holding of 1000 equity share of its wholly owned subsidiary Crew BOS Far East Limited, Hong Kong during the year under reference at US\$ 1200 (equivalent INR. 58571/-). The profit on sale of investment is Rs. 15,321/- has been taken as income in the Profit and Loss Account. Since the Company has disinvested 100% shareholding of the Company the loan due from WOS amounting to Rs. 27.06 Lacs has been written off.
- ii) The Bankers have been informed for disinvestment of 999 shares of Crew BOS Far East Limited, Hong Kong sold to Everest Dunes Trading LLC, Dubai. One share has been sold to one of the employee of the Company, which is still to be reported to the bank.
- b. The Company has sold its entire holding of 100000 equity shares of its wholly owned subsidiary Villa BOS Leathers Limited during the year under reference at book value of Rs. 10/- each amounting to Rs. 10 Lacs. These shares were sold to one of the director and employees of the Company.
- c. The Company has invested Rs. 24.00 Lacs in its associate company Tempesta Luxury Products Private Limited during the year under reference against purchase of 240000 equity shares of Rs. 10 each at par.

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
Note: 13		
LONG TERM LOANS & ADVANCES		
Security Deposit	327.59	291.81
Advance against Land	279.00	279.00
Total	606.59	570.81

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
NOTE :14		
CURRENT INVESTMENTS		
Unquoted-At Cost		
Investment in Mutual Fund		
99404 Units of Bank of Baroda Pioneer Mutual Fund of Rs. 10 each	10.00	10.00
TOTAL	10.00	10.00
UNQUOTED INVESTMENTS		
Investment in Bank of Baroda Mutual Funds		
Book Value	10.00	10.00
NAV	7.29	8.93

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

	(₹ in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
Note : 15		
Inventories		
(As Taken, Valued & Certified by the Management)		
Raw Material (Cost or Market Price which ever is less)	13,390.51	12,150.86
Finished Goods (Valued at cost)	1,359.23	763.50
Semi Finished Goods		
Goods in Transit	3,228.97	4,408.55
– Raw Material	234.06	9.17
– Finished Goods	307.96	1,317.06
Total	18,520.73	18,649.14

	(₹ in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
Note : 16		
Trade Receivable		
(Unsecured, Considered Good)		
Outstanding for more than six months	239.74	5,833.48
Other	54,341.72	28,246.63
Total	54,581.46	34,080.11

	(₹ in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
Note : 17		
Cash & Cash Equivalent		
<u>Cash-in-Hand</u>		
Cash Balance	15.21	27.50
<u>Balance with Bank</u>		
Bank Balance In Current Account	2,783.25	321.94
In Margin Money Account	401.08	522.65
Cheque in Hand	16.51	18.30
Bank Deposit	1.12	106.80
Total	3,217.17	997.19

	(₹ in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
Note : 18		
Short Terms Loans and Advances		
Loans & Advances to related parties		
Unsecured, Considered Good :		
Advance to W.O.S., Crew BOS Far East Limited, Hong Kong	-	7.68
Fable Concept & Technology Private Ltd	303.50	303.50
Others		
a) Secured, Considered Good :		
b) Unsecured, Considered Good :		
Advance to Suppliers/Capital Advance	432.50	138.77
Advance to Staff	137.41	113.55
Advance to HSIIDC for Plot	202.75	202.75
Others	461.17	181.16
Total	1,537.33	947.41



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
Note : 19		
Other Current AssetsParticulars		
Cenvat Credit Receivable	192.01	204.62
Duty Drawback Receivable	270.15	260.37
Advance Income Tax & TDS	1,405.76	1,043.62
Vat Receivable	410.77	337.48
Interest/ Dividend/ Other Receivable	8.60	23.79
Income Tax Refundable	4.76	4.76
Prepaid Expenses	42.95	18.64
Custom Duty Receivable	5.86	-
Total	2,340.86	1,893.28

- a. In the opinion of the board of directors the current assets, loan and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities have been made.

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
Note : 20		
Revenue from Operation		
A) Sale of Products		
Exports Sale (FOB)	34,317.63	25,961.48
Overseas Merchanting Trade	11,475.47	17,745.76
Domestic Sale	11,830.35	17,162.00
Duty Drawback	1,298.25	1,655.26
B) Income From Services		
Job Work	492.74	276.30
Total	59,414.44	62,800.80

- a. The Company has sold cotton fabrics to its Mauritius WOS i.biz Trade Post worth Rs. 788.00 lacs, the same has been delivered in India to its associate company Villa BOS Leathers Limited against further sale thereof by WOS to Villa BOS Leathers Limited. These transactions have therefore increased turnover without involving any outside entity.
- b. The company has purchased fabric worth Rs. 7460.65 lacs from various parties and sold the said fabric worth Rs. 9291.47 lacs to various parties. The confirmations from these parties have not been received.

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
Note : 21		
Other Income		
Interest Income	25.80	31.42
Profit on Sale of Investment	0.15	-
Rental Income	1.50	1.50
Misc. Income	27.71	12.59
Total	55.16	45.51

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
Note : 22		
Cost of materials consumed		
Consumption of Raw Material - Imported	3,096.04	4,999.65
Consumption of Raw Material - Indigineous	9,840.57	9,671.34
Fabrication and Processing	858.06	2,262.65
Consumable - Imported	45.94	86.54
Consumable - Indigenous	1,547.52	1,699.18
Freight, Cartage & Clearing	317.96	685.50
Total	15,706.09	19,404.86

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
Note : 23		
Changes in Inventories		
Closing Stock		
Finished Goods	1,361.53	1,142.48
Semi Finished Goods	3,207.76	4,440.99
Goods in Transit: Finished Goods	305.66	905.65
Less: Opening Stock		
Finished Goods	1,043.93	1,102.86
Semi Finished Goods	4,732.36	1,984.06
Goods in Transit: Finished Goods	712.83	2,776.82
Total	(1,614.17)	625.38

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
Note : 24		
Employment Benefit Expenses		
Salaries & Wages	3,723.15	5,105.84
Employer Contribution to PF & Other Fund	356.73	343.64
Staff Welfare	135.24	262.64
Total	4,215.12	5,712.12

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
Note : 25		
Financial Cost		
Interest Expenses	4,243.95	3,928.75
Other Finance Cost	505.59	-
Total	4,749.54	3,928.75



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
Note : 26		
Other Expenses		
Auditor Remuneration	18.38	12.79
Electricity, Water & Fuel Charges	297.20	390.59
Business Promotion	77.58	129.32
Communication & Courier Expenses	194.25	363.57
Consumable, Packing Material, Store & Spare	18.82	-
Freight, Cartage & Clearing Outward	389.42	641.04
Insurance	217.21	75.42
Foreign Fluctuation Loss	1,027.72	579.19
Legal & Professional Charges	232.69	248.94
Security & Office Expenses	187.73	258.27
Loss on Sale of Assets	(0.69)	19.21
Fee & Subscription	30.19	31.18
Other Expenses	86.92	146.23
Printing & Stationery	24.40	40.81
Bad Debt Written Off	60.83	6.48
Pre operative Exp	-	37.50
Deferred Revenue Expenditure Written Off	-	11.58
Discount & Rebate	61.16	252.48
Rent, Rate & Taxes	405.22	543.16
Repair & Maintenance	70.52	37.25
Repair & Maintenance - Plant & Machinery	0.16	72.45
Short & Excess	0.07	0.00
Vehicle Running & Maintenance	73.90	68.39
Testing Charges	109.48	82.15
Travelling & Conveyance Expenses	376.73	502.89
Total	3,959.88	4,550.91

- The Company has accounted for purchases of Rs. 120.02 lacs during the year against bills pertaining to earlier years of various parties upon reconciliation of their account. Which includes Rs. 71.50 Lacs being spare parts purchased from Trigon Marketing and Rs. 41.34 lacs being fabric purchased from Global Marketing and Resources INC. The Company has transferred these purchases under the head prior period expenses since goods were received and consumed in earlier years. These parties are regular and discrepancies were noticed and reconcile based on reconciliation of accounts with them.
- The Company has received short payment of Rs. 67.74 lacs against claims and rejections of the buyers for export made to them. The Company has debited Rs. 33.78 lacs under the head "Rebate and Discounts and remaining amount of Rs. 33.96 lacs has been debited under the head "Foreign Exchange Fluctuation". The Company has not refunded the Duty Draw Back on the above claims to the Govt. Authority and the same is contingent liability in case the same is asked by the department to refund the excess amount of Duty Draw Back received.
- The company has paid a sum of Rs. 8.78 Lakhs (US \$ 21650) towards incorporation of a new company named Crew B.O.S Products (INT) Pte Ltd, Singapore. The company has debited this expenditure under the head Professional Charges. However this is not a business expenditure of the Company and this payment has resulted in increase in profit of the company by this amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

d. Auditors' remuneration

(₹ in Lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
a) Audit Fee	12.60	9.79
b) Limited review of quarterly results	2.60	2.20
c) Tax Audit Fees	0.85	0.85
d) Others	0.75	0.84
TOTAL	16.80	13.68

(₹ in Lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
27. Contingent liabilities in the respect of:		
a) Guarantees given by Bankers	—	3.00
b) Capital Commitments (Net of Advance)	806.01	1529.39
c) Bonds given to Excise authorities for its Export Oriented Unit(s) (Total amount of Bond-Rs. 800.00 Lakhs)	711.41	635.43
d) Bonds/LUT given to custom authority against EPCG Licences	1855.26	1855.26
e) Letter of Credit established by bank	1509.85	4564.77

- f) The Company has given Corporate Guarantee to the bankers of its following wholly owned subsidiaries for credit facility availed by them
- | | |
|-------------------------------|--|
| I.Biz Trade Post, Mauritius | USD 15 Million
[Equivalent to INR 7673.48 Lacs] |
| Alchemy Trade Post, Mauritius | USD 10 Million
[Equivalent to INR 5115.65 Lacs] |
| Vogue Home Products Limited | INR 300 Lacs |
| Crew PPO Leathers Limited | INR 300 Lacs |
- g) Claims made by four employees are pending in the Industrial Tribunals/High Court. Any liability which may arise out of awards from Tribunal is Contingent and shall be account for in the year of settlement of case. These cases are still running in Courts as confirmed by the Management.
- h) Effects of Exchange Difference on Derivative transactions shall be accounted for at the time of cancellation and/or maturity of the Foreign Exchange hedging contract. Pending derivatives contracts as on 31.03.2012 are USD 8.58 Million (Equivalent INR 4389,23 Lacs) and GBP 0.6 Million (Equivalent INR 490.80 Lacs)
- i) The Company has outstanding Export obligation of Rs. Nil (Previous Year 58.15 Lakhs) under EPCG Licenses obtained for Import of Capital Goods. The redemption of EPCG licenses having Export Obligation completed aggregating to Rs.16166.28 Lakhs is under process with DGFT.
- j) There was a Tax Survey on the company on April 12th, 2010. The proceeding are on and final report of Survey team have not yet been finalized as confirmed by the Management. Therefore tax impact due to survey is not quantifiable and remains un-provided and will be dealt with in the year when the same is finalized.
- 28.** The various parties balances including for merchant trade outstanding of overseas parties at Dubai are subject to confirmation. The Company has sent letter to certain parties for confirmation of statement of account/balances for the year. The Company has not received confirmed statement/balance confirmation from those parties except in few cases. Wherever statement received and there were deviation it has been reconciled to accounts as per documents available and others not received are subject to reconciliation and in case of variance upon reconciliation this may affect the profitability to that extent.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

29. The consolidated financial statements present the consolidated accounts of Crew B.O.S. Products Limited with its following subsidiaries:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership	Year Ending	Remarks
Indian Subsidiary				
Vogue Home Products Limited	India	100%	31.03.2012	Audited by Arora & Choudhary Associates for the Period 1st April 2011 to 31st March 2012
Crew MAG Exports Limited	India	51%	31.03.2012	Audited by Arora & Choudhary Associates for the Period 1st April 2011 to 31st March 2012
Centre of Excellence in Design Limited	India	50%	31.03.2012	Audited by Arora & Choudhary Associates for the Period 1st April 2011 to 31st March 2012
Crew BOS Enterprises Limited	India	100%	31.03.2012	Audited by Arora & Choudhary Associates for the Period 1st April 2011 to 31st March 2012
Emporio BOS Designs Limited	India	100%	31.03.2012	Audited by Arora & Choudhary Associates for the Period 1st April 2011 to 31st March, 2012
Crew ROR Products Limited	India	100%	31.03.2012	Audited by Arora & Choudhary Associates for the Period 1st April 2011 to 31st March, 2012
Crew Republica Retail Limited	India	51%	31.03.2012	Audited by Arora & Choudhary Associates for the Period 1st April 2011 to 31st March, 2012
Crew PPO Leathers Limited	India	100%	31.03.2012	Audited by Arora & Choudhary Associates for the Period 1st April 2011 to 31st March 2012
Foreign Subsidiary				
I. BIZ Trade Post	Mauritius	100%	31.03.2012	Audited by Lancasters for the Period 9th June 2011 to 31st March 2012
Alchemy Trade Post	Mauritius	100%	31.03.2012	Audited by Lancasters for the Period 12th September 2011 to 31st March 2012

30. The Company has paid advance of Rs. 2.79 Crores to Mahindra Industrial Park Limited against leasehold land. However no document was made available to us regarding the current status of the same.
31. Joint venture Agreement between Crew MAG Exports Limited and Leather Craft India Private Limited has already been discontinued since April, 2009. The balance of Leather Craft India limited is subject to pending settlement as at 31st March, 2012.
32. The Company has been using Tata Ex software for their accounting. The Company has confirmed that software is no more supported by vendor being old software. Accounts have been compiled based on trial balance print out from software. The Company acknowledges that different reports from different inputs from the software do not reconcile with each other. The Company is planning to purchase new software for accounting to overcome the error reports in the existing software.
33. The physical stock at the yearend has been taken and valued as certified by Management. The discrepancies found upon physical verification on test basis compared to the system generated data from the software is due to the error in report generation as mentioned in para 29 above and are under reconciliation for necessary rectification.
34. The Company has paid director remuneration in excess of limit prescribed under schedule XIII of the Companies Act by Rs. 59.45 lacs. The Company is applying for waiver of excess managerial remuneration paid by filling an application with the Central Government. In case the approval for waiver of excess remuneration paid is not received from the Central Government, the directors will refund to the Company the above excess amount received by them.
35. The Company has entered into an agreement on 5th May, 2011 with MAS Linea Leather Accessories Limited for taking over the Manufacturing Facility at Madras Export Processing Zone, Chennai. This agreement was verbally assigned to its WOS - Crew PPO Leathers Limited. As per the agreement the business operations for manufacturing and trading of small leather goods was to be carried out by MAS Linea Leather Accessories Private Limited on behalf of Crew PPO Leathers Limited. The account for this purpose

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the period from 5th May, 2011 till 31st December, 2011 were maintained and drawn by MAS Linea Leather Accessories Private Limited on behalf of Crew PPO leathers limited as per the unaudited statement of accounts, Net Loss of Rs. 22.38 Lacs is reported to have been incurred which has not been incorporated into the financial statement of the WOS- Crew PPO Leathers Limited for the year ended 31st March, 2012 and as a result loss of the WOS for the current financial is understated to that extent.

36. a) The Company continues to do international merchant trade in Dubai. Now with the opening of WOS in Mauritius this trading stands shifted to Mauritius. The Company sold goods worth Rs. 47052.50 lacs during the year which includes goods worth Rs. 35634.93 lacs returned back due to quality issue and resold to different vendors in Dubai itself. The aggregate receivable from these vendors amounts to Rs. 22771.90 lacs. RBI compliances if applicable as regard resale of such material are pending.
- b) During the year the Company has purchase goods worth Rs. 41365.34 lacs out of which goods worth Rs. 31356.83 lacs were returned to the supplier due to quality issue. The outstanding at the year end is Rs. 19008.79 lacs payable to the supplier.
- c) No provision has been made in respect of overdue debts related to International Trading and Domestic Trading. Management has confirmed this to be good and realizable.

37. Earning Per Share (E.P.S)

The basic/diluted earning per share calculated as per Accounting Standard- 20 issued by The Institute of Chartered Accountants of India is as under:

	(₹ in Lacs)	
	Current Year	Previous Year
a) Net Profit after tax available for equity shareholders (Rs / Lakhs)	1,646.63	756.76
b) Weighted average no of equity shares outstanding during the year	13993467	14818200
c) Basic earning per Rs. Share (a÷13993467)*	12.19	5.87
d) Diluted earning per Rs. Share (a÷b)	12.19	5.11
*(PAT ÷ Paidup Equity Shares)		

38 Related Party Disclosures :

Related party disclosures, as required by AS – 18 “Related Party Disclosures” are given below :

Related Parties

Subsidiaries	Country of Origin
Vogue Home Products Ltd.	India
Crew ROR Products Limited	India
Crew BOS Enterprises Limited	India
Emporio BOS Design Limited	India
Crew PPO Leathers Limited	India
Crew Republica Retail Ltd.	India
I BIZ Trade Post	Mauritius
Alchemy Trade Post	Mauritius
Assosiate Enterprises	
Tempesta Luxury Products Private Limited	India
Villa BOS Leather Limited	India
Fable Concept & Technology Private Limited	India
Elan Trade Post Private Limited	India
Joint Ventures	
Centre of Excellence in Design Limited	India
Crew MAG Exports Limited	India
Trust/ Society/AOP	
Crew BOS Co-operative Group Housing Society Limited	India
Crew BOS Society	India



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

Key Managerial Personnel (KMP) and their relatives	
Name	Designation
Tarun Oberoi	Managing Director
Robin Bartholomew	Director
Shallay Bartholomew	President Product Developer
Sanjeev Sehgal	Chief Financial Officer
Neeru Sehgal	Design Consultant
Enterprises over which KMP and their relatives have significant influence	
Name	Country of Origin
Everest Dunes Trading LLC	UAE
IANs Trading Private Limited	India
Gorkela Sehgal & Co.	India

Summary of Transaction with Related Parties

(₹ in Lacs)

Name of related party & Nature of relationship	Nature of transaction	Outstanding as on 31.03.2012	Transactions during the year 2011-12	Transactions during the year 2010-11
(A) Subsidiaries				
Vogue Home Products Ltd.	Capital Contribution	5.00	-	-
	Loan Given	349.88	172.21	397.37
	Loan Repayment recd.		180.62	131.54
	Rent		8.40	-
	Sale		-	1855.67
	Purchase		2112.32	1855.69
Crew ROR Products Limited	Capital Contribution	50.00	-	-
	Sales	609.41	-	82.92
	Purchase		-	121.68
	Loan Given		389.82	465.12
	Loan Repayment recd.		108.92	17.26
	Re-Imbursement of Expenses		0.06	-
Crew BOS Enterprises Limited	Capital Contribution	10.00	-	-
	Loan Given	24.14	33.01	17.72
	Loan Repayment recd.		32.37	-
	Sale of Goods		-	7.80
	Re-Imbursement of Expenses		5.17	-
Emporio BOS Design Limited	Capital Contribution	10.00	-	-
	Loan Given	1.58	25.35	-
	Loan Repayment recd.		25.00	10.00
	Re-Imbursement of Expenses		0.02	-
Crew Republica Retail Ltd.	Capital Contribution	51.00	-	-
	Loan Given	428.15	192.62	335.22
	Loan Repayment recd.		231.31	-
	Job Work		-	24.44
	Sale of Goods		48.21	35.54
	Re-Imbursement of Expenses		0.90	-
I BIZ Trade Post	Capital Contribution	1486.05	1486.05	-
	Sale	-	836.19	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

(₹ in Lacs)

Name of related party & Nature of relationship	Nature of transaction	Outstanding as on 31.03.2012	Transactions during the year 2011-12	Transactions during the year 2010-11
Alchemy Trade Post	Capital Contribution	5.00	5.00	-
	Sale	(1917.98)	1720.85	-
	Loan Given		1.33	-
	Advance received		2432.82	-
Crew PPO Leathers Limited	Capital Contribution	5.00	5.00	-
	Loan Given	90.48	501.10	-
	Loan Repayment recd.		463.23	-
	Reimbursement of Exp		0.10	-

(B) Associate Enterprises

Villa BOS Leather Limited	Sale of investment in shares	-	(10.00)	-
	Purchase	(247.14)	446.20	1288.90
	Loan repaid		294.54	-
	Loan Taken		224.93	-
	Job Work		-	8.09
	Sales		216.10	777.53
	Re-Imbursement of Expenses		3.23	-
TEMPESTA LUXURY PRODUCTS PVT. LTD.	Capital Contribution	24.00	24.00	-
	Sale of Goods	7.16	6.72	-
	Sale of Machinery		2.13	-
	Loan Taken		139.30	-
	Loan repaid		132.75	-
	Re-Imbursement of Expenses		4.86	-
Elan Trade Post Private Limited	Loan repaid	(19.82)	65.65	-
	Reimbursement of Exp		0.04	-
	Loan Taken		85.50	37.88
	Investment in CBPL		85.61	-
Fable Concept & Technology Private Limited	Loan repaid	(132.61)	25.00	-
	Loan Taken		157.70	3.12
	Reimbursement of Exp		0.08	-
	Investment in CBPL		27.62	-

(C) Joint Ventures

Centre of Excellence in Design Limited	Capital Contribution	12.50	-	-
	Purchase	292.35	-	21.32
	Loan Given		-	143.00
	Re-Imbursement of Expenses		0.07	0.67
Crew MAG Exports Limited	Capital Contribution	155.55	-	-
	Re-Imbursement of Expenses	1304.89	0.11	-
	Loan given		5.03	610.94
	Loan Repayment recd.		2.16	417.15



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

(₹ in Lacs)

Name of related party & Nature of relationship	Nature of transaction	Outstanding as on 31.03.2012	Transactions during the year 2011-12	Transactions during the year 2010-11
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(D) Society

Crew BOS Society	Loan Given	410.90	479.35	146.49
	Loan Repayment recd.		129.00	270.18
	Sale of Fixed Assets		1.34	55.02
	Reimbursement of Exp		3.74	-

(E) Key Managerial Personnel (KMP) and their relatives

Mr. Tarun Oberoi	Director's remuneration	(843.34)	100.00	95.15
	Loan Taken		1077.12	-
	Loan Repaid		233.63	-
Mr. Robin Bartholomew	Director's remuneration	-	45.20	42.85
	Sale of 49998 Shares of Rs. 10/- each of Villa BOS Leathers Ltd.	-	4.99	
Mrs Shallay Bartholomew	Remuneration	-	15.00	15.00
Mr. Sanjeev Sehgal	Remuneration	-	28.01	25.01
Mrs Neeru Sehgal	Professional Fee	(1.35)	9.75	0.68

(F) Enterprises over which KMP and their relatives have significant influence

Everest Dunes, LLC, Dubai	Purchase	18506.63	12380.50	15329.09
	Sale of Investment in subsidiary- Crew BOS Far East Limited	-	0.59	-
IANS Trading Private Limited	Sale	1418.44	2702.20	1188.19
Gorkela Sehgal & Co.	Professional Fee	(1.28)	8.50	8.50

39. Segment Information

a) Information about primary Business Segment

(₹ in Lacs)

PARTICULARS	Consolidated 31-03-2012	Consolidated 31-03-2011
Segment Revenue		
(a) Fashion Accessories	49,911.18	47,970.11
(b) Footwear	11,091.82	15,315.03
(c) Leather	3,052.54	3,522.69
Net Income from Operations	64,055.54	66,807.82
Less: Inter Segment Sales (inter co. & Inter unit)	5,340.61	4,982.50
Other Income	55.16	45.51
Total Revenues	58,770.09	61,870.83
Segment Result (Profit/loss before tax & interest from each Segment)		
(a) Fashion Accessories	7,558.12	6,942.45
(b) Footwear	1,614.41	627.80
(c) Leather	326.86	609.47
Total	9,499.39	8,179.72
Less :		
Interest	4,749.54	3,928.75
Other un-allocable expenditure net of un-allocable income	2,824.31	2,469.37
Total Profit before Tax	1,925.54	1,781.60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

Capital Employed (Segment assets – Segment Liabilities)

(a) Fashion Accessories	24,566.87	25,643.37
(b) Footwear	2,688.96	2,890.78
(c) Leather	10,853.81	11,139.92
(d) Un-allocable Assets less Liabilities	(21,745.16)	(25,241.33)
Total	16,364.48	14,432.74

b) Information about Secondary Business Segment

Location	(₹ in Lacs)	
	Revenues 2011-12	Revenues 2010-11
Exports	36,801.59	25,961.48
Domestic	13,987.48	21,169.03
Overseas Merchanting Trade	11,475.47	17,745.76
Other	1,791.00	1,931.56
Total	64,055.54	66,807.83
Less: Inter Segment Sales(Inter Co. & Inter Unit)	5,340.61	4,982.50
Net Income from Operations	58,714.93	61,825.33

40. Previous year figures have been regrouped and re-arranged where ever necessary so as to make it comparable with the current year figures.

For **Anil K. Goyal & Associates**

Chartered Accountants

Firm Registration No. 04558N

Sd/–

(V. P. Sony)

Partner

Membership No. : 86718

Place : Gurgaon

Date : 29.05.2012

For and on behalf of the Board

Sd/–

(Tarun Oberoi)

Managing Director

Sd/–

(Rakesh Diwan)

C.F.O.

Sd/–

(Robin Bartholomew)

Director

Sd/–

(Ashish Goel)

Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

CREW B.O.S. PRODUCTS LIMITED



S. No.	Name of Subsidiary	Vogue Home Products Limited	Crew ROR Products Limited	Crew BOS Enterprises Limited	Emporio BOS Design Limited	Crew Republica Retail Ltd.	Crew PPO Leathers Limited	i.biz Trade Post	Alchemy Trade Post
1	Capital	5,00,000	50,00,000	10,00,000	10,00,000	1,00,00,000	5,00,000	15,04,10,400	5,01,418
2	Reserve	14,18,902	(4,69,17,604)	(22,35,023)	(1,44,089)	(5,27,27,816)	(1,73,79,716)	15,57,99,415	1,48,78,886
3	Total Assets	7,46,08,086	2,83,85,161	15,18,810	10,62,106	81,83,826	7,17,97,200	126,73,92,670	53,49,21,012
4	Total Liabilities	7,46,08,086	2,83,85,161	15,18,810	10,62,106	81,83,826	7,17,97,200	126,73,92,670	53,49,21,012
5	Investments								
6	Turnover	21,12,31,864	1,43,42,950	2,63,426		64,82,108	3,34,55,692	1,55,36,77,413	19,36,72,191
7	Profit before taxation	(3,60,749)	(46602.00)	(5,53,265)	(61746.00)	(1,28,12,871)	(1,77,13,246)	14,96,95,750	1,45,72,311
8	Provision For Taxation(Including Deferred Tax adjustment)	(1,89,340)	(12705.00)	(9920.00)		(79539.00)	(3,33,530)		
9	Profit after taxation	(1,71,409)	(33897.00)	(5,43,345)	(61746.00)	(1,27,33,332)	(1,73,79,716)	14,96,95,750	1,45,72,311
10	Proposed dividend	-	-	-	-	-	-	-	-



CREW B.O.S. PRODUCTS LIMITED

Registered Office : 304A, Jaina Tower-I, District Centre, Janak Puri, New Delhi-110 058

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY-THIRD ANNUAL GENERAL MEETING OF THE MEMBERS OF THE CREW B.O.S. PRODUCTS LIMITED WILL BE HELD ON MONDAY THE 24TH DAY OF SEPTEMBER, 2012 AT 2.00 P.M AT SRI SATHYA SAI INTERNATIONAL CENTRE AUDITORIUM, INSTITUTIONAL AREA, PRAGATI VIHAR LODHI ROAD, NEW DELHI-110003 TO CONSIDER AND TRANSACT THE FOLLOWING BUSINESS(S):-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To reappoint a Director in place of Mr. Deepak Manchanda, who retires by rotation and being eligible, offers him-self for re-appointment.
3. To reappoint M/s Anil K. Goyal & Associates, Chartered Accountants, New Delhi as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Companies Act, 1956 and all other applicable Rules, Regulations, Guidelines and laws (including any statutory modification or re-enactment thereof for the time being in force) the consent of the company be and is hereby accorded for investments by Non Resident Indians/ Persons of Indian Origins (hereinafter referred to as NRIs/PIOs), in the shares of the Company, by purchase or acquisition from the market under the Portfolio Investment Scheme, upto 24 per cent of the paid up equity share capital of the company respectively."

"RESOLVED FURTHER THAT Mr. Tarun Oberoi, Managing Director, Mr. Robin Bartholomew, Director, Chief Financial Officer and Company Secretary be and are hereby severally authorized to give certified true copy of the aforesaid resolution and to do all such act, deeds, things as may be deem fit to give effect to this resolution."

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

"RESOLVED THAT subject to the approval of Central Government and pursuant to Section 309(5B) of the Companies Act, 1956, consent of the Members of the Company be and

is hereby accorded to waive the excess remuneration paid to Mr. Tarun Oberoi, Managing Director of the Company in the Financial Year 2011-12 over and above the limits prescribed under Section 309 read with Schedule XIII to the Companies Act, 1956."

RESOLVED FURTHER THAT the Director(s) and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things and furnish such information / clarifications / declaration, certificate and other papers as may be required in this regard including authorizing any other person to represent before the Central Government."

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

"RESOLVED THAT subject to the approval of Central Government and pursuant to Section 309(5B) of the Companies Act, 1956, consent of the Members of the Company be and is hereby accorded to waive the excess remuneration paid to Mr. Robin Bartholomew, Whole time Director of the Company in the Financial Year 2011-12 over and above the limits prescribed under Section 309 read with Schedule XIII to the Companies Act, 1956."

RESOLVED FURTHER THAT the Director(s) and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things and furnish such information / clarifications / declaration, certificate and other papers as may be required in this regard including authorizing any other person to represent before the Central Government."

Dated: 9th August, 2012
Place: Gurgaon

for and on behalf of Board
Crew B.O.S. Products Ltd.

Registered office
304A, Jaina Tower-1,
District Centre, Janakpuri,
New Delhi- 110 058

Sd/-
Ashish Goel
(Company Secretary)

NOTES:

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxy forms (enclosed herewith) duly completed should be deposited at the registered office of the company not less than forty-eight hours before the scheduled time of commencement of the meeting. The same should be duly signed and stamped in order to be effective.



2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, 27th August, 2012 to Monday, 3rd September, 2012 (both days inclusive).
4. Members, who hold shares in dematerialized form, are requested to bring their DP ID and Client ID for easier identification and recording of attendance at the meeting.
5. Members may please bring the Admission Slip with them duly filled in and hand over the same at the venue of the meeting. Entry to the Auditorium will be strictly against Entry slip available at the counters at the venue in exchange of Admission slip. No Brief case/ Bags/Eatable are allowed to be taken inside the Auditorium as per Auditorium rules.
6. Members desirous of asking any question or seeking any information in the Meeting are requested to write a letter to the Company Secretary so as to reach him at least 7 days before the date of the Meeting to enable the Management to keep the answers/information ready.
7. Members are requested to forward their change of address notifications, Bank account details including 9 digit MICR number appearing on the cheque pertaining to the respective bank account, to their respective Depository Participants, on or before 27th August, 2012, if the shares are held in electronic form as they are maintained by the DP's and not to the Company or RTA, to update the records of the Company.
8. Members who hold shares in physical form are requested to intimate to RTA, M/s Skyline Financial Services Private Limited, D-153/A, 1st Floor, Okhla Industrial Area, Phase -1, New Delhi-110020 under the signature of the Sole/First holder, the following information to update its records
 - (i) Name of the Sole / First holder and the Folio Number.
 - (ii) Address of the Member
 - (iii) Particulars of Bank Account, viz: name, branch and complete

Address of the Bank, Bank account number and type of Accounts (Saving, Current etc.)
9. As the measure of economy and convenience copy of Annual Reports will not be distributed at the venue of Annual General Meeting. Members are therefore requested to bring their own copies of the Annual report to the Meeting.
10. All the documents referred to in the accompanying Notice and Explanatory Statement is open for inspection at the Registered Office of the Company on all working days between 11 A.M. to 1 P.M. upto the date of Annual General Meeting.
11. In terms of Section 109 of the Companies Act, 1956, Members holding shares in physical form can avail the Nomination Facility by sending duly filled Form No. 2B (in duplicate) to the Company. In case of shares held in Demat Form, the nomination has to be lodged with your Depository Participant (DP).

EXPLANATORY STATEMENT (Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 4:

In terms of the provisions of Portfolio Investment Scheme under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, the ceiling for overall investment for Non Resident India (NRIs) and Person of India Origin (PIOs) is 10 per cent. The ceiling of 10 per cent for NRIs/PIOs can be raised to 24 per cent of the equity paid up capital of the Company, subject to the approval of the board and the general body meeting of the company by passing a special resolution to that effect.

The Company intends to raise funds in International market. The Board of Directors of the company at its meeting held on 9th August, 2012, inter alia, proposed, subject to the approval of Members by way of a special resolution, to enhance the said NRIs/PIOs investment ceiling limit upto 24 percent of the equity paid up capital of the company which are the limits permitted by the Reserve Bank of India.

The resolution set out in the accompanying Notice will enable the NRIs/PIOs to acquire shares of the Company through authorized dealers within the revised ceiling under the Portfolio Investment Scheme.

Hence, the Board of Directors recommends the special resolution set out in the Notice for your approval.

None of the Directors of the Company are in any way concerned or interested in the said resolution.

Item No. 5:

The members, at the Annual General Meeting of the Company held on 22nd day of September, 2008 had approved of the payment of remuneration to Mr. Tarun Oberoi, Managing Director, of the Company, for a period of five years with effect from w.e.f 30th September, 2008. During the Financial Year 2011-2012, the managerial remuneration paid to Mr. Tarun Oberoi, Managing Director, exceeded the limits prescribed under Schedule XIII of the Companies Act, 1956, due to inadequacy of profits.

The Board of Directors, at their meeting held on 9th, August 2012, have ratified, confirmed and approved, subject to the approval of the shareholders and of the Central Government, the payment of remuneration to the managerial personnel in excess of the limits prescribed under Schedule XIII of the Act. An application to be made to the Central Government for seeking its approval for payment of excess remuneration and Waiver of the same.

Hence, the Board of Directors recommends the special resolution set out in the Notice for your approval.

Your Directors recommend the above Resolution for your approval.

Item No. 6:

The members, at the Annual General Meeting of the Company held on 22nd day of September, 2008 had approved of the payment of remuneration to Mr. Robin Bartholomew, Whole time Director, of the Company, for a period of five years with effect from w.e.f

30th September, 2008. During the Financial Year 2011-2012, the managerial remuneration paid to Mr. Robin Bartholomew, Whole time Director exceeded the limits prescribed under Schedule XIII of the Companies Act, 1956, due to inadequacy of profits.

The Board of Directors, at their meeting held on 9th, August 2012, have ratified, confirmed and approved, subject to the approval of the shareholders and of the Central Government, the payment of remuneration to the managerial personnel in excess of the limits prescribed under Schedule XIII of the Act. An application to be made to the Central Government for seeking its approval for payment of excess remuneration and Waiver of the same.

Hence, the Board of Directors recommends the special resolution set out in the Notice for your approval.

Your Directors recommend the above Resolution for your approval.

Dated: 9th August, 2012
Place: Gurgaon

for and on behalf of Board
Crew B.O.S. Products Ltd.

Registered office
304A, Jaina Tower-1,
District Centre, Janakpuri,
New Delhi- 110 058

Ashish Goel
(Company Secretary)

Information on Directors seeking appointment/reappointment and recommended for appointment at the Annual General Meeting as required under Clause 49 of the Listing Agreement.

Item No.2

Mr. Deepak Manchanda

“Mr. Deepak Manchanda (64) holds an engineering degree from Birla Institute of Technology and Science, Pilani, Rajasthan. He also

has a Diploma in Human Factors in Engineering from Polytechnic of Milan, Italy. Mr. Manchanda specialises in the field of packaging and offers complete solutions in development, design and technology to several FMCGs, Pharma and SME clients from his company, Autumn Design Consultants. He has been closely associated with the Indian Institute of Packaging as Member of the Northern Regional Committee as well as the Governing Body. He also writes regularly for packaging journals and lectures at the Institute. He has headed the packaging functions at corporates like Oriflame, Dabur and Ranbaxy, where he worked on packaging for several popular brands. He started his packaging career with Metal Box India. He has been associated with the Company as an Independent Director since September 30, 2003.

Nature of expertise in specific functional areas

At Autumn Design Consultants Private Ltd; Mr. Manchanda has the functional responsibility of Business Development and Key Account Servicing in addition to his senior management responsibilities as an Executive Director of the Company.”

Companies in which Mr. Deepak Manchanda holds Directorships and Committee Memberships apart from Crew B.O.S. Products Limited

Name of the Director	Directorship	*Committee Membership	*Committee Chairmanship
Mr. Deepak Manchanda	Autumn Design Consultants Private Ltd.	NIL	NIL

* Committee here means the Audit & Shareholders’/Investors’ Grievance Committee

Shareholding in the Company

Mr. Deepak Manchanda does not hold any Equity Share in the Company.

CREW B.O.S. PRODUCTS LIMITED

Registered Office: 304A, Jaina Tower-1, District Centre, Janak puri, New Delhi-110 058
23rd Annual General Meeting
24th Day of September, 2012

PROXY FORM

I/We _____
of _____ being a member / members of **CREW B.O.S. PRODUCTS LIMITED** hereby
appoint _____ of _____
or failing him _____ of _____

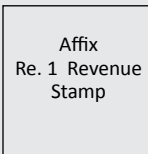
as my / our proxy to attend and vote for me / us, on my / our behalf at the 23rd Annual General Meeting of the Company to be held on Monday,
the 24th day of September, 2012 at 2.00 P.M. at Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-
110003 and at any adjournment thereof.

Signed this _____ day of _____ 2012

**DP id. _____ Client id. _____

Folio No. _____

No. of Shares _____



Signature(s)

Note :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
2. The proxy need not be a member of the Company.
3. Rupee one revenue stamp should be affixed to this Proxy Form.
4. The proxy form duly signed across must reach the Company's Registered Office not later than 48 hours before the time for holding the meeting.
5. ** Applicable for shareholders holding shares in electronic form.

CREW B.O.S. PRODUCTS LIMITED

Registered Office: 304A, Jaina Tower-1, District Centre, Janak puri, New Delhi-110 058
23rd Annual General Meeting
24th Day of September, 2012

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Name of the attending Member/Proxy _____

(Strike out whichever is not applicable.)

**DP id. _____ Client id. _____

Member's Folio No. _____ No. of Shares held _____

Name of Proxy _____

I, hereby record my presence at the 23rd Annual General Meeting of **CREW B.O.S. PRODUCTS LIMITED** at Sri Sathya Sai International Centre
, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003 on Monday, the 24th day of September, 2012 at 2.00 P.M.

Member's / Proxy Signature(s)

Note:

1. Members are requested to bring their copies of the Notice of the Annual General Meeting.
2. Please note that no gifts or coupons will be given to the shareholders for attending the Annual General Meeting.
3. Members are requested to advise the change in their address, if any, to Skyline Financial Services Pvt. Ltd., D-153/A, 1st Floor, Okhla Industrial Area, Phase -1, New Delhi - 110020.
4. ** Applicable for shareholders holding shares in electronic form.



CREW B.O.S. PRODUCTS LTD.

Registered Office: 304A, Jaina Tower-1, District Centre, Janak Puri, New Delhi-110 058

Tel: 91-11-45530149 Fax: 91-11-45530148

Corporate Office: 199, Udyog Vihar, Phase-1, Gurgaon-122016 (Haryana)

Tel: 91-124-4139400 Fax: 91-124-4005011

Email: communication@crewbos.com Web: www.crewbos.com