

24th

Annual Report

2012 - 13



CREW B.O.S PRODUCTS LTD.



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CHAIRMAN'S AND MANAGING DIRECTOR'S LETTER

Dear Shareholders

Ladies & Gentleman. A very Good Morning to you all.

I welcome you all to the 24th Annual Meeting of the Shareholders of Crew B.O.S. Products Limited.

I will now proceed to share my thoughts on the Company and the macro environment.

Since the onset of the global meltdown, we have all been expecting a turnaround in the global economy & negative economic sentiment. It has become a continual wait. There are definitely some signs of the global economic recovery in certain quarters with the US economy showing signs of growth; as against that, the EU is yet to come back on track with the GDP still in the negative zone. The Indian Economy continues to oscillate over policy issues. The investment climate is still a challenge with credit availability and cost of capital adversely impacting business.

It is time to also recognize the fact that the external climate will continue to be uncertain. So, it will be left to each organization to respond to these drifts and work out a business model that will help them to be agile and responsive to changes. I am aware that the road we have travelled has been arduous & it has been tough for a couple of years. Having said that the decisions that we have made to wipe the slate clean with respect to rectifying the issue that will allow all of us to freely comprehend the position the company finds itself in as of now. This will also allow us to set on a path of recovery and launch a transformation process where innovation and our ability to integrate various disciplines will help us deliver results in the coming years.

Financial & Business review

Your Company's gross income for the year ended 31st March, 2013 stood at Rs. 28819.14 Lakhs, as against Rs. 43903.56 lakhs for the previous year. The net income from operations was Rs. 26794.99 lakhs during FY13, as against Rs. 43204.05 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 plans encompassing the high adherence to world class quality standards shall contribute in realizing its aspirations. The present year has had its share of misfortune in the international trade and your company suffered heavily due to non realization of debts from exports /domestic trades due to the economic downturn in the Global economy.

It was also unfortunate that the company got caught unawares with a situation relating to our Chief Financial Officer. He had the organization wrongly believing into entering into certain trading activities that were seemingly lucrative. These turned out to be schemes that would benefit him personally and his associate companies and as result he has fraudulently siphoned off scarce resource of the company. It was later found out on investigation that all his credentials as per his CV were wrongly declared. It was found that his CA certificate was forged as well as his work experiences and remunerations were wrongly stated. We have launched an investigation as well as reported him to the competent law enforcement authorities. At the same time we have immediately suspended and de alienated him from any affairs of the company or its subsidiaries. In spite of these drastic setbacks we are confident that the company will be able to recover and realize its true potential and corrective actions will pave the path to its recovery

The fact that a number of our businesses were not doing well due to the current economic scenario internationally, it was time to take stock of the situation and focus on reducing expenses that were being carried to support these non profitable businesses. Closure of these businesses will allow us to be able to consolidate our balance business activities over a narrower geographical area ensuring better control over the efficiencies and therefore reduction of costs. It is clear that the increase of expenditure to support "optimistically" our various expansions have hurt the organization in a huge way. It was important to stop this slide and focus on our core areas of manufacturing – therefore enabling us to get on the path of recovery, albeit slowly. I am confident that these decisions will enable us to move forward – by first taking a few steps backward. The future of the leather business looks very good and once we have re organized our operations to be leaner and efficient, we can only then capitalize on the opportunity India as a country and Crew BOS as a company has in the near future.



I would like to point out that in a few short years Crew BOS became the number one leather goods exporter in India. I am confident that this process of consolidating and then growing in a controlled manner will put us back on the road to success.

A WAY FORWARD

Our valued customers who are great brands in the US and Europe continue to support us and our long standing relationships will endure and allow us to ride this difficult period. Our engagement with our customers has always been exemplary and these relationships are what will see us through these setbacks and put us back on a path of excellence that have allowed us to serve our customers to our best abilities. Crew BOS design room still continues to be the foremost design room in India and Asia for leather goods. This excellence is now allowing us to go to better customer and improve our margins in the future. Additionally the Govt. of India along with the leather Council is taking several steps to promote the industry. The problems of high prices of labour and raw material in China are putting new opportunities in front us. A combination of the above, I am sure, will allow us to perform well in the future and restore the confidence that all of you have always had in us.

A word of thanks

I also take this opportunity to thanks all the team members as well as our valued clients who have supported us during this difficult phase. We have done very well as a company since our inception. There is no reason why we will not be able to achieve the same heights and more in the near future. I thank all of you valued shareholders, bankers for your support. We will continue to work hard to bring the company back to excellence and take it to its true destiny.

Last but not the least I would like to apologies - very sincerely - for the way the company has performed in the current year. It has been tough and all of you have endured the pain along with us. Some, more than others. The only assurance I can give you is that my team members, co directors and I have tried our best to ride this storm with a huge commitment every day. We will continue to do the same in the future and I am sure we will have enough reason to cheer. Many many thanks for your support.

Yours truly,
TARUN OBEROI
Chairman



CORPORATE INFORMATION

Board of Directors	Mr. Tarun Oberoi Mr. Robin Bartholomew Mr. Mahavir Singh Mr. Prasanta Bandyopadhyay, FCA	Managing Director Whole Time Director Nominee Independent Director Independent Director
Chief Financial Officer	Mr. Rakesh Diwan	
Company Secretary	Mr. Ashish Goel	
Statutory Auditors	Anil K. Goyal & Associates Chartered Accountants 204-206, Siddharth Chambers, Hauz Khas, New Delhi - 110016	
Internal 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. No. : 011-26292681	
Registered Office	304 A, 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 Investor Grievance E Mail : investors@crewbos.com www.crewbos.com	



NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY-FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE CREW B.O.S. PRODUCTS LIMITED WILL BE HELD ON THURSDAY THE 7TH DAY OF NOVEMBER, 2013 AT 10.00 A.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 31st, 2013 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, who retires by rotation and, being eligible, offer him-self for re-appointment.
3. To appoint Mr. Atish Kumar Shaw, Chartered Accountant, in place of retiring auditors M/s Anil K. Goyal & Associates, Chartered Accountants, New Delhi as Statutory Auditor of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company and to fix is remuneration.

“RESOLVED THAT Mr. Atish Kumar Shaw, Chartered Accountant, having Membership No. 306098, be and is hereby appointed as the Statutory Auditor of the Company, in place of retiring auditors M/s Anil K. Goyal & Associates, Chartered Accountants, New Delhi to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at such terms and conditions, including remuneration, to be finalized by the Board of Directors Committee of the Board of Directors of the Company.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule XIII to the Companies Act, 1956 and subject to the relevant provisions of Companies Act, 2013 to the extent applicable, subject to the relevant provisions of Memorandum and Articles of the Association of the Company, and subject to such sanction(s)/approvals of the statutory authorities as may be necessary the consent of the members of the Company be and is hereby accorded to the reappointment of Mr. Tarun Oberoi as the Managing Director of the Company for a further period of 5 years effective from 21st September, 2013, on the terms and conditions, as executed between Mr. Tarun Oberoi and the Company.”

“RESOLVED FURTHER THAT Mr. Tarun Oberoi shall not draw any remuneration or perquisites from the Company during the currency of his tenure in the office of Managing Director.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the board be and is hereby authorized to do and perform all such acts deeds matters and things as it may in its absolute discretion deem necessary and to finalise and execute all such documents and writings as may be necessary or expedient.”

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule XIII to the Companies Act, 1956 and subject to the relevant provisions of Companies Act, 2013 to the extent applicable, subject to the relevant provisions of Memorandum and Articles of the Association of the Company, and subject to such sanction(s)/approvals of the statutory authorities as may be necessary the consent of the members of the Company be and is hereby accorded to the reappointment of Mr. Robin Bartholomew as the Whole time Director of the Company for a further period of 5 years effective from 21st September, 2013, on the terms and conditions, as executed between Mr. Robin Bartholomew and the Company.”



“**RESOLVED FURTHER THAT** Mr. Robin Bartholomew shall not draw any remuneration or perquisites from the Company during the currency of his tenure in the office of Whole time Director.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the board be and is hereby authorized to do and perform all such acts deeds matters and things as it may in its absolute discretion deem necessary and to finalise and execute all such documents and writings as may be necessary or expedient.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 314 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to appoint Mrs. Shalloy Bartholomew, as head Design and Development Department of the Company or in any such designation which the Board of Directors may decide from time to time to confer on her on a monthly remuneration of ₹ 1,50,000 (Rupees One Lakh Fifty Thousand Only) including perquisites and Allowances as per the applicable rules of the Company w.e.f 1st October, 2013 for a period of five years on such terms and conditions as executed between Mrs. Shalloy Bartholomew, and the Company.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the board be and is hereby authorized to do and perform all such acts deeds matters and things as it may in its absolute discretion deem necessary and to finalise and execute all such documents and writings as may be necessary or expedient.”

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

“**RESOLVED THAT** based on the Audited Balance Sheet of the company for the financial year ended on 31st March 2013 the Board of Directors found that the Accumulated losses of the company as at 31.03.2013 amounting to ₹ 9,030.07 Lakhs exceed the entire networth of the company as on the same date, and in view of the same the company has become a sick industrial company as defined under Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and a reference be made to the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) to seek determination of measures which would be adopted as required under Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to send the report to the BIFR and do all such acts, deeds, matters and things as it may deem necessary, desirable or expedient in relation thereto.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or to any officer or officers of the Company to give effect to this resolution.”

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

“**RESOLVED THAT Mr. Prasanta Bandyopadhyay, FCA** who was appointed as an Additional Director of the Company with effective from 21st day of September, 2013 by the Board of Directors and who holds office until the date of the Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature, Mr. Prasanta Bandyopadhyay be and is hereby appointed as an Independent Director of the Company, liable to retire by rotation.”

Place : Gurgaon
Date : 30/09/2013

By order of the Board
For **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 (ENCLOSURE 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 Statement pursuant to Section 173(2) of the Companies Act, 1956 and pursuant to section 102 of the Companies Act, 2013 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 28.10.2013 to 07.11.2013(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 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 Particulars of Bank Account, viz: name, branch and complete
 - iii. Address of the Bank, Bank account number and type of Accounts (Saving, Current etc)
8. The unpaid dividend for the following Financial Years shall become due for transfer to the Investor Education and Protection Fund (IEPF) established by the Central Government under Section 205C of the Companies Act, 1956 on the respective dates as mentioned below. The Shareholders who have not claimed their dividends for the year 2005-06 and onwards may claim their dividends. It is important to note that no claim shall lie against the Company or IEPF, once amount is transferred to IEPF.

Dividend declared for Financial Year (s)	Proposed date (s) for transfer to IEPF
Final Dividend 2005-06	1st October, 2013
Interim Dividend 2006-07	31st March, 2014
Final Dividend 2006-07	19th November, 2014

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 Statements are open for inspection at the Registered Office of the Company on all working days between 11:00 A.M. to 1:00 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).

**STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 AND PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 3**

M/s. Anil K. Goyal & Associates, Chartered Accountants, the present auditors of the Company would be retiring at the conclusion of this Annual General Meeting. They have communicated that they do not wish to offer themselves for reappointment at the conclusion of their present term of appointment, at this Annual General Meeting of the Company, which has been accepted by the Board of Directors of the Company. The Board Places on record its appreciation for the services rendered by M/s. Anil K. Goyal & Associates, Chartered Accountants.

Further, Mr. Atish Kumar Shaw, Chartered Accountant, being eligible, has indicated his willingness to serve as the statutory auditor of the Company, if appointed at this Meeting. The same has been recommended by the Audit Committee of the Board and approved by the Board of Directors of the Company, subject to approval of the members of the Company at this Annual General Meeting.

The appointment of Mr. Atish Kumar Shaw, Chartered Accountant, if approved by the members of the Company, will take effect from the conclusion of this Annual General Meeting.

Further, as required under the provisions of Section 224 (1B) of the Companies Act, 1956, Mr. Atish Kumar Shaw, Chartered Accountant, provided a certificate to the effect that if its appointment, made at this Annual General Meeting, shall be in accordance with the limits specified in the sub-section (1B) of Section 224 of Companies Act, 1956.

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

The Board recommends the ordinary resolution set forth at item no 3 of the notice for the approval of the members.

Item No. 4

Item 4 relates to the resolution seeking the approval of the members of the company for reappointment of Mr. Tarun Oberoi as the Managing Director of the Company effective from 21st September, 2013 for a further period of 5 years. The shareholders in their AGM held on 22nd September, 2008 had approved the appointment of Mr. Tarun Oberoi as Managing Director of the Company for a period of five years w.e.f. 22nd September, 2008 and accordingly his terms expire on 21st September 2013.

Mr. Tarun Oberoi shall not draw any remuneration or perquisites from the Company during the currency of his tenure in the office of Managing Director. Mr. Tarun Oberoi, is the promoter and has been instrumental in developing and managing the company from its incorporation since 1988. The Board of Directors of your Company is of the opinion that it is in the interest of the Company to re-appoint Mr. Tarun Oberoi as the Managing Director of the Company to manage the day to day affairs of the Company.

The re-appointment will be for a period of 5 years which may be terminated by either party giving to the other 30 days notice in writing or upon Mr. Tarun Oberoi's ceasing to be a Director of the Company.

The terms and conditions of Mr. Tarun Oberoi's re-appointment as stated in the resolution may also be treated as an abstract of the terms of the draft Agreement between Mr. Tarun Oberoi and the Company under Section 302 of the Companies Act, 1956.

Your Directors recommend the Resolution for approval of the Members.

Mr. Tarun Oberoi is interested in the resolution as it relates to his re-appointment. None of the other Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the said Resolution.

All documents referred to in the resolution are open for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Holidays between 11:00 A.M. to 1:00 P.M. upto the date of this Annual General Meeting.

Item No. 5

Item 5 relates to the resolution seeking the approval of the members of the company for reappointment of Mr. Robin Bartholomew as the Whole time Director of the Company effective from 21st September, 2013 for a



further period of 5 years. The shareholders in their AGM held on 22nd September, 2008 had approved the appointment of Mr. Robin Bartholomew as Whole time Director of the Company for a period of five years w.e.f. 22nd September, 2008 and accordingly his terms expire on 21st September, 2013.

Mr. Robin Bartholomew shall not draw any remuneration or perquisites from the Company during the currency of his tenure in the office of Whole time Director. The Board of Directors of your Company is of the opinion that it is in the interest of the Company to re-appoint Mr. Robin Bartholomew as the Whole time Director of the Company to manage the day to day affairs of the Company.

The re-appointment will be for a period of 5 years which may be terminated by either party giving to the other 30 days notice in writing or upon Mr. Robin Bartholomew's ceasing to be a Director of the Company.

The terms and conditions of Mr. Robin Bartholomew's re-appointment as stated in the resolution may also be treated as an abstract of the terms of the draft Agreement between Mr. Robin Bartholomew and the Company under Section 302 of the Companies Act, 1956.

Your Directors recommend the Resolution for approval of the Members.

Mr. Robin Bartholomew is interested in the resolution as it relates to his re-appointment. None of the other Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the said Resolution.

All documents referred to in the resolution are open for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Holidays between 11:00 A.M. to 1:00 P.M. upto the date of this Annual General Meeting.

Item No. 6.

Section 314 (1B) of the Companies Act, 1956 (Act) read with Directors' Relatives (Office or Place of Profit) Rules, 2003 provides that, a relative of a Director shall not hold office or place of profit unless the prior consent of the members is accorded by way of a Special Resolution obtained..

Mrs. Shalloy Bartholomew is a Bachelor in Fine Arts (BFA) from the College of Art, New Delhi and a Post Graduate in Textile Designing and Development (TDD) from NIFT, New Delhi. She has over 17 years of experience in Designing and Development of related products of the Company. The Company anticipates an incredible and tremendous increase in business volume of the Company and the Company shall be benefited by her vast experience in all its upcoming projects. Her contribution shall facilitate the Company to maintain its 'Most Preferred Status'. Considering her qualification, enrich knowledge and vast experience in designing activities of fashion products of the Company, contribution to the Company's business growth, the present salary structure within the organization and in the industry in general, it has become desirable that she be appointed as such on the remuneration, terms and conditions as decided by the Board of Directors of the Company having further power to alter, vary and increase the salary structure within the tenure of five years.

None of the Directors of the Company are interested in the above resolution except **Mr. Robin Bartholomew**, Director being the relative of Mrs. Shalloy Bartholomew.

The Board of Directors recommends this resolution for your approval.

All documents referred to in the resolution are open for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Holidays between 11:00 A.M. to 1:00 P.M. upto the date of this Annual General Meeting.

Item No 7.

Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 provides that where an Industrial Company has become a Sick Industrial Company, the Board of Directors of the Company, shall, within 60 days from the date of finalization of the duly audited accounts of the Company for the financial year as at the end of which the company has become Sick Industrial Company, make a reference to the Board for Industrial and Financial Reconstruction (BIFR) for determination of measures which shall be adopted with respect to the Company.



The loss of the company for the financial year ended 31st March, 2013 have resulted in erosion of entire Net Worth of company and the company is to make a reference to Board for Industrial and Financial Reconstruction (BIFR).

The main reasons for the loss are as under.

1. **Debts/Receivable/Sales:-** Due to misfortune in the international trade, company suffered heavily due to non realization of debts from exports/domestic trades due to economic downturn in the Global Economy. Coupled with this company was led to believe by its financial head to enter into very ambitious transactions which led to quantum losses and resulting in devastating financial collapse and with no option for the company but to accept these losses in its overseas business and its subsidiaries. Further the company had taken far reaching and urgent measures by removing the Chief Financial Officer and has started serious investigation into the frauds and misappropriation in such dealings. The company has also started legal cases and against those overseas parties against whom amounts are pending/due.
2. **Loss on Inventories:-** Written-off/disposal of the obsolete and rejected WIP/Finished Goods due to (a) cancellation and delay of lifting ordered quantity due to economic slowdown. (b) large scale rejection by foreign buyers on pretext of bad workmanship and quality factors (c) change of fashion by European buyers in the past for which large stock holding of finished products were retained in the hope of alternate buyers at cheaper prices. These stocks later became hazardous to store and were required to be destroyed and burnt. Company had to take a huge decision in destroying these stocks as they became pollution and health hazard problem. (d) Market value of saleable items tailor made to customers' requirements and had to be valued at prices less than cost there was substantial loss on this account. In totality losses on stock had to be corrected as otherwise the accounts would not reflect true and correct view, The Company has taken the assistance of the Chartered Engineer to value of the stock at realistic values.
3. **Substantial operating loss:-** There was substantial fall in turnover in current year with tune of 159.41 crore which is 37.31% as compared to previous year figure. As such there was substantial operating loss in the current year.
4. **Delay in execution of orders in hand:-** On account of the uncertainty and delayed payments, the suppliers were not willing to provide credit or accept letter of credits for fear of default. This in turn resulted in customer order getting delayed and even getting cancelled. Due to delay in completion of order, shipments were not lifted thus reducing into operational loss in the current year.
5. **Loss on account of foreign exchange fluctuation:-** Due to adverse foreign currency fluctuation, company incurred huge losses in forward and derivative contracts. Similarly there has been increase in prices of imported raw material resulting a reduction in gross margin
6. **Increase burden of finance cost:-** To curb rising prices, the Reserve Bank of India has lifted interest rates, caused affecting the company's overall profitability. Due to this high interest cost wherein due to limited price elasticity, it was not possible to pass the higher cost to buyers thus it has increasingly becoming difficult to sustain company operations at present cost of capital.

Your Directors recommend the Resolution for approval of the Members.

None of the Directors of the Company is interested in the resolution.

All documents referred to in the resolution are open for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Holidays between 11:00 A.M. to 1:00 P.M. upto the date of this Annual General Meeting.

Item No 8.

Mr. Prasanta Bandyopadhyay, FCA was appointed as an Additional Director by the Board of Director w.e.f. 21st day of September, 2013 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.



The Board feels that presence of **Mr. Prasanta Bandyopadhyay, FCA** on the Board is desirable and would be beneficial to the company.

Your Directors recommend the Resolution for approval of the Members.

Mr. Prasanta Bandyopadhyay, FCA is interested in the resolution as it relates to his re-appointment. None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the said Resolution.

All documents referred to in the resolution are open for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Holidays between 11:00 A.M. to 1:00 P.M. upto the date of this Annual General Meeting.

Place : Gurgaon
Date : 30/09/2013

By order of the Board
For **Crew B.O.S Products Ltd**

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

Sd/-
(Ashish Goel)
Company Secretary

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

Item No. 4

Mr. Tarun Oberoi

Sh. Tarun Oberoi, aged 52 yrs, is a Bachelor in Commerce (Hons.). After completing his hotel management course from Oberoi School of Hotel Management he took up his first job at the Oberoi Hotel, New Delhi. After spending few years in hospitality industry he started his own business in Noida for tube cutting for onward supply to an auto ancillary company. In 1988 he decided to wind up the same and promoted the applicant company. Since then he is associated with the Company and looking after the design and product development of Company. He holds the position of Managing Director of the Company and has the overwhelming aptitude of developing new products. Mr. Oberoi is a creative designer and is responsible for emergence of the Company as one of the leading manufacturer and exporter of fashion accessories and products.

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

Name of the Director	Directorship	Committee Membership	Committee Chairmanship
Tarun Oberoi	1. Elan Trade Post Pvt. Ltd.	NA	NA
	2. Crew M.A.G Exports Ltd.	NA	NA
	3. Centre of Excellence in Design Ltd	NA	NA
	4. Crew ROR Products Ltd.	NA	NA
	5. Emporio B.O.S. Designs Limited	NA	NA
	6. Crew B.O.S. Enterprises Ltd.	NA	NA
	7. Crew Republica Retail Limited	NA	NA
	8. Crew P.P.O Leathers Ltd	NA	NA



Shareholding in the Company

He holds **1093542** Equity Shares of the Company in his name and is not directly or indirectly related to any other Directors on the Board of the Company.

None of the other Directors has any personal interest or in any way concerned, except Mr. Tarun Oberoi, in the aforesaid Resolution.

Item No. 5

Mr. Robin Bartholomew

Mr. Robin Bartholomew, aged 53 yrs, is a postgraduate in Sociology from the Delhi School of Economics. He did his diploma in Hotel Management from the Oberoi School of Management, New Delhi. He started his career by taking up a job with the Oberoi group where he was posted in Delhi, Srinagar and flight kitchen branch of the Hotel. In July 1991 he joined the Board of Directors of the company and since then he is looking after the merchandising and marketing functions of the company. He is the executive Director of the company and has contributed a lot for the growth of Crew B.O.S. He travels extensively abroad to develop new Customers and explore new markets globally.

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

Name of the Director	Directorship	Committee Membership	Committee Chairmanship
Robin Bartholomew	1. Fable Concepts & Technology Pvt. Ltd.	NA	NA
	2. Crew M.A.G Exports Ltd	NA	NA
	3. Centre of Excellence in Design Ltd.	NA	NA
	4. Crew ROR Products Ltd.	NA	NA
	5. Emporio B.O.S. Designs Ltd.	NA	NA
	6. Crew B.O.S. Enterprises Ltd.	NA	NA
	7. Crew Republica Retail Limited	NA	NA
	8. Crew P.P.O Leathers Ltd	NA	NA

Shareholding in the Company

He holds **176098** Equity Shares of the Company in his name and is not directly or indirectly related to any other Directors on the Board of the Company.

None of the other Directors has any personal interest or in any way concerned, except Mr. Robin Bartholomew, in the aforesaid Resolution.



Directors' Report

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

Your Directors have pleasure in presenting this Twenty-Fourth Annual Report and Audited Accounts for the financial year ended 31st March, 2013.

FINANCIAL RESULTS

(₹ In Lacs)

Particulars	Year ended March 31, 2013 (₹)	Year ended March 31, 2012 (₹)
Net Sales /Income from operations	26,794.99	42,742.39
Other Income	209.04	52.28
Total Revenue	27,004.03	42,794.67
Total Expenses	35,057.07	41,789.77
Profit/(Loss) from operations before exceptional and Extraordinary items and tax	(8,053.05)	1004.90
Exceptional Items prior period Expenses	260.17	143.03
Profit/(Loss) before Extraordinary items and tax	(8,313.22)	861.87
Extraordinary items	(13,697.10)	(213.53)
Profit/(Loss) before tax	(22,010.32)	648.35
Tax Expenses		
1. Current Tax	-	205.00
2. Income Tax for previous years	464.11	-
3. Deferred Tax	(1856.08)	(77.00)
Net Profit/(Loss) after Tax	(20,618.36)	520.35
Net Profit/(Loss) for the period	(20,618.36)	520.35

PERFORMANCE REVIEW

Since the onset of the global meltdown, we have all been expecting a turnaround in the global economy. It has become a continual wait. There are definitely some signs of the global economic recovery in certain quarters with the US economy showing signs of growth; as against that, the EU is yet to come back on track with the GDP still in the negative zone. Indian Economy continues to oscillate over policy issues. Investment climate is still a challenge with credit availability and cost of capital adversely impacting new project build rate.

FY12-13 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. 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 plans encompassing the high adherence to world class quality standards shall contribute in realizing its aspirations. The present year has had its share of misfortune in the international trade and your company suffered heavily due to non realization of debts from exports /domestic trades due to the economic downturn in the Global economy. Coupled with this the company was led to believe by its senior financial head to enter into very ambitious transactions which led to quantum losses and devastating financial collapse. The company had no options but to accept these losses in its overseas business and in its subsidiaries. The company had to take far reaching and urgent measures by removing the Chief Financial Officer and have started serious investigation into the frauds and misappropriation in such dealing. The matter is being investigated by the law enforcement authorities of the country. In spite of these drastic setbacks your company is confident that the inherent robustness and corrective actions will pave the path of recovery though slow.

The Net Loss after tax is ₹ 20, 618.37 Lakhs during the year as against the Net profit after tax of ₹ 520.32 Lakhs in the previous financial year.

DIVIDEND

As the Company has continued to incur heavy losses in the last financial year due to adverse factors as stated above, hence the board of directors does not recommend any dividend for the financial year ended on 31st March 2013.

REFERENCE TO B.I.F.R.

Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 provides that where an Industrial Company has become a Sick Industrial Company, the Board of Directors of the Company, shall, within 60 days from the date of finalization of the duly audited accounts of the Company for the financial year as at the end of which the company has become Sick Industrial Company, make a reference to the Board for Industrial and Financial Reconstruction (BIFR) for determination of measures which shall be adopted with respect to the Company.

The loss of the company for the financial year ended 31st March, 2013 have resulted in erosion of entire Net Worth of company and the company is to make a reference to Board for Industrial and Financial Reconstruction (BIFR).



The main reasons for the loss are as under.

1. **Debts/Receivable/Sales:-** Due to misfortune in the international trade, company suffered heavily due to non realization of debts from exports/domestic trades due to economic downturn in the Global Economy. Coupled with this company was led to believe by its financial head to enter into very ambitious transactions which led to quantum losses and resulting in devastating financial collapse and with no option for the company but to accept these losses in its overseas business and in its subsidiaries. Further the company had taken far reaching and urgent measures by removing the Chief Financial Officer and has started serious investigation into the frauds and misappropriation in such dealings. The company has also started legal cases and against those overseas parties against whom amounts are pending/due.
2. **Loss on Inventories:-** Written-off/disposal of the obsolete and rejected WIP/Finished Goods due to (a) cancellation and delay of lifting ordered quantity due economic slowdown. (b) large scale rejection by foreign buyers on pretext of bad workmanship and quality factors. (c) change of fashion by European buyers in the past for which large stock holding of finished products were retained in the hope of alternate buyers at cheaper prices. These stocks later became hazardous to store and were required to be destroyed and burnt. Company had to take a huge decision in destroying these stocks as they became pollution and health hazard problem. (d) Market value of saleable items tailor made to customers' requirements and had to be valued at prices less than cost there was substantial loss on this account. In totality losses on stock had to be corrected as otherwise the accounts would not reflect true and correct view, The Company has taken the assistance of the Chartered Engineer to value of the stock at realistic values.
3. **Substantial Operating loss:-** There was substantial fall in Net Income from operation turnover in current year with tune of ₹ 159.47 crore which is 37.31% as compared to previous year figure. As such there was substantial operating loss in the current year.
4. **Delay in execution of orders in hand:-** On account of the uncertainty and delayed payments, the suppliers were not willing to provide credit or accept letter of credits for fear of default. This in turn resulted in customer order getting delayed and even getting cancelled. Due to delay in completion of order, shipments were not lifted thus reducing into operational loss in the current year.
5. **Loss on account of foreign exchange fluctuation:-** Due to adverse foreign currency fluctuation, company incurred huge losses in forward and derivative contracts. Similarly there has been

increase in prices of imported raw material resulting a reduction in gross margin

6. **Increase burden of finance cost:-** To curb rising prices, the Reserve Bank of India has lifted interest rates, caused affecting the company's overall profitability. Due to this high interest cost wherein due to limited price elasticity, it was not possible to pass the higher cost to buyers thus it has increasingly becoming difficult to sustain company operations at present cost of capital.

DIRECTORS

Mr. Gautam Nair, Independent Director of the Company has resigned from the post of Directorship and approve the same by Board of Directors of the Company during the year.

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

During the year there is no change in the Paid Up capital of the Company, hence it remains the same **i.e. INR 139934670/-** comprising of 13993467 equity shares of ₹ 10/- 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:

- (a) In the preparation of the annual accounts for the year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation;
- (b) 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, 2013 and of the Profit of the Company for the financial year ended 31st March, 2013;
- (c) 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;
- (d) Annual accounts have been prepared on a going concern basis.

AUDITORS & AUDITOR'S OBSERVATION

M/s. Anil K. Goyal & Associates, Chartered Accountants,



New Delhi Statutory auditors of the Company have communicated that they do not wish to offer themselves for reappointment at the conclusion of their present term of appointment, at the ensuing Annual General Meeting of the Company, which has been accepted by the Board of Directors of the Company.

Further, the Company has received consent letter from Mr. Atish Kumar Shaw, Chartered Accountant indicating his willingness to serve as the statutory auditor of the Company, if appointed at the ensuing Annual General Meeting. They have confirmed that if he is appointed as the Statutory Auditor of the Company, his appointment will be in accordance with the limits specified u/s 224(1B) of the Companies Act, 1956.

The Board recommends the appointment of Mr. Atish Kumar Shaw, Chartered Accountant as the Statutory Auditor of the Company.

The Board recommends the ordinary resolution set forth at item no 3 of the notice for the approval of the members.

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 Practicing Company Secretary 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 of India Limited. Global Depository Receipts are listed on the Stock Exchange at Luxembourg. The Annual Listing Fees for the financial year 2013-14 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

CREW MAG EXPORTS LIMITED

Crew MAG Exports Ltd. is a subsidiary of the Crew B.O.S. Products Limited and it is engaged in the manufacturing of leather footwear.



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.

CREW B.O.S. PRODUCTS (INT) PTE LIMITED

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

I. CONECT 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.

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 place on record their deep sense of appreciation for the contribution of employees at all levels and for the support from our valued customers, bankers and financial institutions, business associates, shareholders, suppliers and other statutory authorities.

For and on behalf of the Board

Sd/-
Tarun Oberoi
(Managing Director)

Sd/-
Robin Bartholomew
(Director)

Place : Gurgaon
Date : 30/09/2013

**ANNEXURE TO DIRECTORS' REPORT**

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

Particulars	Current Year 31.3.2013	Previous Year 31.3.2012
1. Electricity		
(a) Purchased from Electricity Board		
Total Units	2220297	2184419
Total Amount (₹)	15209034.45	1,37,40,000
Rate per unit (₹/units)	6.85	6.29
(b) Own Generation		
HSD/F.Oil/LSHS & LDO(Ltrs)	170836	199009
Cost of HSD/F.Oil/LSHS & LDO (₹)	7993416.44	80,40,000
Rate per ltr	46.79	40.4
2. Furnance Oils/LSHS/LDO/HSD Qty.(Ltrs.)		
Total Amount (₹)	21600	21,600
Total Quantity(Ltrs)	210	210
Average Rate(₹/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

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

₹/Million

Particulars	2012-2013	2011-12
Earning	1752.25	3035.07
Outgo	812.80	1618.77



CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Crew B.O.S. Products Limited is respected in the Industry for its professional style of management and best business practices. The Company's philosophy about Corporate Governance is maximizing Shareholders' value and ensuring fairness to every stakeholder. For Company Corporate Governance means reflection of our culture, policies, our relationship with stakeholders and our commitment to values.

The company has put all of its best efforts for harmonizing a balance between the enhanced values of the shareholders without affecting the interest of the other stakeholders. By following good governance the Company has generated goodwill among the business partners, customers, Investors which ultimately resulted into the consistent sustained growth.

2. BOARD OF DIRECTORS

a) Composition

The Board of Directors has an optimum combination of executive and non-executive Directors. As on 31st March, 2013, the Board comprised Four 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. The listing agreements with stock exchanges stipulate half of the Board members to be independent directors.

b) Board Meetings

During the year ended 31st March, 2013, the Board met 11 (Eleven) times on 28th April, 2012, 26th May, 2012, 29th May, 2012, 30th June, 2012, 12th July, 2012, 9th August, 2012, 24th August, 2012, 15th November, 2012, 21st November, 2012, 21st December, 2012 and 15th February, 2013. Directors attending the meetings actively participate in the deliberations at these meetings

The Composition of Board of Directors, Directorship in other Public Limited Companies and Membership in Committees as on the date of report are as follows:

Name of Directors	Category of Directorship/Promoters/ Independent Director	No. of Directorship held in other Companies*	No. of Committee Memberships/ Chairmanships held in other Companies**
Mr. Tarun Oberoi	Promoter/Executive Director	7	Nil
Mr. Robin Bartholomew	Promoter/Executive Director	7	Nil
Mr. Mahavir Singh Appointed w.e.f. 26.07.2013	Nominee Non Executive Independent Director	6	1
Mr.Prasanta Bandyopadhyay Appointed w.e.f. 21.09.2013	Additional Non Executive Independent Director	3	3
Mr. Gautam Nair Resigned w.e.f. 29th May, 2012	Independent Director	Nil	Nil
Mr.Jitindar Bir Singh Resigned w.e.f. 7th May, 2013	Independent Director	1	Nil
Mr. Deepak Manchanda Resigned w.e.f. 21st August, 2013	Independent Director	Nil	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

3. AUDIT COMMITTEE

a) Composition, as on the date of report is as follows

Name	Category
Mr. Robin Bartholomew	Promoter/Executive Director
Mr. Mahavir Singh Appointed w.e.f.26.07.2013	Nominee Non Executive Independent Director
Mr.Prasanta Bandyopadhyay Appointed w.e.f.21.09.2013	Additional Non Executive Independent Director



- Mr. Gautam Nair resigned from the directorship of the Company w.e.f. 29th May, 2012
- Mr. Jitindar Bir Singh resigned from the directorship of the Company w.e.f. 7th May, 2013
- Mr. Deepak Manchanda resigned from the directorship of the Company w.e.f. 21st August, 2013

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

During the financial year 2012-2013, the Committee met 9 times on 26th May, 2012, 29th May, 2012, 9th August, 2012, 5th September, 2012, 15th November, 2012, 21st November, 2012, 21st December, 2012, 15th February, 2013, 8th March, 2013.

(b) Terms of reference

The role and terms of the Audit Committee covers the various matters specified in clause 49 of the Listing Agreement as also what is contained in section 292A of the Companies Act, 1956

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 comprised of Mr. Deepak Manchanda, and Mr. Jitindar Bir Singh, all being Non-Executive Independent Directors during the financial year 2012-2013,

During the year under review, there was no change in remuneration as provided to Directors for the financial year 2012-2013, 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 2012-13 are as follow;

Name	Sitting Fees (₹)	Salary (₹)	Allowances & Perquisites (₹)	Total (₹)
Mr. Tarun Oberoi	NIL	Nil	Nil	NIL
Mr. Robin Bartholomew	NIL	Nil	Nil	Nil

- (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 (₹)
Mr. Deepak Manchanda	18700
Mr. Jitindar Bir Singh	17600

- (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 2012-13, Committee met 4 times viz. 29th May, 2012, 10th August, 2012, 10th November, 2012 and 10th February, 2013.

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 3 (Three) General Meetings of shareholders held during the last three years are as follows:

Year	Date and time	Category	Venue	Details of Special Resolution passed	Resolutions passed through postal ballot
2011-2012	24.09.2012 2.00 P.M.	AGM	Sri Sathya Sai International Centre Institutional Area, Pragati Vihar Lodhi Road, New Delhi-110003	Resolution under Section 309(5B) and increase in the investment limit up to 24% of the paid up equity share capital	NIL
2010-2011	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
2009-2010	13.09.2010 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, 2013, 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/Sahara” 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.corpfilings.co.in (Corporate Filing and Dissemination System).

9. GENERAL INFORMATION FOR SHAREHOLDERS.

a. 24th Annual General Meeting:

Date and Time: 7th Day of November, 2013 at 10.00.A.M.
 Venue: Sri Sathya Sai International Centre Institutional Area,
 Pragati Vihar Lodhi Road, New Delhi-110003

b. Financial Calendar 2013-2014: (tentative and subject to change)

Sr. No.	Event	Tentative Date
1.	Unaudited Financial Results for the 1st Quarter ended 30th June, 2013	14th August, 2013
2.	Unaudited Financial Results for the 2nd Quarter ended 30th September, 2013	14th November, 2013
3.	Unaudited Financial Results for the 3rd Quarter ended 31st December, 2013	14th February, 2014
4.	Audited Financial / Quarterly results for the year / quarter ended on 31st March, 2014	30th May, 2014

c. Book Closure Period: Monday, 28th day of October, 2013 till Thursday, 7th day of November, 2013 (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 2013-2014 have been paid to these Stock Exchanges.

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 (₹)	Low (₹)	Volume	Months	High (₹)	Low (₹)	Volume
April, 2012	30.50	25.50	638702	April, 2012	30.90	23.55	231081
May, 2012	32.50	24.35	869248	May, 2012	32.25	24.50	362126
June,2012	30.75	26.15	561794	June,2012	30.70	26.30	208787
July, 2012	38.15	28.50	1507918	July, 2012	38.15	28.90	653557
August, 2012	34.90	26.55	753720	August, 2012	34.65	26.55	291893
September,2012	29.45	26.10	1291812	September,2012	32.65	26.10	528700
October,2012	27.75	21.95	1342485	October,2012	27.40	22.00	615744
November, 2012	28.55	19.05	4252380	November, 2012	28.50	19.15	1768628
December, 2012	22.25	18.75	2771103	December, 2012	22.20	18.75	1078730
January,2013	21.40	17.70	1662520	January,2013	21.50	12.65	723776
February, 2013	15.10	10.55	1089380	February, 2013	15.15	10.55	466697
March,2013	12.90	7.65	563061	March,2013	13.60	7.80	276446

[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 at 31st March, 2013

No. of Shares	No. of Shareholders	% of Shareholders	Total Shares	% of Shareholding
Upto -500	9361	78.36	1390273	9.94
501-1000	1136	9.51	926516	6.62
1001-2000	671	5.62	1023225	7.31
2001-3000	255	2.13	654048	4.67
3001-4000	117	0.98	413167	2.95
4001-5000	104	0.87	497910	3.56
5001-10000	146	1.22	1046131	7.48
10001 & above	156	1.31	8042197	57.47
Total	11946	100	13993467	100

b. Shareholding Pattern as at 31st March, 2013

Category	No. of Shares	% of Paid up Capital
Promoters Holding	2792256	20
Persons acting in concert	0	0
Mutual Funds	0	0
Banks/Financial Institutions/Insurance Companies	0	0
FII's	0	0
Private Corporate Bodies	2089987	14.93
Indian Public	8488489	60.66
NRI's	194136	1.38
GDRs	363624	2.59
Any other (Clearing House/Public Trust)	64973	0.44
Total	13993467	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 demat 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, 2013, 12966099 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 ₹ 10/- each are outstanding as on 31st March, 2013.

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
Investor Grievance Email : investors@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 Managing Director 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 31st, 2013, with the relevant records and documents maintained by the Company, furnished to us for our examination and the report on Corporate Governance as approved by the Board of Directors, 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 review of 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 Neeti Aggarwal & Associates
Practicing Company Secretary

Sd/-

(Neeti Aggarwal)

Proprietor

Membership No-27819

Place : New Delhi

Date : August 19, 2013

CFO CERTIFICATION PURSUANT TO CLAUSE V OF THE CLAUSE 49 OF THE LISTING AGREEMENT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDING 31ST MARCH, 2013

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2013 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.

Place : Gurgaon

Date : August 19, 2013

Sd/-

(Tarun Oberoi)

Managing Director

Sd/-

(Rakesh Diwan)

Chief Financial Officer



MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

Crew B.O.S. Products Ltd is a Public Company which is listed in the BSE/NSE and Luxembourg Stock Exchange, engaged in the manufacturing and export of leather Products. During the year under review an increase in the total expenditure (with increased interest costs, finance charges, higher depreciation and staff and other costs going up) affected net profits of the Company. Your company is confident of increasing its business during the current fiscal and steps taken in the form of consolidations plans encompassing the high adherence to world class quality standards shall contribute in realizing its aspirations. The present year has had its share of misfortune in the international trade and your company suffered heavily due to non realization of debts from exports /domestic trades due to the economic downturn in the Global economy. Coupled with this the company was led to believe by its senior financial head to enter into very ambitious transactions which led to quantum losses and devastating financial collapse. The company had no options but to accept these losses in its overseas business and in its subsidiaries.

The Company had to take far reaching and urgent measures by removing the Chief Financial Officer and have started serious investigation into the frauds and misappropriation in such dealing. The matter is being investigated by the law enforcement authorities of the country.

In spite of these drastic setbacks your company is confident that the inherent robustness and corrective actions will pave the path of recovery though slow.

Now company has taken the following measures to retrieve its position once again. (a) Cost cutting measure on all fronts:- In this direction the company has consolidated its labour force including staff and supervisors by massive number from its previous strength nearly from 5000 to 1500 thereby reducing cost of labour drastically in insuring period. (b) Closure of Unviable Units:- The Company has taken a consensus decision to close its operation of the unviable and loss making units located at (I) 140, Leather Complex, Jalandhar, Punjab, (II) 172 Udyog Vihar, Phase-1, Gurgaon (Haryana), & (III) 407/07, Rangasamy Street, Kathandan Nagar, Chromepet, Chennai-600044. This will helps in consolidating the core area of the Crew BOS Products Ltd. (c) The company has also started cost cutting measures in all its fronts which include reduction of expenditure in Travelling, Printing & Stationary, Spares and Consumables, Telephone expenses, Motor & Transportation etc. (d) The company has taken steps to reduce it manufacturing items relating to low margins and concentrate on core competence area and products based on high value or value added products. (e) The company is aggressively started its marketing for the purpose of bringing in new cliental base for a lasting and continuous export orders.

SYNOPSIS OF THE INDUSTRY

In Indian Economy the leather industry occupies an important place, 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 Major Markets for Indian Finished Leather are Hong Kong with the share of 37.84%, Italy 13.50%, China 9.06%, Korea Republic 3.90%, Indonesia 2.30%, Spain 2.56% and Germany 2.53%

These 7 countries together accounts for nearly 71.69 % of India's total leather products export.

RISK AND CONCERNS

Like any other enterprise having national as well global business interests, is exposed to business risks which may be systematic as well as unsystematic to company. The Company is well aware of these risks and challenges and has put in place mechanisms to ensure that they are managed and mitigated with adequate timely actions.

**HUMAN RESOURCES**

Human resources are recognized as one of the critical area to the success of the organization. Employees are vital and most valuable assets. We have created a favorable work environment that encourages innovation and meritocracy. There is close interaction between the Management and employees to facilitate smooth functioning of all the organizational activities.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal controls are designed to provide reasonable assurance with regard to defined roles and responsibilities down the line for all managerial position.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downward trend in the domestic industry, rise in input costs, exchange rate fluctuations, and significant changes in political and economic environment in India, environment standards, tax laws, litigation and labour relations

For Crew B.O.S Products Limited
Sd/-
(Tarun Oberoi)
Managing Director



Independent Auditor's Report

To
the Members
CREW B.O.S. PRODUCTS LIMITED
Report on the Financial Statements

We have audited the accompanying financial statements of Crew B.O.S. Products Limited (the Company), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the Act). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence which we have been provided are not sufficient and appropriate to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

1. We have not been able to obtain sufficient appropriate audit evidence with regard to the sales and purchases, particularly having regard to:
 - i) Sale in respect of export sales to its WOS-Alchemy Trade Post, Mauritius, aggregating to ₹ 4,938.74 lacs made during the first three quarters of the financial year, which was subsequently reversed in the last quarter of the year. **(Refer No. 29(a) of the Financial Statements)**
 - ii) Sales in respect of domestic trading sales to various parties aggregating to ₹ 7075.23 lacs (net of sales return of ₹ 1376.00 Lacs out of sales made in previous years) made during the year. **(Refer No. 19(c) of the Financial Statements)**
 - iii) Purchases in respect of domestic trading purchases from various parties aggregating to ₹ 6145.16 lacs made during the year. **(Refer No. 22 of the Financial Statements)**
2. We have not verified the inventory of the Company and relied upon the reports as certified by the management and Chartered Engineer & Valuer: **(Refer No. 14 of the Financial Statements)**
 - a. Inventory shown at end of the financial year amounting to ₹ 12,969.86 lacs.
 - b. Written-off / disposal of the obsolete and rejected WIP/Finished Goods worth ₹ 1,692.22 lacs during the year.
3. We have not been able to obtain sufficient appropriate audit evidence/Confirmations with regard to the recoverability of Sundry Debtors and Creditors, particularly having regard to merchant trading done in Dubai, though the company has written off the amount receivable and payable amounting to ₹ 11,180.08 Lacs and ₹ 3,111.16 respectively. **(Refer No. 29(b) & (c) of the Financial Statements)**
4. We have not been able to obtain sufficient appropriate audit evidence with regard to the recoverability of Domestic Trading Debtors amounting to ₹ 10825.97 lacs Outstanding at the year end, which is after making the provision for bad and doubtful debt of ₹ 3500 lacs. **(Refer No. 29(d) of the Financial Statements)**
5. We draw attention to Note No. 31 of the financial statements wherein the management has explained its reasons for preparing the financial statements on a going concern basis. The total outside liabilities of the company exceeds its total assets of the company



by ₹ 3732.40 lacs as such the entire net worth of the company is eroded. The company has also given corporate guarantees to the bankers of the WOS in Mauritius which is in excess of the Net Worth of the company. The I.Biz Trade Post, Mauritius has been put into receivership by Standard Bank (Mauritius) Ltd. to recover their outstanding dues of USD 18.27 Million plus interest accrued till the date of settlement. In the case of another WOS- I. Connect Trade Post in Mauritius, the lending bank namely Bank One Ltd., Mauritius has appointed a Loss Adjustor to recover the insurance claim & outstanding dues of the WOS. The various parties/ financial institutions have filed Winding-up cases against the company in Delhi High Court which are still under sub-judice. These factors raise substantial doubt as to the company's ability to continue as going concern.

6. We draw attention to Note No. 29 of the financial statements wherein the management has informed that the certain activities carried out by the Ex-CFO cum Director International Sales and CEO-Leather Division-Mr. Sanjeev Sehgal were suspect to be dishonest resulting into financial loss to the company. The company has filed a complaint against the erred officer which is pending at the appropriate authority. The company has made adjustments/ provisions in the accounts to the extent known and further adjustments, if any, to be made post completion of the investigation.

In view of the above, we are unable to comment on the adjustments/disclosures which may become necessary as a result of further findings on the ongoing investigations and the consequential impact, if any, on these financial statements.

7. As per discussions with the management, we understand that the management is of the opinion that there is no need of any provision to be made for impairment of its fixed assets which are being carried in the books at a written down value of ₹ 10,002.91 lacs. However, we are not in agreement with the management and are of the opinion that there may be impairment in the company's fixed assets and same needs to be ascertained and accordingly dealt with in the books of accounts, if required. Accordingly we are unable to comment on the necessity or otherwise to provide for an impairment loss in respect of these assets. The effect of the non-provision of the impairment loss on assets, if any, cannot be quantified.
8. We draw attention to Note No. 17 (a) of the financial statement, regarding no provision for write off the Investments and loans & advance in non-operational WOS / JVs of the company aggregating to ₹ 2,439.66 lacs even though auditors of these company have commented in their audit report that about concern

on the going concern of these subsidiaries/JVS.

9. As stated in Note No. 6 of the financial statement, the company has not made any provision for gratuity during the year.

Disclaimer of Opinion

Because of significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and the possible effects for not providing sufficient appropriate audit evidence are deemed to be both material and pervasive to the financial statements. Accordingly, we do not express an opinion on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework and in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013; and
- in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date;
- in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 34 to the financial statements which describes the uncertainty related to the outcome of the lawsuits and winding up petitions filed against the Company by Financial Institutions, Banks and various parties.

Other Matter

We draw attention to Note No. 30 of the financial statement regarding attachment of movable & immovable property by income tax department for non-payment of self-assessment tax for various assessment years aggregating to ₹ 1,238.00 lacs. The department has already initiated auction of the immovable property of the company located at Jallandhar.

Report on other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
 - We have not been provided sufficient and appropriate audit evidence including confirmation to provide a basis for an audit Operation.*



- 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 those books except for the possible effects of the matters described in the Basis for Disclaimer of Opinion;
- c. the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except for the possible effects of the matters described in the Basis for Disclaimer of Opinion;
- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company;

For Anil K. Goyal & Associates
Chartered Accountants
(Firm Regn. No.: 04558N)

Sd/-

V. P Sony
(Partner)

M. No.: 86718

Place : New Delhi
Date : 30/09/2013

**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 31st MARCH 2013**

- 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. We have relied on the information provided and certified by the management regarding the physical stock count and its value at the year end.
- 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 have been dealt with.
- 3) The Company has granted interest free unsecured loans/advances to eight parties covered in the register maintained under section 301 of the Act, maximum amount outstanding during the year aggregating to ₹ 4466.72 Lakhs and aggregating amount outstanding at the end of the year is ₹ 3187.08 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 seven parties covered in the register maintained under section 301 of the Act, maximum amount outstanding during the year aggregating to ₹ 12290.69 Lakhs and aggregating amount outstanding at the end of the year is ₹ 9401.96 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 reported in Internal Audit Reports conducted by independent third party, the internal control procedure is neither strong nor 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 purchase/sale of products and maintaining records in accounts thereof. There are no policies or Governance for commercial dealings with associated companies vis a vis commercial terms/ credit period which are inordinately higher and impractical affecting company's affairs badly
- 5) The transactions that need to be entered into a register in pursuance of section 301 of the Companies Act have been entered. Since the company does not have comparable data of pricing in respect of purchase and sale of goods and services aggregating during the year to ₹ 5,00,000/- or more in respect of parties in pursuance of contracts or arrangements entered into the register maintained under section 301 of the Companies Act, 1956, hence we are unable to comment whether prices at which these transactions are made are reasonable or not having regard to prevailing market prices / at arms' length price.
- 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 Auditor including physical stock verification, which will help to 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, 2013 are as under:-

S. No.	Particulars	Amount (₹ in Lacs)
1	ESI	188.32
2	Provident Fund	302.64
3	Welfare Fund	16.58
4	Self-Assessment Income Tax	1,481.42
5	Interest on Self Assessment Tax	456.90
6	TDS	206.49
7	Excise Duty Payable	21.84
7	WCT	2.17
8	Sales Tax Payable	26.97
	TOTAL	2,703.33

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.

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	34.49	AY 2005-06	ITAT (New Delhi)/CIT(A) (Gurgaon)	34.49
Income Tax Act, 1961	Income Tax	33.13	AY 2006-07	ITAT (New Delhi)/CIT(A) (Gurgaon)	33.13
Income Tax Act, 1961	Income Tax	337.53	AY 2007-08	CIT(A) (Gurgaon)	-
Income Tax Act, 1961	Income Tax	741.55	AY 2011-12	CIT(A) (Gurgaon)	-

- 10) The accumulated losses of the company at the end of the ₹ 9,030.06 lacs as at the end of the financial year. The company has also incurred cash losses of ₹ 10,022.69 Lacs in the current financial year. The company had not incurred cash loss 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, 2013.

Facility/ Bank	Amount Sanctioned	Amount Outstanding 31/03/2013	Overdue Position		Status of Account
			Principal	Interest	
Working Capital Loan					
Bank of Baroda	1,250.00	1,710.55	249.92	210.63	NPA
IDBI	2,000.00	2,599.27	-	599.27	NPA
Axis Bank	500.00	793.82	441.71	52.11	NPA
Allahabad Bank	1,700.00	1,953.33		253.33	NPA
SBI	2,300.00	2,862.46	108.15	454.31	NPA
ICICI Bank	2,500.00	2,572.10		72.10	Standard, Restructured
Canara Bank	2,400.00	2,364.69			Standard
Bank of India	1,750.00	1,910.74		160.74	NPA
Citi Bank	1,350.00	1,326.46			Standard
Standard Chartered Bank	3,500.00	4,904.38	1,550.52		NPA
Term Loan					
UCO Bank	1,500.00	411.38	375.00	7.72	NPA
Bank of Baroda	2,960.00	2,190.84	831.63	310.10	NPA
Allahabad Bank	1,700.00	1,850.86	900.00	243.45	NPA
HSI IDC Limited	2,405.00	1,218.73	-	44.40	Standard
IFCI Venture Capital					
Funds Limited NPA	270.00	101.27	101.27		
IFCI Factors Limited	950.00	729.74	634.74		NPA
Karvy Financials Limited	500.00	173.28		-	Standard
TOTAL	29,535.00	29,673.91	5192.94	2,408.16	

Delays were noticed in payment of interest & principal on several occasions during the year. Most of the above banks and financial Institutions have already initiated legal proceedings for recovery of their overdue loans and these legal cases are pending in various courts and are sub-judice. 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 33 Million, GBP 5 Million and INR 1300.00 Lacs to the bankers of its overseas and Indian WOS respectively for loans taken by them from banks. The overseas WOS have made defaults in payment their bank liabilities. One of the bank namely Bank One Ltd, Mauritius has appointed Loss Adjuster to recover the outstanding amount from the WOS-I.Connect Trade Post, Mauritius. The another bank namely Standard Bank, Mauritius Ltd., Mauritius has put the WOS-I.Biz Trade Post into receivership to recover their outstanding dues and has also invoked the corporate guarantee given by the Company. The company's operations may substantially be affected in case of encashment of guarantee by their bankers to recover the outstanding amount by these overseas subsidiaries and the company's going concern status may not be a prudent assumption.
- 16) According to the information and explanations given, the company has not availed any term loan from any bank/financial institutions during the year. However, certain existing working capital loans were restructured/converted into working capital term loans/demand loans. Since no fresh term loan taken by the company during the year therefore paragraph 4(xvi) of the Order is not applicable.
- 17) According to the information & explanations given to us and based on examination of documents & records made available, we are of the opinion that funds raised on short term basis have prima facie not being 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 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 and therefore paragraph 4(xx) of the Order is not applicable.
- 21) The company management has informed that the certain activities carried out by the Ex-CFO cum Director International Sales and CEO-Leather Division-Mr. Sanjeev Sehgal were suspect to be dishonest resulting into financial loss to the company. The company has filed complaint against the erred officer which is pending with the appropriate authority. The company is still investing the matter and financial impact on the financial statements is not yet fully quantified and as such we are not able to comment on the total quantum of loss suffered by the company.

For Anil K. Goyal & Associates
Chartered Accountants
(Firm Regn. No.: 04558N)

Sd/-

V. P Sony
(Partner)

M. No.: 86718

Place : New Delhi
Date : 30/09/2013



BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in Lacs)

Particulars	Note No	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	1,399.35	1,399.35
(b) Reserves and Surplus	3	(5,131.75)	15,486.62
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	7,760.20	6,771.39
(b) Deferred tax liabilities	5	-	262.82
(c) Long term provisions	6	399.10	489.42
(3) Current Liabilities			
(a) Short-term borrowings	7	23,260.37	21,782.22
(b) Trade payables	8	16,131.55	29,981.14
(c) Other current liabilities	9	3,290.29	2,916.04
TOTAL		47,109.11	79,088.99
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		9,912.70	10,764.19
(ii) Intangible assets		90.21	119.41
(iii) Capital work-in-progress		3,156.03	3,116.49
(b) Non-current investments	11	1,795.64	1,814.10
(c) Deferred tax assets (net)	5	1,593.26	-
(d) Long term loans and advances	12	81.40	253.71
(2) Current assets			
(a) Current investments	13	10.00	10.00
(b) Inventories	14	12,969.87	17,944.08
(c) Trade receivables	15	12,885.08	39,683.03
(d) Cash and cash equivalents	16	252.69	588.14
(e) Short-term loans and advances	17	3,571.52	3,989.77
(f) Other current assets	18	790.71	806.08
TOTAL		47,109.11	79,088.99
Significant Accounting Policies			
Notes on Financial statements	1 to 42		
Cash Flow Statement			

As per our report of even date attached

For **Anil K. Goyal & Associates**

Chartered Accountants

(Firm Registration No. 04558N)

Sd/-

(V. P. Sony)

Partner

Membership No. : 86718

For and on behalf of the Board

Sd/-

(Tarun Oberoi)

Managing Director

Sd/-

(Robin Bartholomew)

Director

Sd/-

(Rakesh Diwan)

C.F.O.

Sd/-

(Ashish Goel)

Company Secretary

Place : Gurgaon

Date : 30/09/2013



STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2013

(₹ in Lacs)

Particulars	Note No	Year Ended 31st March, 2013	Year Ended 31st March, 2012
I. Revenue from operations	19	28,819.14	43,903.56
Less : Inter-unit Transfer(s)		2,024.15	1,161.18
Net Income from Operations		26,794.99	42,742.37
II. Other Income	20	209.04	52.28
III. Total Revenue (I +II)		27,004.03	42,794.67
IV. Expenses:			
Cost of materials consumed	21	8,520.90	8,860.03
Purchase of Traded Goods	22	10,453.44	18,123.47
Changes in inventories	23	4,220.54	1,353.36
Employee benefit expense	24	3,673.15	4,012.33
Finance costs	25	4,105.15	4,459.67
Depreciation and amortization expense	10	878.82	992.49
Other expenses	26	3,205.09	3,988.41
Total Expenses		35,057.07	41,789.77
V. Profit/(Loss) before exceptional and extraordinary items and tax (III - IV)		(8,053.05)	1,004.90
VI. Exceptional Items			
Prior period Expenses	27	260.17	143.03
VII. Profit/(Loss) before extraordinary items and tax (V - VI)		(8,313.22)	861.87
VIII. Extraordinary Items	28	13,697.10	213.53
IX. Profit/(Loss) before tax (VII - VIII)		(22,010.32)	648.35
X. Tax expense:			
(1) Current tax		-	205.00
(2) Income Tax for previous years		464.11	-
(3) Deferred tax		(1,856.08)	(77.00)
XI. Profit/(Loss) for the year (VII-VIII)		(20,618.36)	520.35
XII. Earning/(Loss) per equity share:			
(1) Basic		(147.34)	3.72
(2) Diluted		(147.34)	3.72
Significant Accounting Policies			
Notes on Financial statements	1 to 42		
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 : 30/09/2013

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

Sd/-
(Ashish Goel)
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
A. Cash flow from operating activities:		
Net (loss)/profit before tax but after exceptional/extraordinary items	(22,010.32)	648.35
Adjustments for:		
Depreciation	878.82	992.49
Interest Expense	4,105.15	4,481.28
Interest Income	(10.44)	(25.80)
Profit from Foreiture of Share Warrants	-	(103.77)
(Profit)/Loss on Fixed Assets sold	(1.00)	(0.88)
(Profit)/Loss on sale of Investments	-	(0.15)
Debts / Advances Written off	5.00	-
Provision for Bad & Doubtful Debts	14,680.08	18.41
Liability no longer required written back	(3,192.78)	(3.23)
Unrealised foreign exchange (gain) /loss	449.85	198.62
Operating profit before working capital changes	(4,638.75)	6,205.31
Adjustments for changes in working capital :		
- (INCREASE)/DECREASE in Sundry Debtors	11,749.27	(6,048.17)
- (INCREASE)/DECREASE in Other Receivables	597.33	(1,032.82)
- (INCREASE)/DECREASE in Inventories	4,974.21	(24.09)
- INCREASE/(DECREASE) in Trade and Other Payables	(11,030.10)	7,160.45
Cash generated from operations	1,651.96	6,260.69
- Taxes (Paid) / Received (Net of TDS)	(284.07)	(361.30)
Net cash from operating activities	1,367.90	5,899.39
B. Cash flow from Investing activities:		
Purchase of fixed assets	(58.10)	(811.28)
Proceeds from Sale of fixed assets	21.42	5.91
Investment in Subsidiary	(5.54)	(1,496.05)
Investment in Associates	-	(24.00)
Proceeds from sale of Investment in Associate Company	24.00	10.59
Interest Received (Revenue)	19.03	41.00
Net cash used in investing activities	0.82	(2,273.83)
C. Cash flow from financing activities:		
Proceeds form fresh issue of Share Capital (including Share Premium)	-	415.32
Proceeds from long term borrowings	321.57	1,361.40
Proceeds from short term borrowings	(328.77)	(1,193.83)
Interest Paid	(1,696.98)	(4,481.28)
Net cash used in financing activities	(1,704.17)	(3,898.39)
Net Increase/(Decrease) in Cash & Cash Equivalents	(335.45)	(272.83)
Cash and cash equivalents as at 31.03.2012	588.14	860.97
Cash and cash equivalents as at 31.03.2013	252.69	588.14
Cash and cash equivalents comprise		
Cash, Cheques & Drafts (in hand) and Remittances in Transit	6.13	18.31
Balance with Banks	246.56	569.83
	252.69	588.14

As per our report of even date attached

For Anil K. Goyal & Associates

Chartered Accountants

(Firm Registration No. 04558N)

Sd/-

(V. P. Sony)

Partner

Membership No. : 86718

For and on behalf of the Board

Sd/-

(Tarun Oberoi)
Managing Director

Sd/-

(Robin Bartholomew)
Director

Sd/-

(Rakesh Diwan)
C.F.O.

Sd/-

(Ashish Goel)
Company Secretary

Place : Gurgaon

Date : 30/09/2013



NOTES to the Financial Statements

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.

All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company as per the guidance as set out in the Revised Schedule VI to the Companies Act, 1956

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 ₹ 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.
- 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.



NOTES to the Financial Statements

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 and are disclosed separately based on the discussions with the management.

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.



NOTES to the Financial Statements

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.

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, 2013	As at 31st March, 2012
NOTE : 2		
SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
29,000,000 Equity Shares of ₹ 10/- each	2,900.00	2,900.00
1000,000 Preference Share of ₹ 10/- each	100.00	100.00
TOTAL	3,000.00	3,000.00
ISSUED, SUBSCRIBED & PAID UP		
13993467 Equity Shares of ₹ 10/- each fully paid up.	1,399.35	1,399.35
TOTAL	1,399.35	1,399.35
a. Reconciliation for Closing Number of shares		
Opening Number of Equity Shares	13,993,467	12,893,200
Add: Share warrants converted into Equity Shares	-	1,100,267
Closing Number of Equity Shares	13,993,467	13,993,467

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 :



NOTES to the Financial Statements

S. No.	Name of Shareholder	No of shares as at 31st March, 2013	% of Shareholding	No of shares as at 31st March, 2012	% of Shareholding
1	Tarun Oberoi	1093542	7.81%	1393542	9.96%
2	Robin Bartholomew	176098	1.26%	1067698	7.63%
3	Vivek Laxminath Mehrotra	719735	5.14%	719735	5.14%
4	Fable Concepts & Technology Pvt. Ltd.	959424	6.86%	1027019	7.34%
5	Elan Trade Post Pvt. Ltd.	563192	4.03%	1312061	9.38%

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 3		
RESERVES & SURPLUS		
1 GENERAL RESERVE		
Balance as per Last Balance Sheet	424.14	424.14
2 SECURITY PREMIUM		
Balance as per Last Balance Sheet	3,474.19	3,474.19
3 PROFIT & LOSS ACCOUNT		
Opening Balance	11,588.28	11,067.94
Add: Net Profit/(Loss) after Tax transferred from Statement of Profit & Loss	(20,618.35)	520.35
Closing balance	(9,030.06)	11,588.28
TOTAL	(5,131.75)	15,486.62

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 4		
LONG TERM BORROWINGS		
SECURED		
Loan from Banks		
- Vehicle / Equipment Loans (Secured against hypothecation of vehicles/equipments)	20.26	512.17
- Term Loan	6,676.11	5,263.30
UNSECURED		
Loan from Other		
- From Related Parties		
a) From Director		
- Mr. Tarun Oberoi	556.63	843.48
- Mr. Robin Bartholomew	93.44	-
b) From Associated Enterprises		
- Elan Trade Post Pvt. Ltd.	212.35	19.82
- Fable Concepts & Technology Pvt. Ltd.	146.09	132.61
- Crew PPO Leathers Limited	46.43	-
- Emporio BOS Designs Limited	8.90	-
TOTAL	7,760.20	6,771.39



NOTES to the Financial Statements

Detail of Term Loan

Sl. No	Bank	Amount outstanding as at 31st March, 2013 (₹ in Lacs)	Terms of Repayment	Nature of Security
1	Bank of Baroda			
	Term Loan I	1,161.54	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	408.20	Repayable in 8 quarterly installments commencing from Sept'2012	
	Term Loan III	621.10	Repayable in 18 quarterly installments commencing from Sept'2012	
2	HSIIDC			
	Term Loan I	50.91	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 & Technology Pvt. Ltd.
	Term Loan II	171.58	Repayable in Eight years inclusive of moratorium period of six months in equal 30 quarterly installments	
	Term Loan III	24.38	Repayable in five and a half years inclusive of moratorium period of six months in equal 20 quarterly installments	
	Term Loan IV	191.00		
	Term Loan V	265.30		
	Term Loan VI	127.42		
	Term Loan VII	388.14		
3	UCO Bank	411.38	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	IFCI Factors Limited	729.74	Repayable in 10 monthly instalments commencing from July'2012	Loan is secured by way of pledge of shares & personal guarantee by Promoters of the Company
5	IFCI Venture Capital Fund Limited	101.27	Repayable in 13 monthly installments commencing from June'2012	Loan is secured by way of pledge of shares & personal guarantee by Promoters of the Company
6	Kary Financial Services Limited	173.28	₹ 3 lacs per month from Mar, 13 to Jun, 13, ₹ 5 Lacs per month from July, 13 to Jan, 16 and ₹ 4.32 lacs on 29.06.16	Loan is secured by way of pledge of shares by Promoters of the Company and Second charge on Plot No. 140, Leather Complex, Jalandhar.
7	Allahabad Bank	354.72	Repayment in Six Monthly Instalment of ₹ 52.50 Lacs each starting from Oct, 2012	Pari passu first charge on land and building situated at Plot No. 199 and 172, Phase I, Udyog Vihar, Gurgaon and pari passu second charge on land & building and machinery situated at Plot No. 37, sector 4 IMT Manesar. Personal Guarantee of Promoter and and Corporate Guarantee of Promoter Group companies
		871.95	Repayment in Four instalment of ₹ 75 lacs each and Five quarterly instalment of ₹ 100 Lacs each starting from May, 2013	



NOTES to the Financial Statements

Sl. No	Bank	Amount outstanding as at 31st March, 2013 (₹ in Lacs)	Terms of Repayment	Nature of Security
		624.19	Repayment was to be made by 30th Sept, 2012	
8	Citi Bank (ECB Loan)	Nil	During the year the company has entirely repaid the outstanding ECB Loan of JPY 51616689 equivalent INR 360.11 lakhs	
TOTAL		6676.11		

Note:

- The Company has borrowed short term loans from IFCI Factors Limited, IFCI Venture Capital Funds Limited and Karvy Financials Services Limited against the pledge of shares of the Company held by promoters and promoters group Companies during the FY 2010-11 and FY 2011-12. These Financial Institutions has sold 5112251 shares in the FY 2011-12 and FY 2012-13 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 and their group companies respectively by the amount which has been recovered by the above Companies against sale of pledged share.
- Installments falling due in respect of all the above Loans upto 31.03.2014 amounts to ₹ 3461.30 Lacs (Previous year ₹ 2988.56 lacs).

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 5		
DEFERRED TAX LIABILITIES/(ASSETS)		
Opening Balance	262.82	339.82
Add : Additional adjustment for current year	(1,856.08)	(77.00)
Closing Balance	(1,593.26)	262.82

Working for Deferred Tax :

(Amount in ₹/Lakhs)

Timing differences on account of:	For the year Ended March 31, 2013		For the year Ended March 31, 2012	
	Deferred Tax Assets	Deferred Tax Liability	Deferred Tax Assets	Deferred Tax Liability
a) Depreciation	-	644.19	-	464.31
b) Employees Benefits	916.31	-	201.49	-
c) Business Loss Carried Forward	1,321.13	-	-	-
Total	2,237.44	644.19	201.49	464.31
Net Deferred Tax Liability / Asset	1593.26	-	-	262.82

Note: The Company has made provision for Deferred Tax Assets during the year based on the assumption of going concern.



NOTES to the Financial Statements

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 6		
LONG TERM PROVISION		
Gratuity Payable*	304.34	330.40
Leave encashment Payable	94.76	159.02
TOTAL	399.10	489.42

The Company has a Group Gratuity Policy with LIC of India. The company had discontinued to make payments to them for last more than three years. Therefore, LIC of India could not provide details of due payments to regularize the said policy, to make balance provision of gratuity. In absence of calculation of gratuity amount and since the number of employees has also been reduced, the Company has not made any provision for gratuity during the year.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 7		
SHORT TERM BORROWING		
SECURED		
Working capital Facilities		
- Cash Credit Limits	16,739.88	14,072.21
- Packing Credit Limits	4,465.38	4,681.81
- Bills Purchased by Banks	1,792.59	2,731.49
UNSECURED		
From Bank		
- SIDBI	-	112.71
From Others-Loans repayable on demand		
- Transnational Growth Fund Ltd.	125.00	125.00
- Sri Amarnath Finance Ltd.	25.00	25.00
- CBS Holdings Private Limited	110.92	-
- Raghav Aditya Chit fund	1.60	34.00
TOTAL	23,260.37	21,782.22

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 plot no. 153, Sector – 4, IMT Manesar belonging to WOS of the Company namely Vogue Home Products Limited.
- Detail of Working Capital Facilities:

Facility/ Bank	Amount Sanctioned	Amount Outstanding 31.03.13	Overdue Position		Status of Account
			Principal	Interest	
Working Capital Loan					
Bank of Baroda	1,250.00	1,710.55	249.92	210.63	NPA
IDBI	2,000.00	2,599.27	-	599.27	NPA
Axis Bank	500.00	793.82	441.71	52.11	NPA
Allahabad Bank	1,700.00	1,953.33		253.33	NPA
SBI	2,300.00	2,862.46	108.15	454.31	NPA



NOTES to the Financial Statements

Facility/ Bank	Amount Sanctioned	Amount Outstanding 31.03.13	Overdue Position		Status of Account
			Principal	Interest	
ICICI Bank	2,500.00	2,572.10		72.10	Standard, Restructured
Canara Bank	2,400.00	2,364.69			Standard
Bank of India	1,750.00	1,910.74		160.74	NPA
Citi Bank	1,350.00	1,326.46			Standard
Standard Chartered Bank	3,500.00	4,904.38	1,550.52		NPA
TOTAL	19,250.00	22,997.80	2,350.30	1,802.49	

- c. 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 31-03-2013 (₹ in lakhs)	Outstanding Since
Amarnath Finance Ltd	25.00	FY 2008-09
Transactional Growth Funds Ltd	125.00	FY 2009-10

- d. The Company has taken unsecured loan of ₹ 70 Lacs from Raghav Aditya Chits Private Ltd by redeeming chits aggregating to ₹ 100 lacs. The Company has been paying monthly chits. As confirmed by the company it will account for profit/loss on this account at the close/completion of the Chit. Hence no profit/loss has been booked in the current financial year. The outstanding amount as on 31st March, 2013 is ₹ 1.60 Lacs.
- e. The Company has taken unsecured loan of ₹ 150 lacs from CBS Holdings Private Limited for period of 90 days bearing interest @ 18% p.a. w.e.f 31st December, 2012. However Company has repaid ₹ 45 Lacs till 31st March, 2013. Balance outstanding as on 31st March, 2013 is ₹ 110.92 lacs including interest upto 31st March, 2013.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 8		
TRADE PAYABLES		
Advance from WOS - Alchemy Trade Post, Mauritius	8,338.12	2,431.49
Micro, Small & Medium Enterprises	260.54	305.01
Other	7,532.89	27,244.64
TOTAL	16,131.55	29,981.14

Note: 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 ₹ 25.81 Lacs (previous year ₹10.57 lacs) on delayed payment to parties as identified by the management.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 9		
OTHER CURRENT LIABILITIES		
A) Credit Balance in Bank Current Accounts	2.54	117.35
B) Unclaimed Dividend	0.58	0.75
C) Other Payables	563.13	918.84
D) Statutory Dues	2,724.03	1,879.11
TOTAL	3,290.29	2,916.04



NOTES to the Financial Statements
Note - 10 : FIXED ASSETS

₹ in lac

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK	
	AS ON 01.04.2012	ADDITIONS DURING THE YEAR	DELETIONS/ SALE / ADJUSTMENT	AS ON 31.03.2013	FOR THE YEAR	ON DELETIONS/ SALE / ADJUSTMENT	AS ON 31.03.2013	AS ON 31.03.2012
TANGIBLE ASSETS								
FACTORY LAND	1,597.00	-	-	1,597.00	-	-	1,597.00	1,597.00
FACTORY BUILDING	4,899.39			4,899.39	200.35	1,222.52	3,876.87	3,877.22
COMPUTER	460.54	4.62	0.52	464.63	19.94	432.89	31.75	47.59
ELECTRICAL FITTINGS	296.42	3.74		300.16	17.14	166.59	133.56	146.96
FURNITURE & FIXTURES	576.82	0.67		577.49	37.41	366.13	211.36	248.10
PLANT & MACHINERIES	7,033.11	4.83		7,037.94	525.00	3,038.81	3,999.12	4,519.30
VEHICLES	304.94	0.43	69.12	236.25	17.93	176.82	59.42	96.82
OFFICE EQUIPMENTS	458.91	4.26		463.17	31.85	259.55	203.61	231.20
TOTAL	15,627.11	18.55	69.64	15,576.01	849.62	5,663.32	9,912.70	10,764.19
INTANGIBLE ASSETS								
COMPUTER SOFTWARE	208.90	-	-	208.90	16.23	144.90	64.00	80.23
TECHNICAL RECIPES & FORMULAE	129.70	-	-	129.70	12.97	103.49	26.21	39.18
TOTAL	338.60	-	-	338.60	29.20	248.38	90.21	119.41
CAPITAL ADVANCES & WIP								
PREOPERATIVE EXPENSES PENDING FOR ALLOCATION	-	-	-	-	-	-	-	-
CAPITAL ADVANCES & WIP	3,116.49	39.71	0.17	3,156.03	-	-	3,156.03	3,116.49
TOTAL	3,116.49	39.71	0.17	3,156.03	-	-	3,156.03	3,116.49
GRAND TOTAL(Rs.)	19,082.19	58.26	69.81	19,070.64	878.82	5,911.70	13,158.94	14,000.09
PREVIOUS YEAR	18,734.24	2,406.76	2,058.81	19,082.19	992.49	5,082.10	14,000.09	14,186.35



NOTES to the Financial Statements

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 11		
NON CURRENT INVESTMENTS		
Unquoted-Long Term (Non-Trade)-At Cost Investment in Equity Instrument		
- Investment in Subsidiaries		
i) 50000 Equity Shares of ₹ 10.00 each in Vouge Home Products Limited	5.00	5.00
ii) 100000 Equity Shares of ₹ 10.00 each in Crew BOS Enterprises Limited	10.00	10.00
iii) 100000 Equity Shares of ₹ 10.00 each in Emporio BOS Designs Limited	10.00	10.00
iv) 500000 Equity Shares of ₹ 10.00 each in Crew ROR Products Limited	50.00	50.00
v) 510000 Equity Shares of ₹ 10.00 each in Crew Republica Retail Limited	51.00	51.00
vi) 50000 Equity Shares of ₹ 10.00 each in Crew PPO Leathers Limited	5.00	5.00
vii) 30,00,000 Equity Shares of 1 USD each in I.Biz Trade Post Mauritius	1486.05	1,486.05
viii) 10,001 Equity Shares of 1 USD each in Alchemy Trade Post Mauritius	5.00	5.00
ix) 1000 Equity Shares of USD 1 each in I. Connect Trade Post Mauritius	0.54	-
x) Share Application Money for 9000 Equity Shares of USD 1 each in Crew BOS Products (Int) Pte Ltd., Singapore	5.00	-
Investment in joint Ventures		
i) 790500 Equity Shares @ ₹ 10/- each in Crew MAG Exports Limited (Out of above 765,000 Equity Share at a premium of ₹ 10/- each.)	155.55	155.55
ii) 124997 Equity Shares of ₹ 10/- each in Centre of Excellence in Design Limited	12.50	12.50
Investment in Associate		
i) 240000 Equity Shares of ₹ 10 each in Tempesta Luxury products Pvt. Ltd.	-	24.00
TOTAL	1,795.64	1,814.10
UNQUOTED INVESTMENTS		
Investment in Equity Instrument		
Book Value	1,795.64	1,814.10

Note:

- During the year the Company has remitted ₹ 5.0 Lacs (equivalent USD 9000) towards share application money for 9000 equity shares in its wholly owned subsidiary Crew B.O.S. Products (Int) PTE. Ltd., Singapore.
- During the year the Company has invested ₹ 0.54 lacs (equivalent USD 1000) in its wholly owned subsidiary namely i. Connect Trade Post.



NOTES to the Financial Statements

- c. The Company had issued a cheque for ₹ 24 lacs in the previous year towards investment in shares of its associate company – Tempesta Luxury Products Private Limited. The above said cheque was not presented by the associate company since the said payment was made directly by Mr. Tarun Oberoi, MD of the Company to Tempesta Luxury Products Private Limited on behalf of the Company. During the year the Company has sold the above investment at par value for ₹ 24 Lacs since Tempesta Luxury Products Private Limited was in loss during the FY 2011-12. The sale consideration was received by Mr. Tarun Oberoi on behalf of the Company. In view of the above, the Company has made the accounting entries for purchase and sale of shares by giving credit and debit to the account of the Managing Director.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 12		
LONG TERM LOANS & ADVANCES		
Security Deposit	81.40	253.71
TOTAL	81.40	253.71

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 13		
CURRENT INVESTMENTS		
Unquoted At Cost		
Investment in Mutual Fund		
99404 Units of Bank of Baroda Pioneer Mutual Fund of ₹ 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	6.58	7.29

Note: The Company has not made provision for diminuation in value of the Investments and the same will be accounted for in the year when the above investment is redeemed



NOTES to the Financial Statements

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 14 INVENTORIES		
(As Taken, Valued & Certified by the Management & Chartered Engineer & Valuer)		
Raw Material : Imported	3,105.64	3,554.24
: Indigenous	9,502.23	9,573.21
Semi Finished Goods	296.49	3,198.25
Finished Goods	65.51	1,076.35
Goods-in-Transit : Raw Material	-	234.06
: Finished Goods	-	307.96
TOTAL	12,969.87	17,944.08

Note: The physical stock at the year end has been taken and valued as certified by Management and by Chartered Engineer & Valuer. As per the recommendation of internal inventory control management committee of the Company has written off WIP amounting to ₹ 1692.22 lacs during the year due to obsolescence and rejected WIP.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 15 TRADE RECEIVABLES		
(Unsecured, Considered Good)		
Debts Outstanding for a period exceeding six months	8,567.94	7,982.81
Others Debts	4,317.14	31,700.22
TOTAL	12,885.08	39,683.03

Note: Trade Receivable includes amount receivable of ₹ 116.81 lacs from Crew Republica Retail Limited, subsidiary of the Company.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 16 CASH & BANK BALANCES		
Cash & Cash Equivalents		
Cash in Hand	6.13	11.80
Bank Balance	12.13	169.37
In Margin Money accounts	234.43	399.34
Cheque in Hand	-	6.51
Bank Deposits	-	1.12
TOTAL	252.69	588.14

Note: 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 31-03-2013 is ₹ 13,116.00 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.



NOTES to the Financial Statements

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 17		
SHORT TERM LOANS & ADVANCES		
(Unsecured, Considered good)		
Loans and advances to related parties		
Advance to Crew BOS Enterprises Limited	24.52	24.14
Advance to Emporio BOS Design Limited	-	1.58
Advance to W.O.S., Vogue Home Products Limited	537.81	349.88
Advance to Crew MAG Exports Limited	1,303.90	1,194.25
Advance to Centre of Excellence in Design Limited	294.79	292.35
Advance to Crew ROR Products Limited	622.92	730.82
Advance to Crew Republica Retail Ltd.	310.90	325.93
Advance to Crew PPO Leathers Ltd.	-	90.48
Advance to Crew BOS Society	76.22	436.51
Advance to Tempesta Luxury Products Pvt. Ltd.	16.01	-
Other Loans & Advances		
Advances recoverable in cash or in kind or for value to be received	2.98	24.98
Loan to Mr. Sanjeev Sehgal (Refer Note No. 29)	66.27	-
Advance to HSIIDC for Plot	202.75	202.75
Advance to Staff / ex-Staff	40.84	136.37
Capital Advance	45.05	45.05
Advances to Suppliers	26.56	134.68
TOTAL	3,571.52	3,989.77

Note:

- The company has not yet made provision for write off the loans and investments made in nonfunctional subsidiary and joint venture companies namely Crew MAG Exports Limited ₹ 1459.45 lacs, Crew ROR Products Limited ₹ 672.92 lacs and Centre of Excellence in Design Limited ₹ 307.29 lacs.
- Crew BOS Society has been registered under the Societies Registration Act, 1860 to provide Industrial training to the workers. Society had been selected by the Ministry of Commerce and Industrial policy for implementation of sub-scheme "HRD/Support to artisan" under Indian Leather Development Programmed (ILD) in Manesar, Dehradun, and Neemrana Region. Crew BOS Society had also been granted tentative grant of ₹ 598.50 Lacs (75% of the total project cost of ₹ 798 lacs).
The Company had given advances to the society from time to time in order to meet the expenditure to be incurred by the Crew BOS Society on the implementation of the project. The Company received back part of the advance given out of the grant received by the Society from the Ministry of Commerce and Industrial policy. The outstanding balance at the year end amounted to ₹ 76.22 lacs. The Company has also received a sum of ₹ 50 lacs from the Society in the subsequent year.
- The company had given a sum of ₹ 12.5 Lakhs to M/S Garv Marketing as advance being 25% of the total cost for construction, supplying and commissioning 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.
- The company had given a sum of ₹ 32.55 Lakhs in FY 2009-10 to M/S Gopi Engg & Sons as advance against total cost of ₹ 191.26 lacs for purchase of machineries. The Company has not paid the balance amount hence machines were not delivered by the party. The confirmation from this party is also not available. The company has not made any provision in the books for this amount.



NOTES to the Financial Statements

- e. The Company was allotted plot no. 446-I, Sector – 8, IMT Manesa measuring 9000 sq.mtrs by HSIIDC in the year 2010. The company had given an advance of ₹ 202.75 Lakhs (Previous year - ₹ 202.75 Lakhs) to HSIDC Ltd. being 25% of the total value of ₹ 810.00 Lakhs. The Company has not yet got the possession of the plot, since the installments as per allotment letter were not paid. In view of constraints of Company's inability to pay the balance amount due to significant pressure on the liquidity position of the Company, it has decided to surrender its abovementioned industrial plot and has given request accordingly to HSIIDC vide letter dated 10th June, 2013. The Company has not made any provision for the loss if any on the surrender of the plot and same will be accounted for upon final settlement in the matter by HSIIDC.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 18		
OTHER CURRENT ASSETS		
TDS Receivable - AY 2013-14	1.85	-
Duty Drawback Receivable	238.73	239.35
Interest/Dividend/Other Receivable	-	8.60
Refundable sale tax	346.86	359.91
Cenvat Recoverable	189.77	184.41
Prepaid Expenses	13.50	13.81
TOTAL	790.71	806.08

Note:The Duty Draw Back receivable includes ₹ 134.07 Lacs pertaining to earlier years for which the Company is following up for recovery with Central & Excise Department. Since the reconciliation is under process, hence the Company has not made any provision in this regard in the books of account.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 19		
REVENUE FROM OPERATIONS		
A) Sale of Product		
Export Sales (FOB) (Refer Note No. 29)	12,988.52	18,875.22
Overseas Merchanting Trade	4,533.95	11,475.47
Domestic Sales	8,345.93	11,103.35
Inter-unit Domestic Sales	1,828.63	699.51
Duty Drawback	902.68	1,257.61
B) Income from Services		
Jobwork Income	23.90	30.75
Inter-unit Job work Income	195.52	461.67
TOTAL	28,819.14	43,903.56

Note:

- a. Export Sales includes ₹ 742.98 Lacs being profit (Previous Year 1248.27 Lakh profit) from exchange difference on realization of foreign currency.
- b. The Overseas Merchanting Trade sale is net off sales return amounting to ₹ 11113.98 lacs out of sales made in earlier year. The above returns were made due to quality issue and were resold to different vendors in Dubai itself. The confirmation from the parties in respect of the above sales is not available with the Company.



NOTES to the Financial Statements

- c. Domestic Sales include domestic trading sales to various parties aggregating to ₹ 7075.23 lacs (net of sales return of ₹ 1376.00 Lacs out of sales made in previous years) made during the year. The confirmation from the parties in respect of the above sales is not available with the Company

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 20 OTHER INCOME		
Interest	10.44	25.80
Rent Received	-	1.50
Profit on Sale of Investment	-	0.15
Profit on Sale of Fixed Assets	1.00	0.88
Provision for creditor written off - Others	81.62	3.23
Miscellaneous Income	115.98	20.72
TOTAL	209.04	52.28

Note:

- a. Provision for creditor written off amounting to ₹ 81.62 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.
- b. Miscellaneous Income includes ₹ 59.45 lacs being reversal of excess remuneration paid to its directors during the previous year as per limit prescribed under schedule XIII of the Companies Act.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 21 COST OF MATERIAL CONSUMED		
Raw Material Consumed : Indigenous	3,938.65	4,030.54
Raw Material Consumed : Imported	3,644.35	2,927.73
Consumables Stores : Indigenous	718.72	1,539.79
Consumables Stores : Imported	14.01	44.51
Freight, Cartage and Clearing	205.17	317.45
TOTAL	8,520.90	8,860.03

Note: The Purchase of Raw Material – Indigenous include purchases of ₹ 26.45 lacs (previous year ₹ 446.20 lacs) made from Atulya Creations Limited.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 22 PURCHASE OF TRADED GOODS		
Purchases of Trading Items		
- For Overseas Merchanting Trade	4,308.27	10,662.82
- For Domestic Trade	6,145.16	7,460.65
TOTAL	10,453.44	18,123.47



NOTES to the Financial Statements

Note:

- a. The purchases related to Overseas Merchanting Trade is net off purchases return of ₹ 9845.64 lacs out of purchases made in earlier year. The confirmation from the parties in respect of these purchases are not available with the Company.
- b. The Purchase for Domestic Trade include purchases of ₹ 2,027.54 lacs (previous year ₹ 2112.32 lacs) made from its WOS – Vogue Home Products Limited.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 23		
CHANGES IN INVENTORIES		
Closing Stock		
Finished Goods	65.51	1,076.35
Semi Finished Goods	296.49	3,198.25
Goods-in-Transit : Finished Goods	-	307.96
: Semi Finished Goods	362.00	4,582.56
Less : Opening 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
: Semi Finished Goods	4,582.56	5,935.92
TOTAL	(4,220.54)	(1,353.36)

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 24		
EMPLOYEE BENEFITS		
Wages, Salary & Bonus	3,133.08	3,418.36
Contribution to E.S.I. Fund	68.56	81.63
Contribution to Provident Fund	335.66	248.28
Staff Welfare Expenses	135.49	125.85
Directors Remuneration	0.37	138.21
TOTAL	3,673.15	4,012.33

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 25		
FINANCE COST		
INTEREST ON :		
Term Loans	1,255.25	874.67
Others	2,589.89	3,185.51
OTHER FINANCE COSTS:		
Processing Fees	16.85	92.74
Bank Charges	243.15	306.75
TOTAL	4,105.15	4,459.67



NOTES to the Financial Statements

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 26		
OTHER EXPENSES		
Electricity, Water & Fuel Charges	275.36	289.67
Fabrication and Processing	711.87	858.06
Repair and Maintenance	22.54	38.02
Discount and Rebate	132.75	60.94
Freight Outward and Packaging	219.55	323.18
Travelling and Conveyance	136.78	332.80
Printing and Stationery	14.85	22.49
Communication & Courier	170.76	191.17
Consultancy & Professional	203.84	213.08
Books & Periodicals	0.07	0.20
Sales Promotion	24.37	76.00
Security & Office Expenses	185.05	187.73
Vehicle Running & Maintenance	58.13	73.90
Insurance Charges	60.09	65.12
Payments to Auditors	12.49	13.07
Fees & Subscriptions	32.32	30.19
Testing Expenses	101.51	107.97
Miscellaneous Expenses	58.50	78.63
Rent	173.06	275.74
Foreign Exchange Loss Others	149.32	750.44
Advances written off	5.00	-
Provision for Interest on Income Tax	456.90	-
TOTAL	3,205.09	3,988.41

Note:

- The Company has made provision of ₹ 456.90 lacs during the year for interest on non/delayed payment of the self-assessment tax.
- The Company has received short payment of ₹ 124.78 lacs against Claims and Rejections and Rebate and Discount of the buyers for export made to them. The Company has debited under the head "Rebate and Discounts". 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 had paid a sum of ₹ 5 lacs to M/s Keshav Enterprises towards advance for raw material in the year 2009. Since the Company has not received the material and the party is not traceable as well, hence the said advance has been written off as bad debts.

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
d. Auditors' remuneration		(₹ in Lacs)
a) Audit Fee	7.87	8.54
b) Limited review of quarterly results	3.50	2.77
c) Tax Audit Fees	0.90	0.94
d) Other	0.22	0.82
TOTAL	12.49	13.07



NOTES to the Financial Statements

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 27		
PRIOR PERIOD EXPENSES		
Interest	21.70	-
Share of Expenses in Crew BOS Society	199.50	-
Others Expenses	38.97	143.03
TOTAL	260.17	143.03

Note:

- The Company has made payment of ₹ 19.20 Lacs during the year to M/s S.E. Investments Ltd. against full & final settlements of loan taken from them. The Company has claimed the above amount as interest expenses in its books of account as the company had squared up the loan amount in the previous year.
- Crew BOS Society has been registered under the Societies Registration Act, 1860 to provide Industrial training to the workers. Society had been selected by the Ministry of Commerce and Industrial policy for implementation of sub-scheme "HRD/Support to artisan" under Indian Leather Development Programmed (ILDLP) in Manesar, Dehradun, and Neemrana Region. Crew BOS Society had also been granted tentative grant of ₹ 598.50 Lacs (75% of the total project cost of ₹ 798 lacs). In the previous year the Society had debited the account of the Company by ₹199.50 lacs in their books towards share of expenses being 25% of the total project cost. The Company did not account the same as its share of expense in its last year books of account resulting in difference of the above amount in the opening balance. The Company has accounted for the same as share of its expense during the year.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 28		
Extra ordinary Items		
Foreign Exchange Loss on Derivative/ Forward Contracts	2,128.18	298.89
Provision for Doubtful Debt Written Off (Refer Note No. 29)	14,680.08	18.41
Provision for Doubtful Creditor Written Back (Refer Note No. 29)	(3,111.16)	-
Forfeiture of Money received against share warrants	-	(103.77)
TOTAL	13,697.10	213.53

Note: Foreign Exchange Loss on Derivative and Forward Contracts of ₹ 2128.18 lacs include ₹ 1704.52 lacs being loss from contract entered with Standard Chartered Bank (Out of which is ₹ 904.85 lacs is related to FY 2011-12). The above loss figure are of principal amount only and does not include interest for default in payment to be made by the Company from the value date of the contract. The Standard Chartered Bank has not yet recovered the above loss upon cancellation of forward contracts from the company and as such said loss figure is subject to verification and confirmation from the bank.

Other Significant Notes:

- The Company got to know about the fraudulent transactions entered into Merchant Trading as was highlighted by legal notices received from Standard Bank Mauritius Limited, Mauritius and Bank One Limited, Mauritius. After finding the same, Company formed an internal investigating committee to go into the detail and come out with the appropriate impact on the account. Based on the committee findings ex- CFO cum Director International Sales and CEO Leather Division - Mr. Sanjeev Sehgal was terminated as he was solely responsible for the International Trade transactions. Company has lodged complaint against him which is pending with the appropriate authority. Accordingly legal notices were also sent to the buyers in Dubai relating to Merchant Trade transactions. Based on the findings of the initial report of the committee the following adjustment/provision have been made in the books of accounts.



NOTES to the Financial Statements

- a. Company has accounted for export sales of ₹ 4,938.74 lacs in the first three quarters of the financial year on the basis of the certified copy of invoices and cargo receipt received from the ex- CFO Mr. Sanjeev Sehgal. However these sales were reversed in the last quarter based on the findings by the internal investigating committee that there were no proper documents, records to substantiate these transactions reflected as sales in earlier quarters.
- b. The Company has made provision to write back the all the creditors related to International Merchant Trade amounting to ₹ 3,111.16 lacs
- c. The Company has made provision for bad and doubtful debts for all the debtors related to International Merchant Trade amounting to ₹ 11,180.08 lacs.
- d. The Company has made an ad-hoc provision for bad and doubtful debts for debtors related to domestic trading amounting to ₹ 3500 lacs. The net receivables related to domestic trading after making above provision are ₹ 10825.97 lacs at the year end.
- e. The Company has debited ₹ 68.64 lacs to the accounts of Mr. Sanjeev Sehgal in regard to the advance payment made by him from the company's bank account to various parties which seems to made by him for his personal affairs.

The investigation is still on and it may come out with Further findings later on, which will be dealt with in the books when final committee report is received and substantiated by documents.

30. The company has received a demand notice in respect of the following years

(₹ in Lacs)

Assessment Year	Amount of Demand
2005-06	34.49
2006-07	33.13
2007-08	337.53
2011-12	741.55
TOTAL	1146.70

The Company has filed appeals against the above demands raised by the Income Tax Department and the proceedings are pending before CIT(A), Gurgaon.

Company has received following notices and orders from Income Tax Department due to non-payment of self-assessment tax AY 2008-09, AY 2010-11 and AY 2011-12 amounting to ₹ 1238 Lacs.

- a. Order for attachment under Rule 48 of schedule 2 of the Income Tax Act, 1961 in reference to immovable properties of the Company. By the aforesaid order Company is restrained from transferring its immovable properties by way of sale, decree, mortgage, gift of charging in any way.
- b. Warrant of attachment of movable property as per rule 20 of the Second Schedule to the Income Tax Act, 1961.
- c. Notice for setting a sale proclamation of its property situated at Plot No. 140, Leather Complex, Kapurthala Road, Jalandhar, Punjab under Rule 53 of the Second Schedule of the Income Tax Act, 1961.
- d. In regard to recovery of outstanding Income Tax demand on account of self-assessment tax for AY 2008-09, AY 2010-11 and AY 2011-12. The Income Tax Department has decided to auction the property situated at Plot No. 140, Leather Complex, Kapurthala Road, Jalandhar, Punjab as per schedule – II of the Income Tax Act, 1961.

31. Management of the Company is of the opinion that going concern principle followed in preparation of financial statement hold good, as it believes that the realizable value of assets is much above its book value. which is sufficient to discharge its liability (known and unknown) The Company is confident to revive with new business plan and strategies when supported by the financial institutions/lenders.



NOTES to the Financial Statements

32. The various parties balances (debit/credit) 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. The variation if any found upon reconciliation may affect the financial statement to that extent.

33. Contingent liabilities in the respect of:

(₹ in Lacs)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
a) Guarantees given by Bankers	3.63	-
b) Capital Commitments (Net of Advance)	198.76	806.01
c) Bonds given to Excise authorities for its Export Oriented Unit(s) (Total amount of Bond-₹ 800.00 Lakhs)	712.40	711.41
d) Bonds/LUT given to custom authority against EPCG Licences	843.07	1855.26
e) Letter of Credit established by bank	934.11	1509.85

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 23 Million (Which has been invoked by the Standard Bank Mauritius Limited, Mauritius due to default in repayment of loan by its WOS)**
- Alchemy Trade Post, Mauritius : **USD 10 Million to Mauritius Commercial Bank, Mauritius**
- i. Connect Trade Post, Mauritius : **GBP 5 Million (Which has been invoked by the Bank One Limited, Mauritius due to default in repayment of loan by its WOS)**
- Vogue Home Products Limited : INR 300 Lacs to Yes Bank Limited
- Crew PPO Leathers Limited : INR 1000 Lacs to Yes Bank Limited

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 31.03.2013 are USD 0.30 Million.

i) The Company has outstanding Export obligation of ₹ Nil (Previous Year Nil) under EPCG Licenses obtained for Import of Capital Goods. The redemption of EPCG licenses having Export Obligation completed aggregating to ₹ 3021.79 Lakhs is under process with DGFT.

j) No provision has been made for the possible liability arising out of pending legal cases. Detail of pending legal case is as per note no. 34.

k) The Company has received short payment of ₹ 124.78 lacs against Claims and Rejections and Rebate and Discount of the buyers for export made to them. The Company has debited under the head "Rebate and Discounts". 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.

l) Company has not made provision for the disputed income tax demand as mentioned in note no 30 as matter is pending under appeal.


NOTES to the Financial Statements

34. The details of pending legal cases are given here under:

SI.No	Party Name	Amount involved (In Lacs)	Case filed under section/ Status
1	IFCI Factors Ltd.	279.03	U/s 138 of the Negotiable Instrument Act
2	Karvy Financial Services Ltd.	180.13	U/s 138 of the Negotiable Instrument Act
3	IFCI Venture Capital Funds Limited	12.50	U/s 138 of the Negotiable Instrument Act
4	UCO Bank	203.04	U/s 138 of the Negotiable Instrument Act
5	DBS Bank Ltd.	1,262.19	U/s 138 of the Negotiable Instrument Act
6	Coral Bay Advisors (P) Ltd.	6.00	U/s 138 of the Negotiable Instrument Act
7	UCO Bank	435.60	Pending before DRT
8	IFCI Venture Capital Funds Limited	117.14	Pending before DRT
9	DBS Bank Ltd.	1,369.93	Pending before DRT
10	IDBI Bank Ltd.	2,223.15	Pending before DRT
11	Bank of Baroda	4.08	Recovery Suit filed in Tis Hazari
12	IFCI Venture Capital Funds Limited	119.46	u/s 433 & 434 of the Companies Act, 1956.
13	DBS Bank Ltd.	1,309.32	u/s 433, 434 of the Companies Act, 1956.
14	KLF Tecnokimica S.R.L.	€ 0.63	u/s 433 & 434 of the Companies Act, 1956.
15	Standard Bank Mauritius Limited	\$182.68	u/s 433, 434 of the Companies Act, 1956.
16	Apex Tannery Ltd.	\$16.83	Running in Arbitration Tribunal
17	K.R.S. Logistics Pvt. Ltd	19.34	Civil Suit running in Tis Hazari Court
18	Papcon Indore Pvt. Ltd Vs. Centre of Excellence in Design Ltd. & Others	9.61	Civil Suit running in Dwarka Court
19	Ambertex Sekhsaria Exports Vs. Centre of Excellence in Design Ltd. & Others	19.56	Civil Suit running in Dwarka Court
20	HDM Leathers	1.19	Civil Suit running in Patiala Court

35. The company has served a legal notice upon Zeta Leather Exports u/s 138 of Negotiable Instrument Act for dishonour of cheques aggregating to ₹ 4.0 lacs. The total outstanding of the above mentioned firm is ₹ 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.

36. 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:



NOTES to the Financial Statements

	Current Year	Previous Year
a) Net Profit after tax available for equity shareholders (₹ / Lakhs)	(20618.36)	520.32
b) Weighted average no of equity shares outstanding during the year	13993467	13993467
c) Basic earning per ₹ Share (a÷13993467)*	(147.34)	3.72
d) Diluted earning per ₹ Share (a÷b)	(147.34)	3.72

38. Segment Reporting

(₹ in Lacs)

I) Reportable Business Segment	Current Year					
	Fashion Accessories			Footwear Division	Leather	Total 31-03-2013
Segment	Cotton Made	Leather Made	Total			
A. Manufacturing Production						
(i) Domestic	-	143.87	143.87	805.90	769.22	1,718.99
Less:Inter-Segment Sales	-	-	-	-	-	424.39
Net Sales	-	143.87	143.87	805.90	769.22	1,294.60
(ii) Exports	-	11,643.47	11,643.47	1,720.00	527.72	13,891.20
Less:Inter-Segment Sales	-	-	-	-	-	-
Net Sales	-	11,643.47	11,643.47	1,720.00	527.72	13,891.20
(iii) Total [(i)+(ii)]	-	11,787.35	11,787.35	2,525.90	1,296.94	15,185.80
(iv) Segment Result	-	1,574.06	1,574.06	(1,214.97)	(655.29)	(296.20)
B Trading Activity						
(a) Merchanting (Overseas)	-	1,974.11	1,974.11	2,559.84	-	4,533.95
Less:Inter-Segment Sales	-	-	-	-	-	-
Net Sales	-	1,974.11	1,974.11	2,559.84	-	4,533.95
(b) Domestic Trading	8,674.99	-	8,674.99	-	-	8,674.99
Less:Inter-Segment Sales	-	-	0.00	-	-	1,599.75
Net Sales	8,674.99	-	8,674.99	-	-	7,075.23
(c) Total [(a+b)]	8,674.99	1,974.11	10,649.10	2,559.84	-	11,609.18
(d) Segment Result	(970.18)	(1,903.01)	(2,873.19)	154.59	-	(2,718.59)
C Total						
Revenue(iii+c)	8,674.99	13,761.46	22,436.45	5,085.73	1,296.94	26,794.98
Result(iv+d)	(970.18)	(328.95)	(1,299.13)	(1,060.37)	(655.29)	(3,014.79)
Other Income	-	-	-	-	-	209.04
Interest	-	-	-	-	-	(4,105.15)
Unallocable Expenditure	-	-	-	-	-	(15,099.43)
Provision for Taxation	-	-	-	-	-	(464.11)
Deferred Tax	-	-	-	-	-	1,856.08
Net Profit After Tax	-	-	-	-	-	(20,618.36)
Other Information						
Segment Assets	-	-	22,971.16	2,855.91	9,098.87	34,925.94
Unallocated Assets	-	-	-	-	-	10,589.91
Deferred Tax Assets/(Liability)	-	-	-	-	-	1,593.26
Total Assets	-	-	22,971.16	2,855.91	9,098.87	47,109.11
Segment Liabilities	-	-	4,636.77	989.13	1,754.34	7,380.24
Unallocated Liabilities	-	-	-	-	-	43,461.27
Share Capital & Reserves	-	-	-	-	-	(3,732.44)
Total Liabilities	-	-	4,636.77	989.13	1,754.34	47,109.11



NOTES to the Financial Statements

II) Information about Secondary Geographical Segment

(₹ in Lacs)

Particulars	Current Year
Exports Sales	18,425.15
Domestic Sales	10,393.98
Total	28,819.13
Less: Inter Segment Sales	2,024.15
Total Revenues	26,794.98

39 Directors Remuneration

(a) Total remuneration comprising of:

(₹ in Lacs)

Particulars	2012-13	2011-12
Salary	-	90.00
Allowances & Perquisites	-	48.00
Sitting Fees	0.37	0.15
Total	0.37	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	2012-13	2011-12
Profit before taxation as per Profit & Loss A/c	(22,010.32)	648.35
Add:		
(1) Directors Remuneration	-	138.00
(2) Directors Sitting Fee	0.37	0.21
Total	(22,009.96)	786.56
Less:		
Profit on sale of Investments	-	0.15
Profit on Sale of Fixed Assets	1.00	0.88
Total	1.00	1.04
Profit u/s 349 of the Companies Act 1956 for Calculation of remuneration payable to Directors	(22,010.96)	785.52
Maximum amount Payable as per ceiling specified u/s 309(3) of the Companies Act, 1956 (10% of net profit)	(2,201.10)	78.55

The Company has not paid any director remuneration during the year and amount of ₹ 59.45 lacs paid in excess of limit prescribed under schedule XIII of the Companies Act during the previous year is reversed during the year and shown under the head "Miscellaneous Income".



NOTES to the Financial Statements

40 Foreign Currency Transactions

(₹ in Lacs)

Particulars	2012-13	2011-12
A. Expenditure / Outflow		
Foreign Travelling Expenses	62.59	68.18
Investment in Subsidiaries	5.54	1,491.05
Internet Expenses	1.55	3.57
Subscription Expense	1.78	-
Raw Material	3,209.75	4,109.39
ECB Repayment	360.11	436.46
Rebate & Discout	124.78	60.94
Salary	-	2.61
Testing Charges	-	0.55
Commission on Exports	53.60	6.40
Traded Goods Imported	4,308.27	10,008.51
B. Earnings		
Exports Sales (FOB)	17,522.46	30,350.68

- 41 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, 2013 are prepared in accordance with the aforesaid Revised Schedule VI
- 42 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 Note 1 to 42

As per our report of even date attached

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

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

Place : Gurgaon
Date : 30/09/2013

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



Independent Auditor's Report

To
the Members

CREW B.O.S. PRODUCTS LIMITED

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Crew B.O.S. Products Limited (the Company), which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence which we have been provided are not sufficient and appropriate to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

1. We have not been able to obtain the audited/ unaudited financial statement of following overseas wholly owned subsidiaries of the Company. **(Refer Note No. 38 of the consolidated financial statements)**
 - a. i. Biz Trade Post, Mauritius
 - b. i. Connect Trade Post, Mauritius
 - c. Alchemy Trade Post, Mauritius
 - d. Crew B.O.S. Products (Int) PTE. Ltd., Singapore

Therefore the consolidated financial statement of the Company do not include the financials of above mentioned overseas wholly owned subsidiaries.
2. We have not been able to obtain sufficient appropriate audit evidence with regard to the sales and purchases, particularly having regard to:
 - i) Sale in respect of export sales to its WOS- Alchemy Trade Post, Mauritius, aggregating to ₹ 4,938.74 lacs made during the first three quarters of the financial year, which was subsequently reversed in the last quarter of the year. **(Refer Note No. 30(a) of the consolidated financial statements)**
 - ii) Sales in respect of domestic trading sales to various parties aggregating to ₹ 7075.23 lacs (net of sales return of ₹ 1376.00 Lacs out of sales made in previous years) made during the year. **(Refer Note No. 20(c) of the consolidated financial statements)**
 - iii) Purchases in respect of domestic trading purchases from various parties aggregating to ₹ 6145.16 lacs made during the year. **(Refer Note No. 23 of the consolidated financial statements)**
3. We have not verified the inventory of the Company and relied upon the reports as Certified by the Management and Chartered Engineer & Valuer: **(Refer Note No. 15 of the consolidated financial statements)**
 - a. Inventory shown at end of the financial year amounting to ₹ 12,969.86 lacs.
 - b. Written-off / disposal of the obsolete and rejected WIP/Finished Goods worth ₹ 1,692.22 lacs during the year.
4. We have not been able to obtain sufficient appropriate audit evidence with regard to the recoverability of Sundry Debtors and Creditors, particularly having regard to merchant trading done in Dubai, though the company has written off the amount receivable and payable amounting to ₹11,180.08 lacs and ₹ 3,111.16 lacs respectively. **(Refer Note No. 30(b) & (c) of the consolidated financial statements)**
5. We have not been able to obtain sufficient appropriate audit evidence/confirmations with regard to the recoverability of Domestic Trading Debtors



amounting to ₹ 10,825.97 Lacs Outstanding at the yearend which is after making the provision for bad and doubtful debt of ₹ 3500 lacs. (Refer Note No.

30(d) of the consolidated financial statements)

6. We draw attention to Note No. 32 of the financial statements wherein the management has explained its reasons for preparing the financial statements on a going concern basis. The total outside liabilities of the company exceeds its total assets of the company by ₹ 3732.40 lacs as such the entire net worth of the company is eroded. The company has also given corporate guarantees to the bankers of the WOS in Mauritius which is in excess of the Net Worth of the company. The I.Biz Trade Post, Mauritius has been put into receivership by Standard Bank (Mauritius) Ltd. to recover their outstanding dues of USD 18.27 Million plus interest accrued till the date of settlement. In the case of another WOS- I. Connect Trade Post in Mauritius, the lending bank namely Bank One Ltd., Mauritius has appointed a Loss Adjustor to recover the insurance claim & outstanding dues of the WOS. The various parties/ financial institutions have filed Winding-up cases against the company in Delhi High Court which are still under sub-judice. These factors in over opinion raise substantial doubt as to the company's ability to continue as going concern.
7. We draw attention to Note No. 30 of the financial statements wherein the management has informed that the certain activities carried out by the Ex-CFO cum Director International Sales and CEO-Leather Division-Mr. Sanjeev Sehgal were suspect to be dishonest resulting into financial loss to the company. The company has filed a complaint against the erred officer which is pending at the appropriate authority. The company has made adjustments/ provisions in the accounts to the extent known and further adjustments, if any, to be made post completion of the investigation.
In view of the above, we are unable to comment on the adjustments/disclosures which may become necessary as a result of further findings on the ongoing investigations and the consequential impact, if any, on these financial statements.
8. As per discussions with the management, we understand that the management is of the opinion that there is no need of any provision to be made for impairment of its fixed assets which are being carried in the books at a written down value of ₹ 10,002.91 lacs. However, we are not in agreement with the management and are of the opinion that there may be impairment in the company's fixed assets and same needs to be ascertained and accordingly dealt with in the books of accounts, if required. Accordingly we are unable to comment on the necessity or otherwise to provide for an impairment loss in respect of these assets. The effect of the non-

provision of the impairment loss on assets, if any, cannot be quantified.

9. We draw attention to Note No. 18 (a) of the financial statement, regarding no provision for write off the Investments and loans & advance in non-operational WOS / JVs of the company aggregating to ₹ 2,439.66 lacs even though auditors of these company have commented in their audit report that about concern on the going concern of these subsidiaries/JVS.
10. As stated in Note No. 6 of the financial statement, the company has not made any provision for gratuity during the year.

Disclaimer of Opinion

Because of significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and the possible effects for not providing sufficient appropriate audit evidence are deemed to be both material and pervasive to the financial statements. Accordingly, we do not express an opinion on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework and in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013; and
- (b) in the case of the consolidated Statement of Profit and Loss, of the Loss for the year ended on that date;
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 36 to the financial statements which describes the uncertainty related to the outcome of the lawsuits and winding up petitions filed against the Company by Financial Institutions, Banks and various parties.

Other Matter

We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of ₹ 3168.55 lacs and total liability of (₹ 4340.04 lacs) (including loss) as at 31st March, 2013, total revenue of ₹ 886.14 lacs and total expenditure of ₹ 3311.55 lacs and cash flow arising there from for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been audited by other auditors, whose reports have been furnished to us, and our opinion, is based solely on the report of the other auditors.

For Anil K. Goyal & Associates
Chartered Accountants
(Firm Regn. No.: 04558N)

Sd/-
V. P Sony
(Partner)

Place : New Delhi
Date : 30/09/2013

M. No.: 86718



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in Lacs)

Particulars	Note No	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	1,399.35	1,399.35
(b) Reserves and Surplus	3	(7,553.21)	13,477.32
(2) Non-Current Liabilities			
(a) Long Term Borrowing	4	7,806.99	6,871.38
(b) Deferred Tax Liabilities (Net)	5	-	257.49
(c) Long-Term Provisions	6	399.10	498.20
(3) Current liabilities			
(a) Short-Term Borrowings	7	24,549.61	22,946.90
(b) Trade Payable	8	16,543.07	30,352.85
(c) Other Current Liabilities	9	3,615.68	3,358.38
(d) Short-Term Provisions	10	6.37	6.37
TOTAL		46,766.96	79,168.25
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed assets	11		
(i) Tangible Assets		10,709.54	11,619.29
(ii) Intangible Assets		93.56	124.46
(iii) Capital work-in-progress		3,165.96	3,117.11
(b) Non Current Investments	12	1,496.59	1,515.05
(c) Deferred Tax Assets (Net)	5	1,616.67	-
(d) Long-Term Loans and Advances	13	370.60	606.59
Minority Interest		734.38	738.68
(2) Current assets			
(a) Current Investments	14	10.00	10.00
(b) Inventories	15	13,505.19	18,520.73
(c) Trade Receivables	16	13,009.16	39,774.82
(d) Cash and Cash Equivalents	17	272.79	618.25
(e) Short-Term Loans and Advances	18	856.71	1,587.33
(f) Other Current Assets	19	925.81	935.94
TOTAL		46,766.96	79,168.25
Significant Accounting Policies and Note to Consolidated Financial statements	1 to 46		
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)

Sd/-

(V. P. Sony)

Partner

Membership No. : 86718

For and on behalf of the Board

Sd/-

(Tarun Oberoi)
Managing Director

Sd/-

(Robin Bartholomew)
Director

Sd/-

(Rakesh Diwan)
C.F.O.

Sd/-

(Ashish Goel)
Company Secretary

Place : Gurgaon

Date : 30/09/2013



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31ST MARCH, 2013**

(₹ in Lacs)

Particulars	Note No	Year Ended 31st March, 2013	Year Ended 31st March, 2012
I. Revenue from Operations	20	29,661.52	44,424.91
Less: Interunit Sales		2,024.15	1,161.18
Net Income from Operations		27,637.38	43,263.72
II. Other Income	21	216.10	55.86
III. Total Revenue (I + II)		27,853.48	43,319.58
IV. Expenses:			
Cost of materials consumed	22	8,959.64	9,056.84
Purchase of Stock in Trade	23	10,493.16	17,861.00
Changes in inventories	24	4,184.06	1,614.17
Employee Benefits Expense	25	3,984.91	4,215.12
Financial Costs	26	4,235.57	4,557.85
Depreciation and amortization expense		955.98	1,055.31
Other Expenses	27	3,519.41	4,314.10
Total Expenses		36,332.72	42,674.40
V. Profit/(Loss) before Exceptional and Extraordinary Items and Tax (III-IV)		(8,479.25)	645.18
VI. Exceptional Items (Prior Period Expenses)	28	260.17	179.30
VII. Profit/(Loss) before Extraordinary Items and Tax (V - VI)		(8,739.42)	465.88
VIII. Extraordinary Items (Debtors and Creditors Written off)	29	13,697.10	213.53
IX. Profit/(Loss) before Tax (VII- VIII)		(22,436.52)	252.35
X. Tax expense:			
(1) Current Tax		-	205.00
(2) Income Tax for previous years		464.11	-
(3) Deferred Tax		(1,874.16)	73.91
XI. Profit/(Loss) for the period from Continuing Operations (IX-X)		(21,026.47)	(26.56)
XII. Earnings per Equity Share :			
(1) Basic		(150.26)	(0.19)
(2) Diluted		(150.26)	(0.19)
Significant Accounting Policies and Note to Consolidated Financial statements	1 to 46		
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)

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

Place : Gurgaon
Date : 30/09/2013

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



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
A. Cash flow from operating activities:		
Net (loss)/profit before tax but after exceptional/extraordinary items	(22,436.52)	252.35
Adjustments for		
Depreciation	955.98	1,055.31
Interest Expense	4,235.57	4,557.85
Interest Income	(10.44)	(25.80)
Profit from Forfeiture of Share Warrant	-	(103.77)
(Profit)/Loss on Fixed Assets sold	(1.00)	(0.69)
(Profit)/Loss on sale of Investments	-	(0.15)
Provision for Bad & Doubtful Debts/ Creditors Written off	14,680.08	60.83
Liability no longer required written back	(3,192.78)	-
Provision for interest on income Tax	456.90	-
Unrealised foreign Exchange	(277.35)	198.62
Operating profit before working capital changes	(5,575.73)	5,994.55
Adjustments for changes in working capital :		
- (INCREASE)/DECREASE in Sundry Debtors	12,385.66	(6,496.72)
- (INCREASE)/DECREASE in Other Receivables	976.73	(726.34)
- (INCREASE)/DECREASE in Inventories	5,015.54	128.41
- INCREASE/(DECREASE) in Trade and Other Payables	(11,115.47)	7,022.11
Cash generated from operations	1,686.73	5,922.02
- Taxes (Paid) / Received (Net of TDS)	(284.07)	(363.04)
Net cash from operating activities	1,402.67	5,558.98
B. Cash flow from Investing activities:		
Purchase of fixed assets	(86.81)	(1,121.53)
Proceeds from Sale of fixed assets	23.02	6.19
Increase in Investments	(5.54)	(1,515.05)
Proceeds from sale of Investments	24.00	10.59
Interest Received (Revenue)	10.44	40.99
Net cash used in investing activities	(34.90)	(2,578.81)
C. Cash flow from financing activities:		
Proceeds from fresh issue of Share Capital (including Share Premium)	-	415.32
Proceeds from long term borrowings	924.04	1,299.94
Proceeds from short term borrowings	1,598.30	(516.51)
Interest Paid	(4,235.57)	(4,557.85)
Net cash used in financing activities	(1,713.23)	(3,359.10)
Net Increase/(Decrease) in Cash & Cash Equivalents	(345.46)	(378.94)
Cash and cash equivalents as at 31.03.2012	618.25	997.19
Cash and cash equivalents as at 31.03.2013	272.79	618.25
Cash and cash equivalents comprise		
Cash, Cheques & Drafts (in hand) and Remittances in Transit	10.27	31.72
Balance with Banks	262.52	586.53
	272.79	618.25

Notes :

- 1 The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.
- 2 Figures in brackets indicate cash outgo.
- 3 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

As per our report of even date attached

For **Anil K. Goyal & Associates**

Chartered Accountants

Firm Registration No. 04558N

Sd/-

(V. P. Sony)

Partner

Membership No. : 86718

For and on behalf of the Board

Sd/-

(Tarun Oberoi)
Managing Director

Sd/-

(Robin Bartholomew)
Director

Sd/-

(Rakesh Diwan)
C.F.O.

Sd/-

(Ashish Goel)
Company Secretary

Place : Gurgaon

Date : 30/09/2013



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.

All Assets & liabilities have been classified as current or noncurrent, wherever applicable as per the operating cycle of the Company as per the guidance as set out in the Revised Schedule IV to the Company Act, 1956.

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.



NOTES to the Consolidated Financial Statement

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

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 ₹ 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.



NOTES to the Consolidated Financial Statement

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.

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



NOTES to the Consolidated Financial Statement

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 2		
SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
29,000,000 Equity Shares of ₹ 10/- each	2,900.00	2,900.00
1000,000 Preference Share of ₹ 10/- each	100.00	100.00
TOTAL	3,000.00	3,000.00
ISSUED, SUBSCRIBED & PAID UP		
13993467 Equity Shares of ₹ 10/- each fully paid up.	1,399.35	1,399.35
TOTAL	1,399.35	1,399.35
a. Reconciliation for Closing Number of shares		
Opening Number of Equity Shares	13,993,467	12,893,200
Add: Share warrants converted into Equity Shares	-	1,100,267
Closing Number of Equity Shares	13,993,467	13,993,467

- 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, 2013	% of Shareholding	No of shares as at 31st March, 2012	% of Shareholding
1	Tarun Oberoi	1093542	7.81%	1393542	9.96%
2	Robin Bartholomew	176098	1.26%	1067698	7.63%
3	Vivek Laxminath Mehrotra	719735	5.14%	719735	5.14%
4	Fable Concepts & Technology Pvt. Ltd.	959424	6.86%	1027019	7.34%
5	Elan Trade Post Pvt. Ltd.	563192	4.03%	1312061	9.38%

(₹ in Lacs)

RESERVES & SURPLUS	As at 31st March, 2013	As at 31st March, 2012
NOTE : 3		
GENERAL RESERVES		
Balance as per last Balance Sheet	424.14	424.14
SECURITIES PREMIUM		
Balance as per last Balance Sheet	3474.19	3030.45
PROFIT & LOSS ACCOUNT		
-Opening Balance	9,579.00	9,446.62
-Add: Surplus/(Deficit) during the year	(21,030.54)	132.38
Minority Adjustment	4.29	(158.94)
-Closing Balance	(11,451.54)	9,579.00
TOTAL	(7,553.21)	13,477.32



NOTES to the Consolidated Financial Statement

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 4		
LONG TERM BORROWINGS		
SECURED LOAN		
from Banks		
Vehicle / Equipment Loans	22.36	512.17
Term Loan	6,676.11	5,263.30
UNSECURED		
From Related parties		
a) From Director		
- Mr. Tarun Oberoi	556.63	843.48
- Mr. Robin Bartholomew	93.44	-
b) From Associated Enterprises		
- Elan Trade Post Pvt. Ltd.	212.35	19.82
- Fable Concepts & Technology Pvt. Ltd.	146.09	132.61
FROM OTHER PARTIES		
India Traders Pvt. Ltd	50.00	50.00
Transnational Growth Fund LTD.	50.00	50.00
TOTAL	7,806.99	6,871.38

Detail of Term Loan

Sr. No	Bank	Amount outstanding as at 31st March, 2013 (₹ in Lacs)	Terms of Repayment	Nature of Security
1	Bank of Baroda			
	Term Loan I	1,161.54	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	408.20	Repayable in 8 quarterly installments commencing from Sept'2012	
	Term Loan III	621.10	Repayable in 18 quarterly installments commencing from Sept'2012	
2	HSI IDC			
	Term Loan I	50.91	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 & Technology Pvt. Ltd.
	Term Loan II	171.58	Repayable in Eight years inclusive of moratorium period of six months in equal 30 quarterly installments	
	Term Loan III	24.38	Repayable in five and a half years inclusive of moratorium period of six months in equal 20 quarterly installments	
	Term Loan IV	191.00		
	Term Loan V	265.30		



NOTES to the Consolidated Financial Statement

Sl. No	Bank	Amount outstanding as at 31st March, 2013 (₹ in Lacs)	Terms of Repayment	Nature of Security
	Term Loan VI	127.42		
	Term Loan VII	388.14		
3	UCO Bank	411.38	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	IFCI Factors Limited	729.74	Repayable in 10 monthly instalments commencing from July'2012	Loan is secured by way of pledge of shares & personal guarantee by Promoters of the Company
5	IFCI Venture Capital Funds Limited	101.27	Repayable in 13 monthly installments commencing from June'2012	Loan is secured by way of pledge of shares & personal guarantee by Promoters of the Company
6	Karvy Financial Services Limited	173.28	₹ 3 lacs per month from Mar, 13 to Jun, 13, ₹ 5 Lacs per month from July, 13 to Jan, 16 and ₹ 4.32 lacs on 29.06.16	Loan is secured by way of pledge of shares by Promoters of the Company and Second charge on Plot No. 140, Leather Complex, Jalandhar.
7	Allahabad Bank	354.72 871.95 624.19	Repayment in Six Monthly Instalment of ₹ 52.50 Lacs each starting from Oct, 2012 Repayment in Four instalment of ₹ 75 lacs each and Five quarterly instalment of ₹ 100 Lacs each starting from May, 2013 Repayment was to be made by 30th Sept, 2012	Pari passu first charge on land and building situated at Plot No. 199 and 172, Phase I, Udyog Vihar, Gurgaon and pari passu second charge on land & building and machinery situated at Plot No. 37, sector 4 IMT Manesar. Personal Guarantee of Promoter and Corporate Guarantee of Promoter Group companies
8	Citi Bank (ECB Loan)	Nil	During the year the company has entirely repaid the outstanding ECB Loan of JPY 51616689 equivalent INR 360.11 lakhs	
	TOTAL	6676.11		

Note:

- The Company has borrowed short term loans from IFCI Factors Limited, IFCI Venture Capital Funds Limited and Karvy Financials Services Limited against the pledge of shares of the Company held by promoters and promoters group Companies during the FY 2010-11 and FY 2011-12. These Financial Institutions has sold 5112251 shares in the FY 2011-12 and FY 2012-13 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 and their group companies respectively by the amount which has been recovered by the above Companies against sale of pledged share.
- Installments falling due in respect of all the above Loans upto 31.03.2014 amounts to ₹ 3461.30 Lacs (Previous year ₹ 2988.56 lacs).



NOTES to the Consolidated Financial Statement

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 5		
DEFERRED TAX LIABILITIES		
As at 1st April, 2012	257.49	183.58
Add : Additional adjustment for current year	(1,874.17)	73.91
Closing Balance	(1,616.67)	257.49

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 6		
LONG TERM PROVISIONS		
Gratuity Payable	304.34	334.40
Leave Encashment Payable	94.76	163.80
TOTAL	399.10	498.20

Note: The Company has a Group Gratuity Policy with LIC of India. The company had discontinued to make payments to them for last more than three years. Therefore, LIC of India could not provide details of due payments to regularize the said policy, to make balance provision of gratuity. In absence of calculation of gratuity amount and since the number of employees has also been reduced, the Company has not made any provision for gratuity during the year.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 7		
SHORT TERM BORROWING		
SECURED		
Working capital Facilities		
- Yes Bank	796.92	300.00
- Working Capital/Cash Credit Loan	16,762.68	14,395.15
- Packing Credit Limits	4,465.38	4,681.81
- Bills Purchased by Banks	1,792.59	2,731.49
UNSECURED		
- SIDBI	-	112.71
Demand Loan From Others		
Loans & Advances from related parties		
- Leather Craft India Private Limited	112.48	112.48
- Matrix Clothing Private Ltd.	228.46	286.00
- MAS Linea Leather Accessories Pvt Ltd.	128.58	143.26
- Transnational Growth Fund Ltd.	125.00	125.00
- Sri Amarnath Finance Ltd.	25.00	25.00
- CBS Holdings Private Limited	110.92	-
- Raghav Aditya Chit fund	1.60	34.00
TOTAL	24,549.61	22,946.90



NOTES to the Consolidated Financial Statement

Notes:

- a. 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 plot no. 153, Sector – 4, IMT Manesar belonging to WOS of the Company namely Vogue Home Products Limited.
- b. Detail of working capital Facilities

Facility/ Bank	Amount Sanctioned	Amount Outstanding 31.03.13	Overdue Position		Status of Account
			Principal	Interest	
Working Capital Loan					
Bank of Baroda	1,250.00	1,710.55	249.92	210.63	NPA
IDBI	2,000.00	2,599.27	-	599.27	NPA
Axis Bank	500.00	793.82	441.71	52.11	NPA
Allahabad Bank	1,700.00	1,953.33	-	253.33	NPA
SBI	2,300.00	2,862.46	108.15	454.31	NPA
ICICI Bank	2,500.00	2,572.10	-	72.10	Standard, Restructured
Canara Bank	2,400.00	2,364.69	-	-	Standard
Bank of India	1,750.00	1,910.74	-	160.74	NPA
Citi Bank	1,350.00	1,326.46	-	-	Standard
Standard Chartered Bank	3,500.00	4,904.38	1,550.52	-	NPA
Yes Bank	1,300.00	796.91	-	-	-
TOTAL	20,550.00	23817.57	2,350.30	1,802.49	-

- c. 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 31-03-2013 (₹ in lakhs)	Outstanding Since
Amarnath Finance Ltd	25.00	FY 2008-09
Transactional Growth Funds Ltd	125.00	FY 2009-10

- d. The Company has taken unsecured loan of ₹ 70 Lacs from Raghav Aditya Chits Private Ltd by redeeming chits aggregating to ₹ 100 lacs. The Company has been paying monthly chits. As confirmed by the company it will account for profit/loss on this account at the close/completion of the Chit. Hence no profit/loss has been booked in the current financial year. The outstanding amount as on 31st March, 2013 is ₹ 1.60 Lacs.
- e. The Company has taken unsecured loan of ₹ 150 lacs from CBS Holdings Private Limited for period of 90 days bearing interest @ 18% p.a. w.e.f 31st December, 2012. However Company has repaid ₹ 45 Lacs till 31st March, 2013. Balance outstanding as on 31st March, 2013 is ₹ 110.92 lacs including interest upto 31st March, 2013.


NOTES to the Consolidated Financial Statement

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 8		
TRADE PAYABLES		
Advance from WOS - Alchemy Trade Post, Mauritius	8,338.12	2,431.49
Micro, Small & Medium Enterprises	260.54	305.01
Others	7,944.41	27,616.35
TOTAL	16,543.07	30,352.85

Note: 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 ₹ 25.81 Lacs (previous year ₹10.57 lacs) on delayed payment to parties as identified by the management.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 9		
OTHER CURRENT LIABILITIES		
Unclaimed Dividend	0.58	0.75
Credit Balance in Current A/cs	4.74	219.27
Advance from Customers	128.59	298.31
Statutory Liability	2,831.17	1,709.40
Other Payables	650.60	1,130.65
TOTAL	3,615.68	3,358.38

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 10		
SHORT TERM PROVISIONS		
Provision for Income Tax	2.79	2.79
Provision for Wealth Tax	3.58	3.58
TOTAL	6.37	6.37



NOTES to the Consolidated Financial Statement
Note - 11 : FIXED / INTANGIBLE ASSETS

(₹ in lac)

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK			
	RATE OF DEPR.	AS ON 01.04.2012	ADDITIONS DURING THE YEAR	DELETIONS/ SALE/ ADJUSTMENT	AS ON 31.03.2013	AS ON 01.04.2012	FOR THE YEAR	ON DELETIONS/ SALE/ ADJUSTMENT	AS ON 31.03.2013	AS ON 31.03.2012
FIXED ASSETS										
FACTORY LAND	0.00%	1,634.38	-	-	1,634.38	-	-	-	1,634.38	1,634.38
FACTORY BUILDING	10.00%	5,198.84	2.14	-	5,200.97	1,120.20	218.14	-	3,862.63	4,078.64
COMPUTER	40.00%	493.51	4.62	0.52	497.61	428.31	25.62	-	453.93	65.20
ELECTRICAL FITTINGS	13.91%	305.11	4.51	-	309.62	151.20	17.71	-	168.91	153.91
FURNITURE & FIXTURES	18.10%	687.86	6.23	-	694.09	369.76	50.12	-	419.88	318.10
PLANT & MACHINERIES	13.91%	7,552.52	14.24	1.60	7,565.17	2,539.67	561.36	-	3,101.03	5,012.85
VEHICLES	25.89%	329.36	0.43	69.12	260.67	218.12	18.69	49.23	187.58	111.24
OFFICE EQUIPMENTS	13.91%	477.37	5.17	-	482.53	232.39	33.43	-	265.82	244.97
TOTAL		16,678.94	37.34	71.24	16,645.04	5,059.65	925.07	49.23	5,935.50	11,619.29
INTANGIBLE ASSETS										
COMPUTER SOFTWARE	20.00%	215.51	-	-	215.51	130.23	17.94	-	148.17	85.28
TECHNICAL RECIPES & FORMULAE	20.00%	129.70	-	-	129.70	90.52	12.97	-	103.49	39.18
TOTAL		345.21	-	-	345.21	220.74	30.91	-	251.65	124.46
CAPITAL ADVANCES & WIP										
CAPITAL ADVANCES & WIP	0.00%	3,117.11	49.02	0.17	3,165.96	-	-	-	-	3,117.11
TOTAL		3,117.11	49.02	0.17	3,165.96	-	-	-	-	3,117.11
GRAND TOTAL(Rs.)		20,141.26	86.36	71.41	20,156.21	5,280.39	955.98	49.23	6,187.15	14,860.86
PREVIOUS YEAR		19,483.78	2,717.04	2,059.56	20,141.26	4,683.64	1,055.31	458.56	5,280.39	14,799.52



NOTES to the Consolidated Financial Statement

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 12		
INVESTMENTS		
Unquoted-Long Term (Non-Trade)		
Investment in Equity Instrument		
Investment in subsidiary Company		
i) 30,00,000 Equity Shares of 1 USD each in I.Biz Trade Post	1,486.05	1,486.05
ii) 10,001 Equity Shares of 1 USD each in Alchemy Trade Post	5.00	5.00
iii) 1,000 Equity Shares of 1 USD each in i. Connect Trade Post	0.54	-
iv) Share Application Money for 9000 Equity Shares of USD 1 each in Crew BOS Products (Int) Pte Ltd., Singapore	5.00	-
Investment in Associate		
i) 240000 Equity Shares of ₹ 10 each in Tempesta Luxury products Pvt. Ltd.	-	24
TOTAL	1,496.59	1,515.05

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
UNQUOTED INVESTMENTS		
Investment in Equity Instrument		
Book Value	1,496.59	1,515.05

Note:

- During the year the Company has remitted ₹ 5.0 Lacs (equivalent USD 9000) towards share application money for 9000 equity shares in its wholly owned subsidiary Crew B.O.S. Products (Int) PTE. Ltd., Singapore.
- During the year the Company has invested ₹ 0.54 lacs (equivalent USD 1000) in its wholly owned subsidiary namely i. Connect Trade Post.
- The Company had issued a cheque for ₹ 24 lacs in the previous year towards investment in shares of its associate company – Tempesta Luxury Products Private Limited. The above said cheque was not presented by the associate company since the said payment was made directly by Mr. Tarun Oberoi, MD of the Company to Tempesta Luxury Products Private Limited on behalf of the Company. During the year the Company has sold the above investment at par value for ₹ 24 Lacs since Tempesta Luxury Products Private Limited was in loss during the FY 2011-12. The sale consideration was received by Mr. Tarun Oberoi on behalf of the Company. In view of the above, the Company has made the accounting entries for purchase and sale of shares by giving credit and debit to the account of the Managing Director.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 13		
LONG TERM LOANS & ADVANCES		
Security Deposit	90.76	327.59
Advance against Land	279.00	279.00
TNEB Deposit	0.84	-
TOTAL	370.60	606.59



NOTES to the Consolidated Financial Statement

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 14		
CURRENT INVESTMENTS		
Unquoted At Cost		
Investment in Mutual Fund		
99404 Units of Bank of Baroda Pioneer Mutual Fund of ₹ 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	6.58	7.29

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 15		
INVENTORIES		
(As Taken, Valued & Certified by the Management and Chartered Engineer & Valuer)		
Raw Material (Cost or Market Price which ever is less)	12,793.09	13,390.51
Finished Goods (Valued at cost)	393.09	1,359.23
Semi Finished Goods	304.99	3,228.97
Goods in Transit		
- Raw Material	14.02	234.06
- Finished Goods	-	307.96
TOTAL	13,505.19	18,520.73

Note: The physical stock at the yearend has been taken and valued as certified by Management and by Chartered Engineer & Valuer. As per the recommendation of inventory control management committee Company has written off WIP amounting to ₹ 1692.22 lacs due to obsolescence and rejected WIP.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 16		
TRADE RECEIVABLES		
(Unsecured, Considered Good)		
Outstanding for more than six months	8,821.16	239.74
Other	4,187.99	39,535.08
TOTAL	13,009.16	39,774.82



NOTES to the Consolidated Financial Statement

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 17		
CASH & CASH EQUIVALENTS		
Cash In Hand		
Cash Balance	10.25	15.21
Balance with Bank		
Bank Balance In Current Account	28.09	184.33
In Margin Money Account	234.43	401.08
Cheque in Hand	0.02	16.51
Bank Deposit	-	1.12
TOTAL	272.79	618.25

Note: 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 31-03-2013 is ₹ 13,116.00 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.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 18		
SHORT TERM LOANS & ADVANCES		
Loans & Advances to related parties		
a) Secured, Considered Good :		
Advance to Crew BOS Society	76.22	436.51
Advance to Tempesta Luxury Products Private Limited	16.01	-
Fable Concept & Technology Private Ltd	303.50	303.50
Unsecured, Considered Good :		
Advance recoverable in cash or kind	2.98	24.67
Loan to Mr. Sanjeev Sehgal (Refer Note No. 30)	66.27	-
Loan to Ganga Petroleum	50	50
Advance to Suppliers	52.76	387.45
Capital Advance	45.05	45.05
Advance to Staff	41.17	137.41
Advance to HSIIDC for Plot	202.75	202.75
TOTAL	856.71	1,587.33

Note:

- The company has not yet made provision for write off the loans and investments made in nonfunctional subsidiary and joint venture companies namely Crew MAG Exports Limited ₹ 1459.45 lacs, Crew ROR Products Limited ₹ 672.92 lacs and Centre of Excellence in Design Limited ₹ 307.29 lacs.
- Crew BOS Society has been registered under the Societies Registration Act, 1860 to provide Industrial training to the workers. Society had been selected by the Ministry of Commerce and Industrial policy for implementation of sub-scheme "HRD/Support to artisan" under Indian Leather Development Programmed (ILDLP) in Manesar, Dehradun, and Neemrana Region. Crew BOS Society had also been granted tentative grant of ₹ 598.50 Lacs (75% of the total project cost of ₹ 798 lacs).

The Company had given advances to the society from time to time in order to meet the expenditure to be incurred by the Crew BOS Society on the implementation of the project. The Company received back part of the advance given out of the grant received by the Society from the Ministry of Commerce and Industrial policy. The outstanding balance at the year end amounted to ₹ 76.22 lacs. The Company has also received a sum of ₹ 50 lacs from the Society in the subsequent year.



NOTES to the Consolidated Financial Statement

- c. The company had given a sum of ₹ 12.5 Lakhs to M/S Garv Marketing as advance being 25% of the total cost for construction, supplying and commissioning 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 ₹ 32.55 Lakhs in FY 2009-10 to M/S Gopi Engg & Sons as advance against total cost of ₹ 191.26 lacs for purchase of machineries. The Company has not paid the balance amount hence machines were not delivered by the party. The confirmation from this party is also not available. The company has not made any provision in the books for this amount.
- e. The Company was allotted plot no. 446-I, Sector – 8, IMT Manesa measuring 9000 sq.mtrs by HSIIDC in the year 2010. The company had given an advance of ₹ 202.75 Lakhs (Previous year-₹ 202.75 Lakhs) to HSIIDC Ltd. being 25% of the total value of ₹ 810.00 Lakhs. The Company has not yet got the possession of the plot, since the installments as per allotment letter were not paid. In view of constraints of Company's inability to pay the balance amount due to significant pressure on the liquidity position of the Company, it has decided to surrender its abovementioned industrial plot and has given request accordingly to HSIIDC vide letter dated 10th June, 2013. The Company has not made any provision for the loss if any on the surrender of the plot and same will be accounted for upon final settlement in the matter by HSIIDC.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 19		
OTHER CURRENT ASSETS		
Cenvat Credit Receivable	207.89	192.01
Advance Income Tax & TDS	1.85	0.84
Duty Drawback/ Focus Incentive Receivable	261.41	270.15
Vat Receivable/Sales Tax	402.12	410.77
Interest/ Dividend/ Other Receivable	1.68	8.60
Income Tax Refundable	4.76	4.76
Spl. Add Duty Receivable	5.96	-
Prepaid Expenses	40.14	42.95
Custom Duty Receivable	-	5.86
TOTAL	925.81	935.94

Note: The Duty Draw Back receivable includes ₹ 134.07 Lacs pertaining to earlier years for which the Company is following up for recovery with Central & Excise Department. Since the reconciliation is under process, hence the Company has not made any provision in this regard in the books of account.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 20		
REVENUE FROM OPERATIONS		
A) Sale of Product		
Exports Sale (FOB) (Refer Note No. 30)	13,739.78	19,328.09
Overseas Merchanting Trade	4,533.95	11,475.47
Domestic Sale	8,421.36	11,130.84
Duty Drawback	918.38	1,298.25
Inter-unit Domestic Sales	1,828.63	699.51
B) Income From Services		
Job Work	23.90	31.08
Inter-unit Job work Income	195.52	461.67
TOTAL	29,661.52	44,424.91



NOTES to the Consolidated Financial Statement

Note:

- Export Sales includes ₹ 742.98 Lacs being profit (Previous Year 1248.27 Lakh profit) from exchange difference on realization of foreign currency.
- The Overseas Merchenting Trade sale is net off sales return amounting to ₹ 11113.98 lacs out of sales made in earlier year. The above returns were made due to quality issue and were resold to different vendors in Dubai itself. The confirmation from the parties in respect of the above sales is not available with the Company.
- Domestic Sales include domestic trading sales to various parties aggregating to ₹ 7075.23 lacs (net of sales return of ₹ 1376.00 Lacs out of sales made in previous years) made during the year. The confirmation from the parties in respect of the above sales is not available with the Company.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 21 OTHER INCOME		
Interest Income	10.44	25.80
Profit on Sale of Investment	-	0.15
Profit on Sale of Fixed Assets	1.00	0.69
Rental Income	-	1.50
Misc. Income	204.66	27.71
TOTAL	216.10	55.86

Note:

- Provision for creditor written off amounting to ₹ 81.62 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.
- Miscellaneous Income includes ₹ 59.45 lacs being reversal of excess remuneration paid to its directors during the previous year as per limit prescribed under schedule XIII of the Companies Act.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 22 COST OF MATERIAL CONSUMED		
Consumption of Raw Material - Imported	3,921.20	3,096.04
Consumption of Raw Material - Indigineous	4,067.04	4,030.57
Consumable - Imported	14.01	45.94
Consumable - Indigineous	722.45	1,566.33
Freight, Cartage & Clearing	234.94	317.96
TOTAL	8,959.64	9,056.84

Note:

The purchase of Raw Material – Indigineous include purchases of ₹ 26.45 lacs (Previous year ₹ 446.20 Lacs) made from Atulya Creations Limited

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 23 PURCHASE OF TRADED GOODS		
Purchases of Trading Items		
- For Overseas Merchenting Trade	4,308.27	10,662.82
- For Domestic Trade	6,184.89	7,198.17
TOTAL	10,493.16	17,861.00



NOTES to the Consolidated Financial Statement

Note:

The purchases related to Overseas Merchanting Trade is net off purchases return of ₹ 9845.64 lacs out of purchases made in earlier year. The confirmation from the parties in respect of these purchases are not available with the Company.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 24		
CHANGES IN INVENTORIES		
Closing Stock		
Finished Goods	393.09	1,361.53
Semi Finished Goods	297.80	3,207.76
Goods in Transit: Finished Goods	-	305.66
Less: Opening Stock		
Finished Goods	1,359.23	1,043.93
Semi Finished Goods	3,207.76	4,732.36
Goods in Transit: Finished Goods	307.96	712.83
TOTAL	(4,184.06)	(1,614.17)

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 25		
EMPLOYEMENT BENEFIT EXPENSES		
Salaries & Wages	3,141.70	3,584.95
Employer Contribution to PF & Other Fund	689.63	356.73
Staff Welfare	152.84	135.24
Director Remuneration	0.74	138.21
TOTAL	3,984.91	4,215.12

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 26		
FINANCE COST		
Interest Expenses	3,954.59	4,130.13
Other Finance Cost	280.97	427.72
TOTAL	4,235.57	4,557.85



NOTES to the Consolidated Financial Statement

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 27		
OTHER EXPENSES		
Auditor Remuneration	15.86	16.44
Fabrication and Processing	711.87	858.06
Electricity, Water & Fuel Charges	286.44	297.20
Business Promotion	24.99	77.58
Books & Periodicals	0.07	-
Communication & Courier Expenses	172.79	193.99
Freight, Cartage & Clearing Outward	281.90	389.42
Insurance	62.84	67.11
Foreign Fluctuation Loss	149.32	728.83
Legal & Professional Charges	206.85	221.11
Security & Office Expenses	190.51	187.73
Fee & Subscription	32.92	30.19
Other Expenses	63.00	82.52
Printing & Stationery	16.61	24.40
Bad Debt Written Off	13.83	42.42
Travelling & Conveyance Expenses	207.50	376.73
Discount & Rebate	132.96	61.16
Recruitment Expenses	0.40	-
Rent, Rate & Taxes	285.85	405.22
Repair & Maintenance	40.18	70.68
Vehicle Running & Maintenance	58.13	73.90
Testing Charges	102.70	109.48
Provision for Interest on Income Tax	456.90	-
Advances written off	5.00	-
TOTAL	3,519.41	4,314.10

Note:

- The Company has made provision of ₹ 456.90 lacs during the year for interest on non/delayed payment of the self-assessment tax.
- The Company has received short payment of ₹ 124.78 lacs against Claims and Rejections and Rebate and Discount of the buyers for export made to them. The Company has debited under the head "Rebate and Discounts". 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 had paid a sum of ₹ 5 lacs to M/s Keshav Enterprises towards advance for raw material in the year 2009. Since the Company has not received the material and the party is not traceable as well, hence the said advance has been written off as bad debts.
- Auditors' remuneration

(₹ in Lacs)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
a) Audit Fee	11.24	11.91
b) Limited review of quarterly results	3.50	2.77
c) Tax Audit Fees	0.90	0.94
d) Other	0.22	0.82
TOTAL	15.86	16.44



NOTES to the Consolidated Financial Statement

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 28		
PRIOR PERIOD EXPENSES		
Interest	21.70	-
Share of Expenses in Crew BOS Society	199.50	-
Others Expenses	38.97	179.30
TOTAL	260.17	179.30

Note:

- The Company has made payment of ₹19.20 Lacs during the year to M/s S.E. Investments Ltd. against full & final settlements of loan taken from them. The Company has claimed the above amount as interest expenses in its books of account as the company had squared up the loan amount in the previous year.
- Crew BOS Society has been registered under the Societies Registration Act, 1860 to provide Industrial training to the workers. Society had been selected by the Ministry of Commerce and Industrial policy for implementation of sub-scheme "HRD/Support to artisan" under Indian Leather Development Programmed (ILDIP) in Manesar, Dehradun, and Neemrana Region. Crew BOS Society had also been granted tentative grant of ₹ 598.50 Lacs (75% of the total project cost of ₹ 798 lacs). In the previous year the Society had debited the account of the Company by ₹ 199.50 lacs in their books towards share of expenses being 25% of the total project cost. The Company did not account the same as its share of expense in its last year books of account resulting in difference of the above amount in the opening balance. The Company has accounted for the same as share of its expense during the year.

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
NOTE : 29		
EXTRA ORDINARY ITEMS		
Foreign Exchange Loss on Derivative/ Forward Contracts	2,128.18	298.89
Provision for Doubtful Debt Written Off (Refer Note No. 30)	14,680.08	18.41
Provision for Doubtful Creditor Written Back (Refer Note No. 30)	(3,111.16)	-
Forfeiture of Money received against share warrants	-	(103.77)
TOTAL	13,697.10	213.53

Note: Foreign Exchange Loss on Derivative and Forward Contracts of ₹ 2128.18 lacs include ₹ 1704.52 lacs being loss from contract entered with Standard Chartered Bank (Out of which is ₹ 904.85 lacs is related to FY 2011-12). The above loss figure are of principal amount only and does not include interest for default in payment to be made by the Company from the value date of the contract. The Standard Chartered Bank has not yet recovered the above loss upon cancellation of forward contracts from the company and as such said loss figure is subject to verification and confirmation from the bank.

- The Company got to know about the fraudulent transactions entered into Merchant Trading as was highlighted by legal notices received from Standard Bank Mauritius Limited, Mauritius and Bank One Limited, Mauritius. After finding the same, Company formed an internal investigating committee to go into the detail and come out with the appropriate impact on the account. Based on the committee findings ex- CFO cum Director International Sales and CEO Leather Division - Mr. Sanjeev Sehgal was terminated as he was solely responsible for the International Trade transactions. Company has lodged complaint against him which is pending with the appropriate authority. Accordingly legal notices were also sent to the buyers in Dubai relating to Merchant Trade transactions. Based on the findings of the initial report of the committee the following adjustment/provision have been made in the books of accounts.



NOTES to the Consolidated Financial Statement

- a. Company has accounted for export sales of ₹ 4,938.74 lacs in the first three quarters of the financial year on the basis of the certified copy of invoices and cargo receipt received from the ex- CFO Mr. Sanjeev Sehgal. However these sales were reversed in the last quarter based on the findings by the internal investigating committee that there were no proper documents, records to substantiate these transactions reflected as sales in earlier quarters
- b. The Company has made provision to write back the all the creditors related to International Merchant Trade amounting to ₹ 3,111.16 lacs
- c. The Company has made provision for bad and doubtful debts for all the debtors related to International Merchant Trade amounting to ₹ 11,180.08 lacs.
- d. The Company has made an ad-hoc provision for bad and doubtful debts for debtors related to domestic trading amounting to ₹ 3500 lacs. The net receivables related to domestic trading after making above provision are ₹ 10,825.97 lacs at the year end.
- e. The Company has debited ₹ 68.64 lacs to the accounts of Mr. Sanjeev Sehgal in regard to the advance payment made by him from the company's bank account to various parties which seems to be made by him for his personal affairs.

The investigation is still on and it may come out with Further findings later on, which will be dealt with in the books when final committee report is received and substantiated by documents.

31. The company has received a demand notice in respect of the following years

(₹ in Lacs)

Assessment Year	Amount of Demand
2005-06	34.49
2006-07	33.13
2007-08	337.53
2011-12	741.55
TOTAL	1146.70

The Company has filed appeals against the above demands raised by the Income Tax Department and the proceedings are pending before CIT(A), Gurgaon.

Company has received following notices and orders from Income Tax Department due to non-payment of self-assessment tax AY 2008-09, AY 2010-11 and AY 2011-12 amounting to ₹ 1238 Lacs.

- a. Order for attachment under Rule 48 of schedule 2 of the Income Tax Act, 1961 in reference to immovable properties of the Company. By the aforesaid order Company is restrained from transferring its immovable properties by way of sale, decree, mortgage, gift of charging in any way.
- b. Warrant of attachment of movable property as per rule 20 of the Second Schedule to the Income Tax Act, 1961.
- c. Notice for setting a sale proclamation of its property situated at Plot No. 140, Leather Complex, Kapurthala Road, Jalandhar, Punjab under Rule 53 of the Second Schedule of the Income Tax Act, 1961.
- d. In regard to recovery of outstanding Income Tax demand on account of self-assessment tax for AY 2008-09, AY 2010-11 and AY 2011-12. The Income Tax Department has decided to auction the property situated at Plot No. 140, Leather Complex, Kapurthala Road, Jalandhar, Punjab as per schedule – II of the Income Tax Act, 1961.

32. Management of the Company is of the opinion that going concern principle followed in preparation of financial statement hold good, as it believes that the realizable value of assets is much above its book value. The Company is confident to revive with new business plan and strategies when supported by the financial institutions/lenders.



NOTES to the Consolidated Financial Statement

33. The various parties balances (debit/credit) 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. The variation if any found upon reconciliation may affect the financial statement to that extent.

34. Contingent liabilities in the respect of:

(₹ in Lacs)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
a) Guarantees given by Bankers	3.63	-
b) Capital Commitments (Net of Advance)	198.76	806.01
c) Bonds given to Excise authorities for its Export Oriented Unit(s) (Total amount of Bond-₹ 800.00 Lakhs)	712.40	711.41
d) Bonds/LUT given to custom authority against EPCG Licences	843.07	1855.26
e) Letter of Credit established by bank	934.11	1509.85

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 23 Million (Which has been invoked by the Standard Bank Mauritius Limited, Mauritius due to default in repayment of loan by its WOS)

Alchemy Trade Post, Mauritius : USD 10 Million to Mauritius Commercial Bank, Mauritius

i. Connect Trade Post, Mauritius : GBP 5 Million (Which has been invoked by the Bank One Limited, Mauritius due to default in repayment of loan by its WOS)

Vogue Home Products Limited : INR 300 Lacs to Yes Bank Limited

Crew PPO Leathers Limited : INR 1000 Lacs to Yes Bank Limited

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 31.03.2013 are USD 0.30 Million.

i) The Company has outstanding Export obligation of ₹ Nil (Previous Year Nil) under EPCG Licenses obtained for Import of Capital Goods. The redemption of EPCG licenses having Export Obligation completed aggregating to ₹ 3021.79 Lakhs is under process with DGFT.

j) No provision has been made for the possible liability arising out of pending legal cases. Detail of pending legal case is as per note no. 36.

k) Company has not made provision for the disputed income tax demand as mentioned in note no 31 as matter is pending under appeal.

35. The company has served a legal notice upon Zeta Leather Exports u/s 138 of Negotiable Instrument Act for dishonour of cheques aggregating to ₹ 4.0 lacs. The total outstanding of the above mentioned firm is ₹ 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.


NOTES to the Consolidated Financial Statement

36. The details of pending legal cases are given here under:

SI.No	Party Name	Amount involved (In Lacs)	Case filed under section/ Status
1	IFCI Factors Ltd.	279.03	U/s 138 of the Negotiable Instrument Act
2	Karvy Financial Services Ltd.	180.13	U/s 138 of the Negotiable Instrument Act
3	IFCI Venture Capital Funds Limited	12.50	U/s 138 of the Negotiable Instrument Act
4	UCO Bank	203.04	U/s 138 of the Negotiable Instrument Act
5	DBS Bank Ltd.	1,262.19	U/s 138 of the Negotiable Instrument Act
6	Coral Bay Advisors (P) Ltd.	6.00	U/s 138 of the Negotiable Instrument Act
7	UCO Bank	435.60	Pending before DRT
8	IFCI Venture Capital Funds Limited	117.14	Pending before DRT
9	DBS Bank Ltd.	1,369.93	Pending before DRT
10	IDBI Bank Ltd.	2,223.15	Pending before DRT
11	Bank of Baroda	4.08	Recovery Suit filed in Tis Hazari
12	IFCI Venture Capital Funds Limited	119.46	u/s 433 & 434 of the Companies Act, 1956.
13	DBS Bank Ltd.	1,309.32	u/s 433, 434 of the Companies Act, 1956.
14	KLF Tecnokimica S.R.L.	€ 0.63	u/s 433 & 434 of the Companies Act, 1956.
15	Standard Bank Mauritius Limited	\$182.68	u/s 433, 434 of the Companies Act, 1956.
16	Apex Tannery Ltd.	\$16.83	Running in Arbitration Tribunal
17	K.R.S. Logistics Pvt. Ltd	19.34	Civil Suit running in Tis Hazari Court
18	Papcon Indore Pvt. Ltd Vs. Centre of Excellence in Design Ltd. & Others	9.61	Civil Suit running in Dwarka Court
19	Ambertex Sekhsaria Exports Vs. Centre of Excellence in Design Ltd. & Others	19.56	Civil Suit running in Dwarka Court
20	HDM Leathers	1.19	Civil Suit running in Patiala Court



NOTES to the Consolidated Financial Statement

37. 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%	31.03.2013	Audited by Arora & Choudhary Associates for the Period 1st April 2012 to 31st March 2013
Crew MAG Exports Limited	India	51%	31.03.2013	Audited by Arora & Choudhary Associates for the Period 1st April 2012 to 31st March 2013
Centre of Excellence in Design Limited	India	50%	31.03.2013	Audited by Arora & Choudhary Associates for the Period 1st April 2012 to 31st March 2013
Crew BOS Enterprises Limited	India	100%	31.03.2013	Audited by Arora & Choudhary Associates for the Period 1st April 2012 to 31st March 2013
Emporio BOS Designs Limited	India	100%	31.03.2013	Audited by Arora & Choudhary Associates for the Period 1st April 2012 to 31st March 2013
Crew ROR Products Limited	India	100%	31.03.2013	Audited by Arora & Choudhary Associates for the Period 1st April 2012 to 31st March 2013
Crew Republica Retail Limited	India	51%	31.03.2013	Audited by Arora & Choudhary Associates for the Period 1st April 2012 to 31st March 2013
Crew PPO Leathers Limited	India	100%	31.03.2013	Audited by Arora & Choudhary Associates for the Period 1st April 2012 to 31st March 2013

38. The Company has not received audited/unaudited financial statements of the following wholly owned overseas subsidiaries

- i) Biz Trade Post, Mauritius
- ii) i. Connect Trade Post, Mauritius
- iii) Alchemy Trade Post, Mauritius
- iv) Crew BOS Products (Intl) PTE. Ltd., Singapore

In view of the above consolidated financial statement does not include the financials of the above mentioned WOS.

39. The Company has paid advance of ₹ 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.

40. 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, 2013.

41. The Company has not paid any director remuneration during the year and amount of ₹ 59.45 lacs paid in excess of limit prescribed under schedule XIII of the Companies Act during the previous year is reversed during the year and shown under the head "Miscellaneous Income".

42. During the year Vogue Home Products Limited WOS of the Company has purchased goods worth ₹ 1198.99 lacs from its associate company, IANS Trading Private Limited and sold the entire purchases to its holding company Crew BOS Products Limited.



NOTES to the Consolidated Financial Statement

43. 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
I. Connect Trade Post	Mauritius
Crew BOS Products (Int) PTE Limited	Singapore
Assosiate Enterprises	
Tempesta Luxury Products Private 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	Product Developer
Sanjeev Sehgal	Ex -Chief Financial Officer, Director International Sale and CEO Leather Division
Rakesh Diwan	Chief Financial Officer
Sanjay Makhija	Ex-Chief Financial Officer
Neeru Sehgal	Design Consultant
Enterprises over which KMP and their relatives have significant influence	
Name	Country of Origin
Atulya Creations Limited	India
Everest Dunes Trading LLC	UAE
IANS Trading Private Limited	India
Gorkela Sehgal & Co.	India


NOTES to the Consolidated Financial Statement
Summary of Transaction with Related Parties

Name of related party & Nature of relationship	Nature of transaction	Outstanding as on 31.03.2013	Transactions during the year 2012-13	Transactions during the year 2011-12
(A) Subsidiaries				
Vogue Home Products Ltd.	Capital Contribution	5.00	-	-
	Loan Given	537.81	154.07	172.21
	Loan Received Back		1.72	180.62
	Rent		8.40	8.40
	Purchase		2027.54	2,112.32
Crew ROR Products Limited	Capital Contribution	50.00	-	-
	Loan Given	622.92	13.51	389.82
	Loan Received Back		0.00	108.92
	Re-Imbursement of Expenses		0.00	0.06
Crew BOS Enterprises Limited	Capital Contribution	10.00	-	-
	Loan Given	24.52	0.37	33.01
	Loan Received Back		-	32.37
	Re-Imbursement of Expenses		0.01	5.17
Emporio BOS Design Limited	Capital Contribution	10.00	-	-
	Loan Given	(8.90)	-	25.35
	Loan Received Back		-	25.00
	Loan Taken		10.49	
	Re-Imbursement of Expenses		0.01	0.02
Crew Republica Retail Ltd.	Capital Contribution	51.00	-	-
	Loan Given	427.71	10.08	192.62
	Loan Received Back		23.12	231.31
	Sale of Goods		41.46	48.21
	Re-Imbursement of Expenses		0.00	0.90
I BIZ Trade Post	Capital Contribution	1486.05	0.00	1,486.05
	Sale	-	0.00	836.19
Alchemy Trade Post	Capital Contribution	5.00	0.00	5.00
	Sale	(8338.12)	7114.79	1,720.85
	Sale Reversal		4938.74	
	Loan Given		0.00	1.33
	Advance received		6425.14	2,432.82
I.Connect Trade Post	Capital Contribution	0.54	0.54	-
Crew BOS Products(Int)PTE Ltd.	Capital Contribution	5.00	5.00	-
Crew PPO Leathers Limited	Capital Contribution	5.00	5.00	5.00
	Loan Given	(46.43)	-	501.10
	Loan Received Back		-	463.23
	Loan Taken		343.55	-
	Loan Repaid		206.65	-
	Reimbursement of Exp		0.00	0.10


NOTES to the Consolidated Financial Statement

Name of related party & Nature of relationship	Nature of transaction	Outstanding as on 31.03.2013	Transactions during the year 2012-13	Transactions during the year 2011-12
(B) Associate Enterprises				
Tempesta Luxury Products Pvt. Ltd.	Capital Contribution	0.00	0.00	24.00
	Sale of investment in shares		24.00	-
	Sale of Goods	17.67	1.55	6.72
	Sale of Machinery		0.00	2.13
	Loan Taken		0.00	139.30
	Loan repaid		0.00	132.75
	Loan Given		123.56	-
	Amount received against Loan		114.59	-
	Given Re-Imbursement of Expenses		0.00	4.86
Elan Trade Post Private Limited	Loan repaid	(212.35)	0.00	65.65
	Reimbursement of Exp		0.00	0.04
	Loan Taken		192.54	85.50
Fable Concept & Technology Private Limited	Loan repaid	(146.09)	0.00	25.00
	Loan Taken		13.49	157.70
	Reimbursement of Exp		0.02	0.08

(C) Joint Ventures

Centre of Excellence in Design Limited	Capital Contribution	12.50	-	-
	Purchase	294.79	-	-
	Loan Given		2.45	-
	Re-Imbursement of Expenses		-	0.07
Crew MAG Exports Limited	Capital Contribution	155.55	-	-
	Re-Imbursement of Expenses	1303.90	0.00	0.11
	Loan given		3.20	5.03
	Loan Received Back		4.20	2.16

(D) Society

Crew BOS Society	Loan Given	76.22	119.96	479.35
	Loan Received Back		280.75	129.00
	Sale of Fixed Assets		0.00	1.34
	Share of expenses in Crew BOS Society		-	-
			199.50	-
	Reimbursement of Exp		0.00	3.74


NOTES to the Consolidated Financial Statement

Name of related party & Nature of relationship	Nature of transaction	Outstanding as on 31.03.2013	Transactions during the year 2012-13	Transactions during the year 2011-12
(E) Key Managerial Personnel (KMP) and their relatives				
Mr. Tarun Oberoi	Director's remuneration	(556.63)	0.00	100.00
	Loan Taken		514.87	1,077.12
	Loan Repaid		706.95	233.63
	Re-imburement of Expenses		0.11	-
	Excess Remuneration of previous Year Reversed		55.87	-
	Sale of Vehicle		12.00	-
	Mr. Robin Bartholomew		Director's remuneration	(93.44)
Loan Taken	186.27	-		
Loan Repaid	69.39	-		
Excess Remuneration of previous Year Reversed	3.57	-		
Sale of Vehicle	9.00	-		
Sale of 49998 Shares of Rs. 10/- each of Villa BOS Leathers Ltd.	0.00	4.99		
Mrs Shalloy Bartholomew	Remuneration	-	12.79	
Mr. Rakesh Diwan	Remuneration	3.65	17.01	
Mr. Sanjay kumar Makhija	Remuneration	0.50	16.71	
Mr. Sanjeev Sehgal	Remuneration	64.55	29.15	28.01
	Loan Given		68.64	
Mrs Neeru Sehgal	Professional Fee	(2.70)	8.25	9.75

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

Atulya Creations Limited	Sale of investment in shares	-	0.00	(10.00)
	Purchase	(133.72)	26.45	446.20
	Loan repaid		71.59	294.54
	Loan Taken		6.13	224.93
	Sales		0.00	216.10
	Re-Imbursement of Expenses		0.00	3.23
Everest Dunes, LLC, Dubai	Net Purchase		0.00	1098.34
	Sale of Investment in subsidiary- Crew BOS Far East Limited	-	0.00	0.59
IANS Trading Private Limited	Sale	819.87	1776.33	2702.20
Gorkela Sehgal & Co.	Professional Fee	(2.55)	7.79	8.50

44. 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:

	Current Year	Previous Year
a) Net Profit/Loss after tax available for equity shareholders (₹/ Lakhs)	(21,026.47)	211.29
b) Weighted average no of equity shares outstanding during the year	13993467	13993467
c) Basic earning per ₹ Share (a÷13993467)*	(150.26)	1.51
d) Diluted earning per ₹ Share (a÷b) *(PAT ÷ Paidup Equity Shares)	(150.26)	1.51



45. Segment Information

a) Information about primary Business Segment (₹ in Lacs)

	Consolidated 31st March, 2013	Consolidated 31st March, 2012
Segment Revenue		
(a) Fashion Accessories	25,343.08	32,437.68
(b) Footwear	5,085.73	11,091.82
(c) Leather	1,296.94	3,052.54
Net Income from Operations	31,725.75	46,582.04
Less: Inter Segment Sales(inter co. & Inter unit)	4,088.38	3,318.31
Other Income	216.10	55.86
Total Revenues	27,853.48	43,319.58
Segment Result (Profit/loss before tax & interest from each Segment)		
(a) Fashion Accessories	(1,385.86)	5,931.09
(b) Footwear	(1,060.37)	1,614.41
(c) Leather	(655.29)	326.86
Total	(3,101.52)	7,872.36
Less :		
Interest	4,235.57	4,557.85
Other un-allocable expenditure	15,099.43	2,824.31
Total Profit before Tax	(22,436.52)	490.20
Capital Employed (Segment assets – Segment Liabilities)		
(a) Fashion Accessories	25,059.40	25,088.34
(b) Footwear	1,866.78	2,688.96
(c) Leather	7,344.53	10,853.81
(d) Un-allocable Assets less Liabilities	(34,270.71)	(38,631.11)

b) Information about Secondary Business Segment (₹ in Lacs)

Location	Revenues 2012-13	Revenues 2011-12
Exports	14,658.17	20,626.34
Domestic	12,314.21	13,987.48
Overseas Merchenting Trade	4,533.95	11,475.47
Other	219.42	492.75
TOTAL	31,725.75	46,582.04
Less: Inter Segment Sales(Inter Co. & Inter Unit)	4,088.38	3,318.31
Net Income from Operations	27,637.37	43,263.73

46. 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

For and on behalf of the Board

Sd/-
(Tarun Oberoi)
Managing Director

Sd/-
(Robin Bartholomew)
Director

Place : Gurgaon
Date : 30/09/2013

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

Sd/-
(Ashish Goel)
Company Secretary



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

S. No.	Name of Subsidiary	Vogue Home Products Ltd.	Crew ROR Products Ltd.	Crew BOS Enterprises Ltd.	Emporio BOS Design Ltd.	Crew Republica Retail Ltd.	Crew PPO Leathers Ltd.	Crew MAG Exports Ltd.
1	Capital	5,00,000	50,00,000	10,00,000	10,00,000	1,00,00,000	5,00,000	15500000
2	Reserve	1656379.00	(47592547.00)	(2303752.00)	(164234.00)	(53515693.00)	(54905578 .00)	(105713099.00)
3	Total Assets	88354455.00	27979155.00	1468643.00	891548.00	8425179.00	43818693	57277228
4	Total Liabilities	88354455.00	27979155.00	1468643.00	891548.00	8425179.00	43818693	57277228
5	Investments			Nil				
6	Turnover	202754360.00		Nil		8108099.00	80159492	
7	Profit/Loss before taxation	235964.00	(683835.00)	(68728.00)	(20145.00)	(827017.00)	(39284742 .00)	(70801 .00)
8	Provision For Taxation (Including Deferred Tax adjustment)	(1514.00)	(8893.00)	Nil		(39141.00)	(1758880 .00)	
9	Profit/Loss after taxation	237478.00	(674942.00)	(68728.00)	(20145.00)	(787876.00)	(37525862 .00)	(70801 .00)

CREW B.O.S. PRODUCTS LIMITED

Regd. Office: 304A, Jaina Tower-1, District Centre, Janak puri, New Delhi-110058
24th Annual General Meeting 7th Day of November, 2013

PROXY FORM

I/We.....
of.....being member/members of **CREW B.O.S. PRODUCTS LIMITED** hereby
appoint.....of.....
or failing him/her.....of.....
as my/our proxy to attend and vote on a poll for me/us, on my/our behalf at the 24th Annual General Meeting of the
Company, to be held on Thursday, the 7th Day of November, 2013 at 10:00 A.M. at Sri Sathya Sai International
Centre Institutional Area Pragati Vihar Lodhi Road, New Delhi-110033 and at any adjournment thereof.

Signed this.....day of.....2013.

Folio No. : No. of Shares held :

DP ID No. : Client ID No. :

Affix
Revenue
Stamp

Signature :

Note :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him self.
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

Regd. Office: 304A, Jaina Tower-1, District Centre, Janak puri, New Delhi-110058
24th Annual General Meeting 7th Day of November, 2013

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.)

Folio No. : No. of Shares held :

DP ID No. : Client ID No. :

NAME OF PROXY :

I hereby record my presence at the 24th 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 Thursday, 7th
Day of November, 2013 at 10:00 A.M.

.....
Signature of the Member/Proxy

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 BOS 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