

Leveraging globally proven expertise  
to create a retail brand.

**Annual Report 2009-10**





**Crew B.O.S. Products Limited** is a leading designer, manufacturer and exporter of leather and hi-end leather-based fashion accessories. The Company enjoys over a decade of creditable presence, built on customers' trust that spans renowned global brands and retail chains.

In an effort to make the most of the lucrative retail opportunity, the Company, through its associate concern Crew Republica Retail, is extending its presence in the burgeoning Indian fashion industry with the launch of its exclusive retail brand, Crew Republica. Beginning with its India launch, Crew Republica is set to satiate and address the fashion sensitivities of customers the world over in the years to come.

Crew B.O.S. is listed on the Bombay Stock Exchange, National Stock Exchange & the Luxembourg Stock Exchange.

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# Bold and beautiful. Powerful and pulsating.

Indian fashion is on an overdrive...

Following in the footprints of the global fashion industry to make a mark for itself on the world fashion map,

Extending its frontiers across expanding boundaries to brand new labels of success,

And inspiring us, at Crew B.O.S., to join in the Indian fashion revolution through our strategic and exhilarating foray into fashion retail.

Powered by our expertise in nurturing the global fashion industry through strategic tie-ups with top-notch fashion brands in the international market, we are perfectly poised to unfurl the power of the Indian fashion.

Enabled by the strength of our experience in supplying top-of-the-line fashion accessories and footwear for leading global brands, we are all geared up to satiate the growing demands of the increasingly style and brand-conscious Indian consumers.

To script the next big story in the Indian fashion.

To lay the foundation for the emergence of Crew B.O.S. as the new face of Indian retail.

To unveil the magic of our exciting new venture – Crew Republica.

After a year  
of challenges,  
2009-10 is a  
banner year

Total Income

₹446.54  
crores

PBT

₹26.77  
crores



## Unveiling “Crew Republica”

Inspired by film stars and guided by exposure to international fashion through the media, the new-age youth of India enjoys experimenting with a variety of style statements and likes to spend on personal grooming. It's an increasingly fashion-conscious Generation Y, with a growing propensity to spend.

With enhanced aspirations and increasing consumption levels boosting fashion consciousness not just across cities but also across small towns, fashion has come to occupy the maximum share of discretionary spends in almost all age groups and life stages in India. For the youth, however, ‘best pricing’ is a key factor influencing their fashion decisions.

Realizing this growing need of the fashion-conscious Indian youth, Crew B.O.S. has forayed into retail with its new venture “Crew Republica”, under the stewardship of Mr. Tarun Joshi, a prominent and experienced name in brand-building and retail.

With 54% of organized retail accounted for by fashion related categories, it's a huge market that Crew is staking out; footwear contributes a large chunk of this market, offering significant potential for growth as a key revenue driver.

With its extensive experience in international fashion accessories and its deep understanding of shoppers' habits, Crew B.O.S. is ideally positioned to capture a huge part of this lucrative pie through an affordable range of fashion accessories targeting the youth of India.

The Company plans to reach out to the Indian retail market through own stores selling branded bags, leather shoes, belts and some other fashion accessories across cities in a phased roll-out plan that will involve tie-ups with major international brands.

The excitement has been launched and we are ready to script the next big story in Indian fashion.

EPS

₹14.49

PAT

₹18.57  
crores

PBT Margin

+14%



## Brand vision

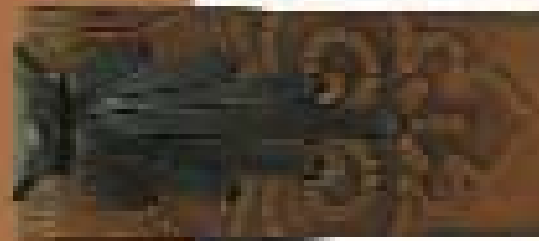
To provide the global youth population with a CULT fashion brand, centered around accessories, based on three fundamental principles of **STYLE, QUALITY & VALUE.**

## Brand mission

To be the number one brand for fashion accessories, across the world, starting from India, by consistently delivering market-defining trends at an affordable value and of a quality that always remains a global benchmark.

And to do so by constantly understanding and adapting to the changing usage & attitude of our target audiences across the world including Global Macros & country-specific Micros.

# Harmony. Style. Flair.



At Crew B.O.S., the focus is on achieving distinction in style and excellence in flair through complete harmony of the various aspects of our business operations. In this focus lies the foundation for the launch of each of our fashion accessories brands across markets and target groups.

With best-in-class international grade quality products, Crew B.O.S. is today a force to reckon with in the fashion industry. It's a feat achieved by years of experience and a milestone embraced through prudent investments in state-of-the-art manufacturing technology. And it's an accomplishment rooted in our strategic vision of a fully integrated business model which is controlled across the entire value chain - from raw material to dispatch of finished goods.

A value chain that begins right from owning tanneries (besides sourcing raw material from diverse markets) for controlling raw material supply, to employing international grade leather processing technology and using imported plant and





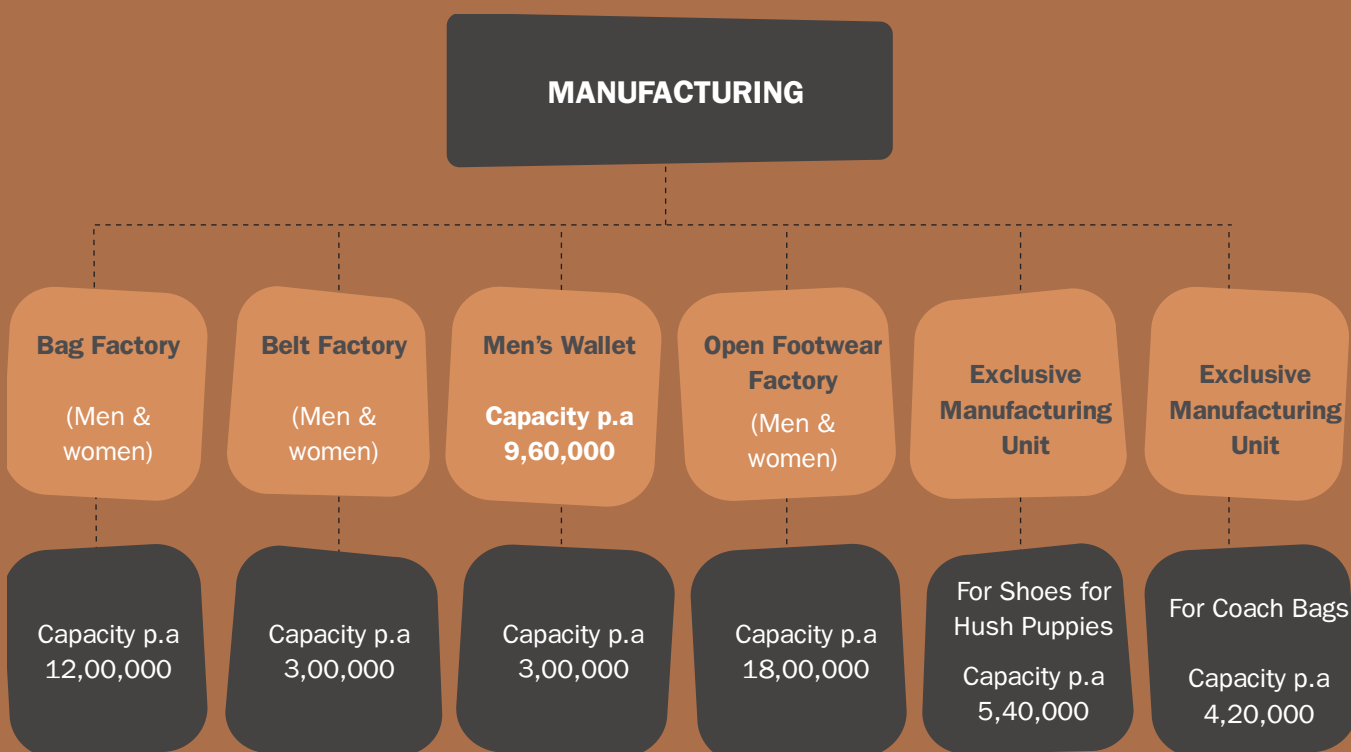
machinery to manufacture, finish and produce best-in-class international grade leather. The Company has also invested in robust, modern manufacturing units and certified quality processes in line with its total quality commitment.

The Company's strong manufacturing prowess is supplemented by exclusive designing cells churning out exciting product lines. The Company has also invested in a MIS and ERP controlled supply chain management. More importantly, the development of the "Crew B.O.S. Academy" plays an important role in training workers, thus enabling and facilitating future expansion.

The Company has also successfully achieved quality compliances for various parameters, including social, technical, CTPAT, etc., with audits by over 50 international bodies, including SGS, ITS, STR, US Customs, Bureau Veritas, Omega, T-Group, amongst others, conducted in the last fiscal year.

The result = Robust manufacturing facilities. Endorsed quality processes. Long-term manufacturing contracts with leading brands. And a scalable model.

## Scalable, Robust Manufacturing Capacity





# Exciting and engaging product range

**Products that radiate poetic precision.**

**Products that are aspirational and luxurious.**

The product portfolio of Crew B.O.S. encompasses a unique and distinctive range, with nearly 55% of the merchandise shipped being original Crew B.O.S. designs. The exclusive and intricate designs of Crew B.O.S. are developed through the aesthetic efforts of skilled in-house craftsmen and specialised workers.

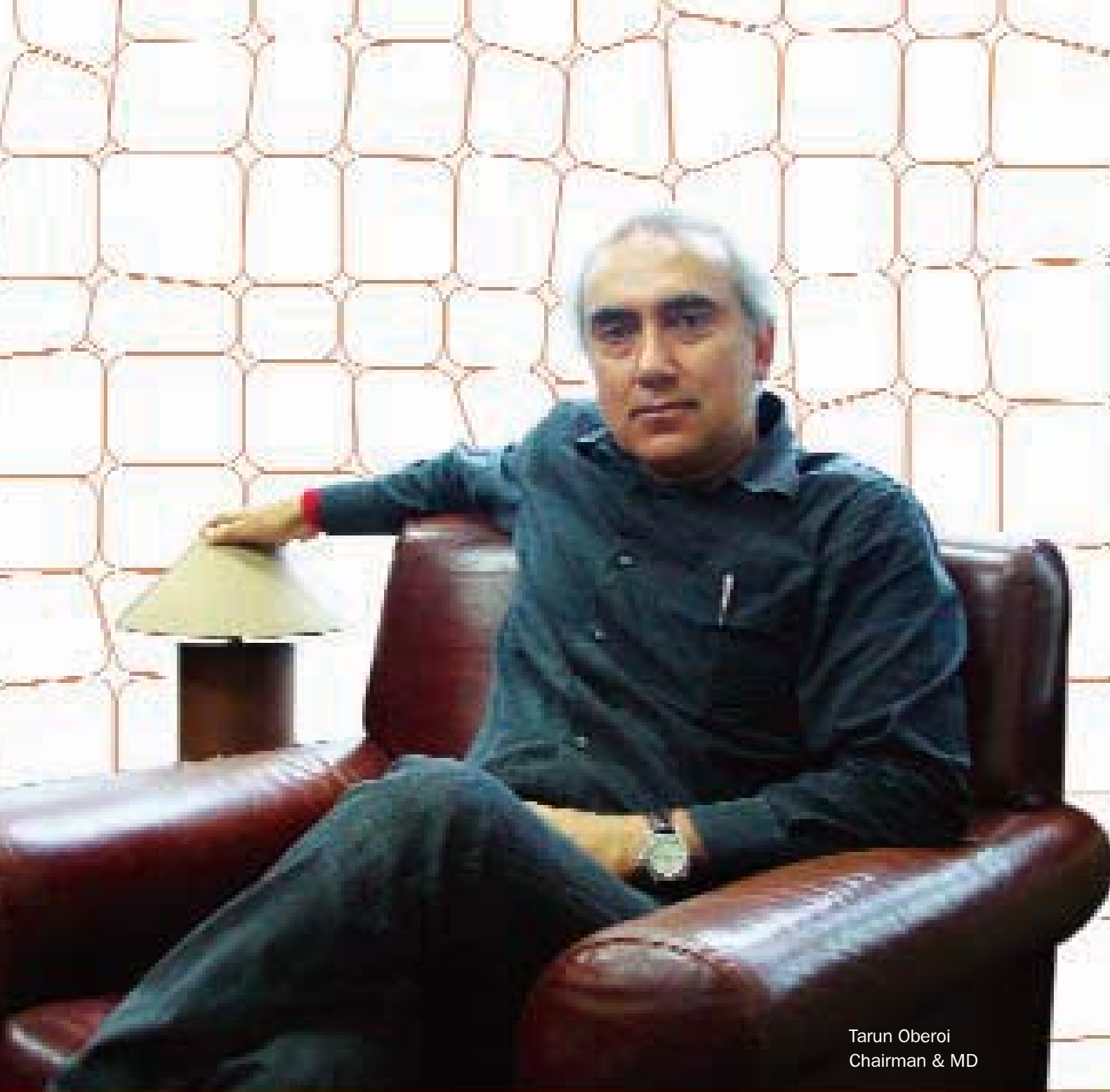
Further, the Crew B.O.S. Academy, which trains workers, ensures that quality skilled manpower is available as the Company scales operations.

The Company's acceptability and quality designing ability is endorsed by some of the prestigious global brands, including Coach, Esprit, Armani Exchange, Fossil, Zara, Massimo Dutti, Gap, Banana Republic, Next Plc., Chico's, Tesco, H&M in Europe, GAP, Navy, to name just a few.

The result: Every design is painstakingly crafted to take the fashion industry to the next level of growth. With just the right elements to launch an exclusive brand accessorizing Generation Y.







Tarun Oberoi  
Chairman & MD

## Chairman & Managing Director's letter

*Dear Shareholders,*

It is with immense pleasure and satisfaction that I write this letter reviewing the performance of the year 2009-10. After a challenging year marred by deep-rooted global financial recession that tested the mantel of the leather-based exporting industry, I am happy to share that we have emerged unscathed and stronger, and continue to be a profitable company where our growth continues to be strong.

During a period where most companies in a similar space have struggled to maintain their business and customers,

Crew B.O.S. continues to add more prestigious customers to its already impressive list. Also, strong retail growth being experienced by our existing customers continues to drive us towards expansion and bottom line growth. This is reflected in our strong numbers for the year 2009-10. We achieved a top line of ₹446 crores with a profitability of ₹26.77 crores.

It is with optimism that I share that each product category is witnessing very strong demand. This demand is only expected to increase in the future with enormous challenges

“ During a period where most companies in a similar space have struggled to maintain their business and customers, Crew B.O.S. continues to add more prestigious customers to its already impressive list. Also, strong retail growth being experienced by our existing customers continues to drive us towards expansion and bottom line growth. This is reflected in our strong numbers for the year 2009-10. We achieved a top line of ₹446 crores with a profitability of ₹26.77 crores. ”

which traditional manufacturing countries like China, Veitnam, Taiwan, Korea, etc. are facing. From a small Company that started in a room 10' X 10' and with an investment under ₹100000/-, it has been a satisfying journey to find ourselves in a position where we have been awarded the first prize as the largest exporter of leather goods in India.

We continue to drive forward with our goals to achieve excellence in manufacturing. We have taken some important steps to focus and find greater leverage in the design area. The Crew B.O.S. design room is one of the best known accessory design studios across India and the Globe. We are taking our ability to design both raw material as well as products to a larger canvas of customers, as well as moving forward in designing luxury leathers and leather fabrics for the super luxury designer brands. Our strong association with Indian companies that design leather allows us to bring new and highly designed fabrics and leather to the luxury market. This will open new doors for us and will ensure that Crew B.O.S. continues to grow as a brand where one finds 'excellence in design and manufacture'.

This year we will be developing additional factory space at Neemrana - our 30 acres industrial land in which we are setting up projects will manufacture footwear, small leather goods and belts. This year we will also be opening our upgraded tannery and leather finishing facility. This would

mark a complete vertical integration for Crew B.O.S. and will help us serve our customers better and drive stronger self-reliant growth.

### **Retail strategy**

The launch of our exclusive retail brand is a strategy very close to our hearts and is a representation of the pulsating excitement we share in presenting the very best of international standard quality products to people. We have consciously chosen India as the starting point for our retail foray as it today represents the most promising market which will redefine the global fashion trade of the future.

The fashion accessories market in India is estimated to be ₹9,460 crores, of which hand accessories (bags, belts, etc.) are estimated to be 25% or around ₹2,350 crores. India represents the "Youngest" market in the world (median age 25) and it has been observed that youth brands perform the best (Levis, Reebok, Benetton, etc). There is high growth and demand witnessed in the bags, belts, small leather goods and footwear segments.

With an exciting product range, brand "Crew Republica" will target the Generation Y (people in the fast growing target 18-35 years age bracket). This generation represents the fashion-conscious generation of people who are also decision

A dark brown leather handbag with a large flap and a metal clasp. The bag has a textured surface and a long handle. The text is centered over the bag.

With rising incomes, multiple income households, exposure to premium lifestyles & media and easier financial credit, fashion occupies maximum share of discretionary spends, all of which represents a huge opportunity for us in retail.

makers, key influencers and enjoy the propensity to spend. With rising incomes, multiple income households, exposure to premium lifestyles & media and easier financial credit, fashion occupies maximum share of discretionary spends, all of which represents a huge opportunity for us in retail.

Positioned in the niche space of fashion accessories and footwear, we are confident that “Crew Republica” will be very successful in the Indian and later in the international markets. Your Company is exploring various options - from exclusive brand outlets, shop-in-shop formats, and multi-brand outlets for this venture with the brand targeted for launch across metros in the first phase.

To drive this business forward smoothly, we have set up a focused retail management team led by a senior and experienced industry stalwart and I am confident that by next year, I will have some good news to share on the performance of your Company's exclusive brand.

### **An award-winning year**

As mentioned earlier, among the key highlights for the year was winning the prestigious award for "First Place" in the leather goods category. The award was presented by the Council for Leather Exports at the India International Leather Fair 2010 at Chennai this year. Earlier in January 2009, your Company was also presented two awards for Superlative Performance (both in leather and non-leather) at CFLE Awards in the non-leather footwear and the leather goods categories, respectively, under the non-SME segment.

### **A word of thanks**

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

Yours truly,

Tarun Oberoi  
Chairman & MD

Mr. Tarun Oberoi, Chairman & MD,  
receiving the award from Honorable  
Minister in The India International  
Leather Fair, Chennai



## CORPORATE INFORMATION

Board of Director	Mr. Tarun Oberoi Mr. Robin Bartholomew Mr. Deepak Manchanda Mr. Gautam Nair Mr. Jitindar Bir Singh Mr. Naveen Ganzu	Managing Director Whole Time Director Independent Director Independent Director Independent Director Independent Director
Chief Financial Officer	Mr. Sanjeev Sehgal	
Company Secretary	Mr. Sanjay Kumar Babu	
Auditors	Anil K. Goyal & Associates Chartered Accountants 204-206, Siddharth Chambers, Hauz Khas, New Delhi - 110016	
Auditors	Arora & Choudhary Associates Chartered Accountants 8/28, W.E.A. Abdul Aziz Road, Karol Bagh, New Delhi -110005	
Bankers	Citi Bank N.A. The Karur Vysya Bank Ltd. Allahabad Bank Standard Chertered Bank IDBI Bank Bank of Baroda State Bank of India	
Registrar & Share Transfer Agent	Skyline Financial Services Pvt. Ltd D-153/A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020 Tel. No 011-26812682/83 Fax. 011-26812684	
Registered Office	624, 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 Web.www.crewbos.com	



## DIRECTORS REPORT

To the Members,

Crew B.O.S. Products Limited

Your Directors have pleasure in presenting this Twenty-first Annual Report and Audited Accounts for the financial year ended 31st March, 2010.

### FINANCIAL RESULTS

(Rs. In Lacs)

	Year ended March 31, 2010	Year ended March 31, 2009
<b>Income from Operation</b>	<b>45928.62</b>	35094.82
Profit before interest and depreciation	<b>6336.73</b>	4389.48
Less: Interest	<b>2541.67</b>	1871.57
Depreciation	<b>1098.63</b>	806.76
<b>Profit before taxation</b>	<b>2696.43</b>	1711.15
(Less) : Provision for taxation	<b>(900.00)</b>	(375.00)
Add / (Less) : Deferred tax liability	<b>80.00</b>	(200.00)
Add / (Less) : Tax adjustment for prior years	—	—
Add / (Less) : Adjustment for prior years	<b>(19.49)</b>	(0.72)
<b>Profit after taxation</b>	<b>1856.94</b>	1135.43
Add: Balance in Profit and Loss account	<b>6968.15</b>	5832.72
<b>Balance available for appropriation</b>	<b>8825.09</b>	6968.15
Appropriation	—	—
Transfer to General Reserve	—	—
<b>Balance carried to Balance Sheet</b>	<b>8825.09</b>	6968.15

### PERFORMANCE REVIEW

Your company is engaged in fashion accessories products, footwear and finished leather business. The Company is growing on consistent basis and has healthy plans for its expansion. The income from operations increased to Rs 45928.62 Lacs from Rs 35094.82 Lacs in the previous year yielding a growth of 30.87%. The operating profit for the year increased to Rs 6336.73 Lacs from Rs 4389.48 Lacs registering a growth of 44.36%. The net profit increased to Rs 1856.94 Lacs from Rs 1135.43 Lacs registering a growth of 63.54 %. The Company expects to keep up the healthy trend in the financial year 2010-11 on the basis of diversified product range and growing strategies adopted.

### DIRECTORS

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

Brief profile of the Director who is reappointed is given in the Corporate Governance Report as Annexure 3 to this Report.

Mr. Tarun Joshi was appointed as an Additional Director and holds office upto the ensuing Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a member, proposing Mr. Tarun Joshi's candidature as Director.

### DIVIDEND

The Board has not recommended any Dividend during the financial year under review keeping in view its expansion plans and future growth thereby maintaining a proper balance between equity and debts.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts for the year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation;
- Prudent accounting policies have been selected and have made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the Profit of the Company for the financial year ended 31st March, 2010;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- Annual accounts have been prepared on a going concern basis.

### AUDITORS & AUDITOR'S OBSERVATION

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

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

### CORPORATE GOVERNANCE

As required by Clause – 49 of the Listing Agreement, a Report on Corporate Governance along with Certificate on Corporate Governance confirming compliances with the conditions of Corporate Governance obtained from the Statutory Auditors of the Company is annexed to this Report. (Annexure-3)

### MANAGEMENT DISCUSSION & ANALYSIS

The Report as required by Clause-49 of the Listing Agreement is annexed herewith. (Annexure-4)

### LISTING AT STOCK EXCHANGE

The Equity Shares of the Company continues to be listed on Bombay Stock Exchange Limited and The National Stock Exchange. Global Depository Receipts are listed on the Luxembourg Stock Exchange. The Annual Listing Fees for the financial year 2010-11 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

#### i) Conservation of Energy

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.



**ii) Technology absorption**

Your Company uses latest Technology to keep the manufacturing process more automated resulting in shorter lead time and better quality of products. Your Company regularly reviews and tries to upgrade itself to the pertinent development as they occur. Maximum efforts have been exerted to utilize the existing processes for increasing productivity and addition to value added products for better products quality and process efficiency to the stakeholder's satisfaction.

**iii) Foreign Exchange Earnings and Outgo**

The Company's products continue to be well recognized and accepted in the overseas market due its exclusive superiority and diversified array. The Company is further pursuing its proposals dynamically to further augment its existence in the overseas market through tapping new customers and new markets.

The information on Foreign Exchange earnings and outgo are contained in the notes to the accounts.

**SUBSIDIARY COMPANIES**

***CENTRE OF EXCELLENCE IN DESIGN LIMITED***

Centre of Excellence in Design Limited is a 50:50 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.

***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 MAG EXPORTS LIMITED***

Crew MAG Exports Ltd. is a subsidiary of Crew B.O.S. Products Limited and it is engaged in the manufacturing of leather footwear. The annual accounts of the Company are appended herewith.

***CREW B.O.S. FAR EAST LIMITED***

The wholly owned subsidiary incorporated in Hong-Kong is engaged in trading of watch strap business.

***CREW B.O.S. ENTERPRISES LIMITED***

This is 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.

***VILLA B.O.S. LEATHERS LIMITED***

Incorporated as 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.

***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, on 29th June, 2009, 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 on 19th February, 2010, with the main object of carrying retail business or trade in India through retail outlets.

As required under the provisions of Section 212 of the Companies Act, 1956, the Audited accounts together with Directors' Report and Auditors' Report of all the subsidiaries are appended and forms part of the Annual Report. The statement pursuant to section 212 of the Companies Act, 1956 is attached as Annexure-1 to this Report.

***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***

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended, the name and other particular of the employee is set out in the Annexure 2 appended to the Directors' Report.

***ACKNOWLEDGEMENTS***

Your Directors place on record their sincere gratitude to the continuing patronage and trust of our valued customers, bankers and financial institutions, business associates, shareholders, suppliers and other statutory authorities who have extended their precious continued support and encouragement to your company. Your Directors look forward for the same to whom the Company regards as the partners in its success and growth.

Your Directors also place on record, their sincere appreciation to the enthusiasm and commitment of its employees for the growth of the Company and look forward to their regular involvement in scaling elevations.

For and on behalf of the Board  
**Crew B.O.S. Products Ltd.**

sd/-

**Tarun Oberoi**

(Managing Director)

sd/-

**Robin Bartholomew**

(Director)

Place: Gurgaon

Date: 3rd August, 2010





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

## ANNEXURE- I

1.	Name of the Subsidiary	Vogue Home Products Limited	Iguvium S.R.L. @	Crew B.O.S. Far East Limited	Crew MAG Exports Limited	Centre of Excellence in Design Limited	Crew B.O.S Enterprises Limited	Villa B.O.S. Leathers Limited	Emporio B.O.S. Design Limited	Crew ROR Products Limited	Crew Republica Retail Limited\$
2.	Financial year of the subsidiary ended on	31-3-2010	31-12-2009	31-03-2010	31-03-2010	31-03-2010	31-03-2010	31-03-2010	31-03-2010	31-03-2010	31-03-2010
3.	Holding Company's interest Number of shares	50000 Equity shares of Rs. 10/- each	7900 EURO	1000 Ordinary shares of USD 1.00 each	775000 Equity shares of Rs. 10/- each	124997 equity shares of Rs. 10/- each	100000 Equity Shares of Rs. 10/- each	100000 Equity Shares of Rs. 10/- each	100000 Equity Shares of Rs. 10/- each	500000 Equity Shares of Rs. 10/- each	Controls the composition of the Board of Directors
	Extent of Holding	100%	79%	100%	50%	49.99%	100%	100%	100%	100%	Nil
4.	The net aggregate amount of the subsidiary's profit less losses so far as it concerns members of Holding Company and is not dealt with in the Holding Company's accounts.										
	(i) at the end of the financial year of the subsidiary	(6,08,458)	-	(5,03,500)	(3,15,39,366)	(1,35,36,116)	NIL	7,55,392	NIL	5,605	NIL
	(ii) for the previous financial years of the subsidiary since it became the Holding Company's subsidiary	(9,64,292)	(7,88,470)	16,98,642	(2,39,19,408)	(1,95,07,334)	NIL	NIL	NIL	NIL	NIL
5.	The Net aggregate amounts of the Profit less losses of the subsidiary dealt with in the Company's accounts										
	(i) for the financial year of the subsidiary.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(ii) for the previous financial year of the subsidiary since it become the Holding Company.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	No material changes have occurred between the end of the financial year or of the last financial years of the Subsidiary and the end of the Holding Company's financial year, in respect of the subsidiary 's :- i) Fixed Assets ii) Investment iii) Moneys lent by it. iv) Moneys borrowed by it for any purpose other than that of meeting current liabilities There has been no change in the Holding Company's Interest in the Subsidiary Company (s) between the end of the financial years of the Subsidiary and end of the Holding's Company financial year.										

## NOTE:

(@) Incorporated in Italy in Financial Year 2006-07, under the process of Liquidation.

\$ Crew Republica Retail Limited was incorporated on 19th February 2010 hence no figures have been provided for the financial year 2009-10.

(.) Average exchange rate has been taken in consideration.

**For and on behalf of the Board  
Crew B.O.S. Products Limited**

Sd/-  
**(Tarun Oberoi)**  
Managing Director

Sd/-  
**(Robin Bartholomew)**  
Director

Place : Gurgaon  
Date : August 3rd, 2010

Sd/-  
**(Sanjeev Sehgal)**  
C.F.O.

Sd/-  
**(Sanjay Kumar Babu)**  
Company Secretary

Statement of particulars of employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' report for the year ended March 31, 2010.  
Employed for the part of the financial year under review and was in receipt of remuneration in aggregate of not less than Rs. 2,00,000/- per month.

Sr. No.	Name of the employee	Designation of the employee	Remuneration received	Nature of employment, whether contractual or otherwise	Nature of duties of the employee	Qualification and experience of the employee	Date of commencement of employment	Age of the employee (DOB)	The last employment held by the employee before joining the Company	The % of equity shares held by the employee
1	SANJEEV SAHGAL	CFO	350836	PERMANENT	Finance & Accounts	CA, 23 Years	02.09.2008	06.03.1965	Bharti Enetrprises Limited	NIL
2	NEERAJ KOHLI	President & Coo Bag & SLG Division	275000	PERMANENT	Head of unit-12 BAG	B.E. COMPUTERS, 4 Years	13.03.2000	07.09.1974	TRIBURG	0.014
3	PARMENDRA SINGH	PRESIDENT	230000	PERMANENT	Head of unit-8 & 9	Post Graduate, 8 Years	12.01.2007	08.06.1978	ORION LEATHERS	NIL
4	UMESH OBEROI	SR. VP	225000	PERMANENT	Head of unit-172	B.Com, 11 Years	01.04.1993	13.02.1959	INDIAN ARMY	0.003
5	ASHISH MALHOTRA	PRESIDENT	220000	PERMANENT	Head of unit-Neemrana Slipper	Graduate, 10 Years	15.04.2005	31.12.1974	GAP	NIL

**For and on behalf of the Board  
Crew B.O.S. Products Limited**

Sd/-  
**(Tarun Oberoi)**  
Managing Director

Sd/-  
**(Robin Bartholomew)**  
Director

Sd/-  
**(Sanjeev Sehgal)**  
C.F.O.

Sd/-  
**(Sanjay Kumar Babu)**  
Company Secretary

Place : Gurgaon  
Date : August 3rd, 2010



## CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company is committed to benchmark itself with global standards for providing good Corporate Governance and has put in place an effective Corporate Governance System. Company's Philosophy on Corporate Governance envisages striving for excellence in all its facets of its operations through socially and environmentally acceptable means. It emphasizes on preserving core values and ethical business conduct. Commitment to maximising shareholder value on a sustained basis, while looking after the welfare of multiple stakeholders is a fundamental shared value of Crew BOS's Board of Directors, management and employees and critical to the Company's success. This value system translates into institutionalising structures and procedures that enhance the efficacy of the Board and inculcates a culture of transparency, accountability and integrity across the Company.

The Company complies with the requirement regarding corporate governance as stipulated under clause 49 of the listing agreement of the Stock Exchanges where its shares are listed and a report on the same is as follows;

### 2. BOARD OF DIRECTORS

#### a) Composition

During the financial year 2009-10, the Board of Directors consisted Six (6) Directors, out of which Four (4) are Non-executive Independent Directors of the Company. The Board member posses the requisite skills, expertise and experience required to take decisions in the best interest of the Company.

#### b) Board Meetings

During the year ended 31st March, 2010, the Board met 10 (Ten) times on 16th April, 2009, 20th June, 2009, 30th July 2009, 5th August, 2009, 24th August, 2009, 17th September, 2009, 31st October, 2009, 4th January, 2010, 28th, January, 2010, 29th March, 2010. Directors attending the meetings actively participate in the deliberations of these meetings.

The Composition of Board of Directors, Attendance of Directors at the Board Meeting and Last Annual General Meeting, Directorship in other Public Limited Companies and Membership in Committees as on 31st March, 2010 are as follows:

Name of Directors	Category of Directorship/ Promoters/ Independent Director	No. of Board Meetings Attended	Attendance at Last AGM held on 14th September, 2009	No. of Directorship held in other Companies*	No. of Committee Memberships/ Chairmanships held in other Companies.^
Mr. Tarun Oberoi	Promoter/Executive Director	10	Yes	7	Nil
Mr. Robin Bartholomew	Promoter/Executive Director	10	Yes	7	Nil
Mr. Deepak Manchanda	Non Executive Independent Director	8	Yes	Nil	Nil
Mr. Naveen Ganzu	Non Executive Independent Director	6	Yes	1	Nil
Mr. Jitindar Bir Singh	Non Executive Independent Director	10	Yes	Nil	Nil
Mr. Gautam Nair	Non Executive Independent Director	7	No	2	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

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

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

##### (i) Mr. Deepak Manchanda

"Mr. Deepak Manchanda (62), holds an engineering degree from Birla Institute of Technology and Science, Pilani, Rajasthan. He also has a Diploma in Human Factors in Engineering from Polytechnic of Milan, Italy. Mr. Manchanda specialises in the field of packaging and offers complete solutions in development, design and technology to several FMCGs, Pharma and SME clients from his company, Autumn Design Consultants. He has been closely associated with the Indian Institute of Packaging as Member of the Northern Regional Committee as well as the Governing Body. He also writes regularly for packaging journals and lectures at the Institute. He has headed the packaging functions at corporates like Oriflame, Dabur and Ranbaxy, where he worked on packaging for several popular brands. He started his packaging career with Metal Box India. He has been associated with the Company as an Independent Director since September 30, 2003.

#### Nature of expertise in specific functional areas

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

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

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

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

#### Shareholding in the Company

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

#### (ii) Mr. Tarun Joshi

Mr. Tarun Joshi was appointed as an Additional Director and holds office upto the ensuing Annual General Meeting. Notice u/s 257 of the Companies Act, 1956 has been received proposing Mr. Tarun Joshi’s candidature as Director.

With over 25 years of experience in marketing, communications and retail, Mr. Tarun Joshi has been associated with leading multinationals & well-known Indian business houses. He has travelled across the world & is incredibly familiar with the international working environment. Mr. Tarun Joshi has been involved in the building of many brands, across various categories, including Gillette, Everyday, Nestle Gold, Reid & Taylor, Belmonte, Dunhill and Escada in India. Till Jan’ 10 Mr. Tarun Joshi was the MD & CEO of Brandhouse Retails Ltd. (a retail initiative of S.Kumars Nationwide Ltd.). Brandhouse manages the retailing for Reid & Taylor, Carmichael House, Belmonte and Stephens Brothers. BHRL is an exclusive Indian franchisee for International Luxury brands like Alfred Dunhill & Escada. Mr. Tarun Joshi has been a panelist on leading Indian & domestic business forums and has participated in various roundtables of the industry.

#### d) The Directors have no inter-se relationship among themselves.

### 3. AUDIT COMMITTEE

#### a) Composition, meetings and attendance:

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

Name	Status	Category	Number of meetings Attended
Mr. Deepak Manchanda	Chairman	Independent	5
Mr. Naveen Ganzu	Member	Independent	2
Mr. Gautam Nair	Member	Independent	5

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

During the financial year 2009-2010, the Committee met 5 times as per detail given below and a time gap between two Audit Committee meetings was less than four months:

Date of the Meeting	Purpose of the meeting
16th April, 2009	To review the progress of the Company.
20th June, 2009	Appointment of the Statutory Auditors and Internal Auditors of the Company and To review the Audited Financial Results for the Year ended on 31st March, 2009
30th July, 2009	To review the Un-audited Financial Results for the Quarter ended on 30th June, 2009
31st October, 2009	To review the Un-audited Financial Results for the Quarter/ half year ended on 30th September, 2009
28th January, 2010	To review the Un-audited Financial Results for the Quarter / Nine months ended on 31st December, 2009

#### (b) Terms of reference

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

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

- Directors’ Responsibility Statement,
- accounting policies and practices,
- major accounting entries involving estimates based on exercise of judgment by the management,



- significant adjustments made in financial statements,
- compliance with listing and other legal requirements relating to financial statements
- disclosure of related party transactions,
- qualifications, if any, in the draft audit report,
- reviewing internal audit report system,

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

#### 4. REMUNERATION COMMITTEE.

##### a) Terms of reference

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

##### b) Composition, meetings and attendance

The Remuneration Committee comprises of Mr. Deepak Manchanda, Mr. Navin Ganzu and Mr. Jitindar Bir Singh, all being Non-Executive Independent Directors. During the year under review, there was no change in the remuneration of the Directors, 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 2009-10 are as follow;

Name	Sitting Fees (Rs.)	Salary (Rs.)	Allowances & Perquisites (Rs.)	Total (Rs.)
Mr. Tarun Oberoi	NIL	4800000.00	2904600.00	7704600.00
Mr. Robin Bartholomew	NIL	3000000.00	1284600.00	4284600.00

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

Name	Sitting Fees (Rs.)
Mr. Deepak Manchanda	15400
Mr. Naveen Ganzu	Nil
Mr. Jitindar Bir Singh	12100
Mr. Gautam Nair	13200

(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 2009-10, Committee met 4 times viz. 16th April, 2009, 30th July, 2009, 31st October, 2009 and 8th January, 2010. The Composition and member's attendance at the Committee meetings is presented below:

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

Mr. Sanjay Kumar Babu, Company Secretary is the Compliance Officer.

During the financial year ended 31st March, 2010, the Company received 2 Nos. of complaints from the shareholders of the Company for non receipt of Annual Report for the year 2008-09, which were disposed off to the satisfaction of Shareholders. The details of correspondence of shareholders / SEBI / Stock Exchanges are being provided to the Committee along with MIS.

## 6. GENERAL BODY MEETINGS

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

Year	Date and Time	Category	Venue	Details of Special Resolutions passed	Resolution passed through postal ballot
2009-10	28.01.2010 03.30 P.M.	EGM	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	Issue of preferential warrants u/s 81 (1A)	NIL
2009-10	07.12.2009 10.00 A.M.	EGM	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	Issue of preferential warrants u/s 81 (1A)	NIL
2009-10	14.09.2009 10.00 A.M.	AGM	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	Mortgaging and/or charging substantial undertaking u/s 293 (1)(a)	NIL
2008-09	22.09.2008 10.00 A.M.	AGM	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110030	Appointment of Directors' relative for holding office of Profit u/s 314	NIL
2007-08	17.09.2007 10.00 A.M.	AGM	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110030	NIL	NIL

## 7. DISCLOSURES

During the year ended 31st March, 2010, 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. "Business Standard, Financial Express and Economic Times" in English and "Jansatta" in Hindi and are also posted on the Company's website [www.crewbos.com](http://www.crewbos.com).

The financial results of the Company are also posted on the [www.corpfilng.co.in](http://www.corpfilng.co.in) (Corporate Filing and Dissemination System).

## 9. GENERAL INFORMATION FOR SHAREHOLDERS.

### a. 21st Annual General Meeting:

Date and Time : 13th Day of September, 2010 at 10.00.A.M.

Venue : Air Force Auditorium,  
Subroto Park, Dhaula Kuan,  
New Delhi-110010



**b. Financial Calendar 2010-2011: (tentative and subject to change)**

Sr. No.	Event	On or before
1.	Unaudited Financial Results for the 1st Quarter ended 30th June, 2010	14th August, 2010
2.	Unaudited Financial Results for the 2nd Quarter ended 30th September, 2010	14th November, 2010
3.	Unaudited Financial Results for the 3rd Quarter ended 31st December, 2010	14th February, 2011
4.	Audited Financial / Quarterly results for the year / quarter ended on 31st March, 2011	30th May, 2011

**c. Book Closure Period: Monday, 6th day of September, 2010 till Monday, 13th day of September, 2010 (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 2010-2011 have been paid to these Stock Exchanges with in the stipulated time. .

**e. Stock Code:**

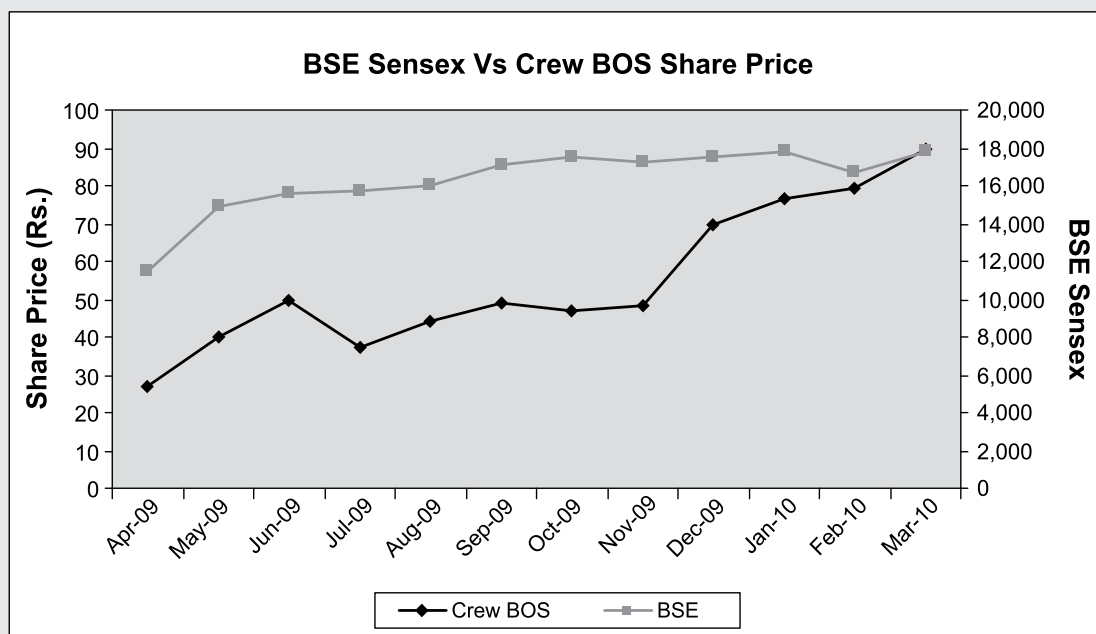
1. Bombay Stock Exchange Limited : 532542
2. National Stock Exchange of India Limited : CREWBOS

**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:

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volumes	High (Rs.)	Low (Rs.)	Volumes
April, 2009	26.80	16.75	607422	27.25	15.90	1039334
May, 2009	39.70	21.60	883289	39.85	21.60	1492876
June, 2009	50.00	31.50	754414	50.20	31.55	1233595
July, 2009	37.40	25.65	180006	37.30	25.20	344008
August, 2009	43.95	34.10	167538	43.40	33.90	355794
September, 2009	48.70	36.10	657069	49.00	37.80	1102048
October, 2009	46.60	36.10	219888	46.40	35.15	387082
November, 2009	48.25	34.50	1945307	48.15	34.40	2998943
December, 2009	69.95	40.55	4071380	70.75	40.60	6309696
January, 2010	76.60	60.50	2368348	76.55	60.05	3937311
February, 2010	79.50	63.15	1151461	78.60	58.00	1564792
March, 2010	89.70	69.25	3473480	89.80	69.30	5279147

[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, 2010**

No. of Shares	No. of Shareholders	% of Shareholders	Total Shares	% of Shareholding
Upto -500	6771	87.12%	820655	6.40%
501-1000	488	6.28%	408852	3.19%
1001-2000	222	2.86%	334363	2.61%
2001-3000	100	1.29%	259409	2.02%
3001-4000	35	0.45%	121493	0.95%
4001-5000	32	0.41%	153175	1.19%
5001-10000	59	0.76%	455023	3.55%
10001 & above	65	0.84%	10265230	80.08%
Total	7772	100.00	12818200	100.00

**b. Shareholding Pattern as at as at 31st March, 2010**

Category	No. of Shares	% of Paid up Capital
Promoters Holding	6938261	54.13%
Persons acting in concert	-	-
Mutual Funds	-	-
Banks/Financial Institutions/Insurance Companies	-	-
FII's	-	-
Private Corporate Bodies	1079713	8.42%
Indian Public	4249754	33.15%
NRI's	184848	1.44%
GDRs	363624	2.84%
Any other (Clearing House/Public Trust)	2000	0.02%
Total	12818200	100.00

**c. De-materialisation of Shares & liquidity**

Equity shares of your company are in compulsory de-mat settlement mode and can be traded only in de-mat form. Except 2233 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, 2010, 128,15,967 Equity Shares of the Company, forming 99.98% 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. Plot No 12, Sector- 4, IMT, Manesar Gurgaon (Haryana)
- vii. 140, Leather Complex, Jalandhar, Punjab
- viii. 71/3B& 70/2, Manthangal Village, Walaja Taluk, Vellore District (Tamil Nadu)
- ix. Plot No.SPL-190, Industrial Area Neemrana, District Alwar Rajasthan

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

Out of total GDRs issued by the Company, 363624 GDRs, each representing 1 (one) equity shares of Rs. 10/- each are outstanding as on 31st March, 2010.

The Committee of directors has issued 20,00,000 warrants, convertible into equity shares of the Company on preferential basis to promoters and others private investors at a premium of Rs. 40.33/- per share on the face value of Rs. 10/- each on 22nd February, 2010, pursuant to shareholders' approval granted in the EGM held on 28th January, 2010. As on 31st March, 2010 none of the holder of the warrants exercised their option of conversion into equity shares.

**k. Address for Correspondence**

The Company Secretary  
624, Jaina Tower-1, District Centre,  
Janakpuri, New Delhi-110058  
Tel: 011-45530149, Fax: 011-45530148,  
Email: communication@crewbos.com

**10. CODE OF CONDUCT:**

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

Declaration by the Managing Director

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

For Crew B.O.S Products Limited

**Sd/-**  
**(Tarun Oberoi)**  
Managing Director

## AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the members

Crew B.O.S. Products Limited

We have examined the compliance of conditions of Corporate Governance by Crew B.O.S. Products Ltd. ("the Company") for the year ended on March 31, 2010, as stipulated in clause 49 of the listing agreement of the Company with the Stock Exchange.

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

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

We state that no investor's grievances are pending for a period exceeding one month as per the records placed before the Shareholders'/ 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 **Anil K. Goyal & Associates**

Chartered Accountant

Sd/-

**(Anil K. Goyal)**

Proprietor

FCA: 71221

Date: 3rd August, 2010

Place: Gurgaon

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## CEO/CFO CERTIFICATION PURSUANT TO CLAUSE V OF THE CLAUSE 49 OF THE LISTING AGREEMENT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDING 31ST MARCH, 2010

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2010 and that to the best of their knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - 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) There 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:
- significant changes in internal control during the year;
  - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which they have become aware and the involvement therein if any, of the management or an employee have a significant role in the company's internal control systems.

Sd/-

**(Tarun Oberoi)**

Managing Director

Sd/-

**(Sanjeev Sehgal)**

Chief Financial Officer

Place : Gurgaon

Date : 03.08.2010



## MANAGEMENT DISCUSSION & ANALYSIS

ANNEXURE- 4

### OVERVIEW

The Indian leather industry showed some resilience last year in weathering the turbulent times witnessed by it due to global economic meltdown. Thanks to stimulus packages announced by the government, the Indian leather industry managed to run its operations without any major closures or job losses as compared with its counterparts in other parts of the world. These positive indicators notwithstanding, the global economic slowdown has resulted in shrinkage of the global leather market to the extent of 25 per cent since the last one year.

The labour-intensive leather industry, which is predominantly concentrated in the SME segment, has sought additional support from the government till the global market stabilizes and the growth momentum resumes.

In this scenario, your company is also taking initiatives to reduce the transaction costs and enhance price competitiveness of the sector.

### SYNOPSIS OF THE INDUSTRY

The leather industry has made great strides since two decades ago, when merely 20 per cent of the exports were in the form of value added products. Today, the value added products are over 80 per cent of the exports. The value addition the industry provides is to the tune of 200 per cent to 500 per cent. Net foreign exchange earning is substantial as import content is only 10 per cent of the export value.

The industry has earned its sheen from the scientific and technological leadership it has established in the global arena and the qualitative improvements it has made in the market place. Policy initiatives announced by the government, special economic zones, the development of a component industry through joint ventures, leather complexes and modern tanneries abiding by all environmental laws are factors that would contribute directly to the growth of leather industry in the coming years, say industry observers.

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

There has been a marked shift, with the industry moving to low-cost labour countries such as China, Indonesia, Thailand and India; and yet, the Indian share in the total market has remained low. To boost their market share, India and China are entering into a cooperation phase in certain areas of leather industry, such as technology, training and tackling environmental and other global issues.

The Indian leather industry suffers from the handicap of low investment and sub-standard technology. As a consequence, India's share in the global market remains at a low of 3%. Of late,

the country has emerged as a significant exporter with more sophisticated and value-added products. In fact, it is fast changing from a raw material exporter to an exporter of more upgraded finished products. The product range has got widened and, with greater innovation, a substantial value addition is being secured.

To exploit the full potential of the industry, the government launched the Leather Technology Mission with twin-objectives - the first aiming at restructuring and streamlining the industry to make it internationally competitive, and the second seeking to protect the interests of the small scale and tiny sectors.

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.

Apart from manpower required in the collection of hides, the industry claims an employment of 2.5 million, most of which is engaged in the small and informal sector making up for 75% of the total industry. The leather industry is targeting an 8-10 per cent share in the global trade by 2010-11. This would call for an investment of at least Rs 120 billion in plant and machinery and infrastructure development. The Indian leather industry has set \$7 billion export target by 2011

The historical review of the performance of the industry over the past three and a half decades is presented in the following table.

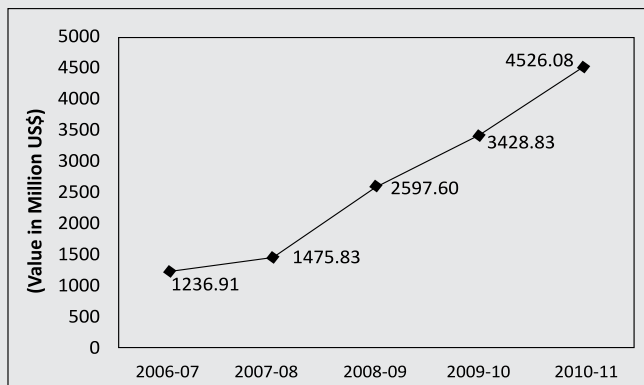
Performance of Indian Leather Industry (in US\$)					
Particulars	1972	1985	1995	2005	2007
Total Exports	239.88	552.10	1752.38	2421.59	2982
Domestic market*	162.50	320.00	1145.00	2045.00	2600
Total turnover	402.38	872.10	2897.38	4466.59	5582
Global export	4000	16000	54350	75260	N.A.
India's % on global exports	4.00	3.44	3.22	3.22	

### FOOTWEAR INDUSTRY

The footwear sector is a very significant segment of the Leather Industry in India. Footwear is the engine of growth for the entire Indian leather industry and India is the second largest global producer of footwear after China, accounting for 14% of global footwear production of 14.52 billion Pairs. Footwear currently accounts for an export value of US\$1212 million, holding a major share of 41 per cent in India's total leather trade.

Considering this fact, the industry is set for an ambitious target of US\$ 4.5 billion in respect of Footwear export from India by 2010-11, when the overall export of leather products will reach US\$6.98 billion, wherein footwear alone will account for a share of 65 per cent in India's total leather export trade.

### Current Export of Footwear and Projections by 2010-11



The Government of India is keen to promote investments in the Indian leather sector, and for this purpose, it has radically simplified and rationalized the relevant policies, procedures and regulatory aspects. The current industrial policy is very conducive to the promotion of the Indian leather industry, both in terms of domestic trade as well as exports.

The future growth of the footwear industry in India will continue to be market-driven and oriented towards the European and the US markets. Technology partnerships with major merchandising houses in the US and market leaders in Europe are decided advantages in the integrated developmental plan of India. Investment-backed technology support for the footwear component industry is being sought to be outsourced.

#### PROSPECTS FOREFRONT

In view of its immense potential for export growth and employment generation, the Government is implementing various Special Focus Initiatives under the Foreign Trade Policy for the growth of leather sector. With the implementation of various industrial developmental programs, as well as export promotional activities, and keeping in view the past performance and the industry's inherent strengths, the Indian leather industry aims to augment production, and resultantly create additional employment opportunities for overall one million people.

The industry has seen a significant shift in recent years from exporting raw materials to added value design-based products. In particular, footwear is regarded as the engine of growth. Also, increasing attention is paid to accessories and packaging as part of a more sophisticated offering. It is an excellent case study of all the issues facing any industry that straddles the informal / formal sectors, especially in terms of how enabling infrastructure and logistics techniques and skills can transform economic, social and environmental outcomes.

#### RISK AND CONCERNS

Risk taking is intrinsic to business growth. All business organizations face risks either from internal operations or from external environment. The base of any business is a healthy appetite for risk. This is why one of the greatest and most important challenges for an organization is to define the optimal risk level for its business to ensure that its activities produce risk adjusted returns.

Leather and fashion industry have risks associated with change in fashion, customer satisfaction and also frequent changes in Governmental rules and regulations. The risks to which the

Company is exposed, and the initiatives taken by the Company to mitigate such risks, are given below.

Financial risks are concerned with volatility in interest and exchange rates, credit, asset-liability mismatch. The Company is exposed to forex risks arising from various currency exposures, primarily with respect to USD, Pound, GBP, Euro and Swiss Franc. The Company has an appropriate policy in place and covers the risk partly through hedging by means of forward transactions. The Company has put in place a system-driven credit control procedure and proactive approach to prepare liquidity planner, and constant review thereof, to ensure that at any given point of time there is adequate cover available to extinguish its liabilities.

**Operational risks** are associated with systems, processes and people and covers areas such as succession planning, attrition and retention of people, operational failure or interruption, disruption in supply chain, failure of research & development facilities, and faulty application of information technology, besides non-compliance of regulatory provisions. The Company is exposed to all such operational risks. However, the policies and process framework of the Company, supported by the strong management information system and group guidelines, provide it a proactive approach to mitigate operational risks to a great extent. The Company's business critical software is operated on a server with regular maintenance and back-up of data. The global communication network is managed centrally and is equipped to deal with failures and breakdowns. Updated tools are regularly loaded to ensure virus-free environment. The Company has put in place a system-driven legal compliance manual and certification process that ensures compliance of regulatory provisions and the same is reviewed by the Board of directors.

**Hazard risks** are related to natural hazards arising out of the nature of product / operations, accidents, fire, earthquake or cyclone, etc. The risk associated with protection of environment, safety of operations and health of people at work is monitored regularly with reference to statutory regulations prescribed by the Government authorities and guidelines defined by Crew B.O.S. The Company does not merely fulfill the legal requirements concerning emission, waste water and waste disposal, but actually works to even stricter self-imposed standards. The risk arising from product liability is protected through insurance policies or limited through contractual agreements wherever possible.

#### HUMAN RESOURCES

The vision and success of the Company are shaped by its people. Caring, Sharing, Growing is the new philosophy of the Company. Crew B.O.S's human resource policy affirms the belief that people are the organization's major assets, and that together they will sustain Crew B.O.S as an institution with vitality and perpetuity. The Company's success depends largely upon the quality and competence of its management team and key personnel. Attracting and retaining talented professionals is therefore a key element of the Company's strategy and a significant source of competitive advantage.

While the Company has a salary and incentive structure designed to encourage employee retention, failure to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on the Company's business, its future financial performance and the price of its equity shares. The Company has put in place policies for retaining and attracting



talent from the industry and truly believes that each employee has added value and created new paradigms in business partnership between the customers and the Company.

The Company places a great emphasis on enhancing the skills-set and knowledge base of its employees. The aim of Crew B.O.S.'s human resources division is also to create a pool of motivated individuals that are empowered, thinking, growing continually and sustaining the talent requirements in line with the goals and vision of the Company, while maximizing operational efficiency.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

The organization is well structured and the policy guidelines are well documented with pre-defined authority. The Company has also implemented suitable controls to ensure that all resources are utilized optimally, financial transactions are reported with accuracy and there is strict adherence to applicable laws and regulations. The Company also has an exhaustive budgetary control system to monitor all expenditures against approved budgets on an ongoing basis.

Recognizing the important role of internal scrutiny, the Company has an internal audit function which is empowered to examine the adequacy of, and compliance with, policies, plans and statutory requirements. It is also responsible for assessing and improving the effectiveness of risk management, control and governance process.

#### FINANCIAL COMPARISON OF FISCAL YEAR 2010 WITH 2009

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

Fiscal year 2010 pertains to the year that commenced on April 1, 2009 and ended on March 31, 2010. Fiscal year 2009 pertains to the year that commenced on April 1, 2008 and ended on March 31, 2009.

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

#### 1. Income from operations

Total Income from operations for the fiscal year 2010 aggregated to Rs. 4592.86 million, representing an increase of

30.87 per cent from Rs. 3509.48 million in fiscal year 2009. Table 1 presents a break-up of total income from operations for fiscal years 2010 and 2009.

Particulars	Year Ended March 31				
	2010		2009		Growth
	(Rs. Million)	%	(Rs. Million)	%	
Exports	3125.00	68.04	2080.55	59.28	50.20
Domestic	1304.61	28.40	1298.19	36.99	0.50
Duty Drawback	163.25	3.56	130.74	3.73	24.87
<b>Total</b>	<b>4592.86</b>	<b>100.0</b>	<b>3509.48</b>	<b>100.0</b>	

#### (i) Export Sales

Export sales are primarily generated from export of fashion accessories. Export sales for fiscal year 2010 stood at Rs. 3125.00 million, representing an increase of 50.20 per cent from Rs. 2080.55 million in fiscal year 2009.

#### - Sales Breakup

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

- Fashion Bags
- Fashion Belts
- Fashion Footwear
- Wallets
- Gift items and other small goods

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

Particulars	Year Ended March 31				
	2010		2009		Growth
	(Rs. Million)	%	(Rs. Million)	%	
Fashion Bags	1252.14	28.18	986.18	29.95	26.97
Fashion Belts	616.13	13.87	503.78	15.30	22.30
Fashion Footwear	486.90	10.96	302.17	9.17	61.13
Wallets	367.92	8.28	340.70	10.34	7.99
Leather	294.05	6.62	51.16	1.55	474.76
Other	343.61	7.74	42.09	1.28	716.37
Finished Goods					
Fabrics	1082.03	24.35	1066.90	32.41	1.42
<b>Total</b>	<b>4442.78</b>	<b>100.0</b>	<b>3292.98</b>	<b>100</b>	

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

Sr. #	Name of Customer	% Contribution
1	FOSSIL RETRODOME	22.92
2	MARKS & SPENCER SCM LIMITED	12.55
3	COACH SERVICES INC	10.51
4	LIZ CLAIBORNE INC	5.95
5	CHICOS 921 DISTRIBUTION SVCS	5.76
6	DEBENHAMS RETAIL PLC	5.44
7	ACCESSORIZE	4.42
8	AEO MANAGEMENT CO.	4.41
9	ESPRIT EUROPE SERVICE GMBH	3.97
10	OLD NAVY	3.70

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

## 2. Expenditure

### i) Material Manufacturing and Other Manufacturing Expenses

The total material manufacturing and other manufacturing expenses constituted 72.42% of income from operation in the fiscal year 2010 and 69.81 per cent of income from operations in fiscal year 2009.

### ii) Contract Manufacturing

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

### iii) Investment in Fixed Assets

The Company has invested Rs. 217.46 million in the Fixed Assets to make its manufacturing processes mechanized, thereby enabling reduction in the cost of production leading to better product at cheaper cost.

### iv) Personnel, Administrative & Selling Expenses

a) Personnel, Administrative expenses have reduced to 14.57 per cent of Income from operations in the fiscal year 2010 from 16.59 per cent of Income from operations in fiscal year 2009. It helped the Company to improve its profitability.

### v) Interest and Finance Charges

The interest and finance charges are 5.53 per cent of the income from operations in the fiscal year 2010, as compare to 5.33 per cent of the income from operations in the fiscal year 2009.

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

## vi) Taxation

Current Income Tax has been provided on income not exempted under the tax laws. Approximately 15.76 per cent of the turnover came from 100% EOU facilities, which are exempt under section 10 B of the Income tax Act, 1961.

## 3. Earnings before Interest, Depreciation, Taxation and Amortization (EBIDTA)

The Operating Profit for the fiscal year 2010 (EBIDTA) was Rs. 635.66 million, representing 13.84% of income from operations, as against Rs. 442.07 million, representing 12.60 per cent of income from operations for the fiscal year 2009.

## 4. Profit after Tax

Profit after tax for the fiscal year 2010 grew to Rs. 185.69 million from Rs. 113.54 million in the fiscal year 2009, representing an increase of 63.55 per cent over the fiscal year 2009.

## 5. Financial Position

### i) Share Capital

The Company Authorized Share Capital stood at Rs. 200,000,000/-, comprising 19,000,000 Equity Shares of Rs. 10/- each and 1,000,000 Preference Shares of Rs. 10/- each.

The paid up capital of the Company stood at Rs. 128.2 million for the fiscal year 2010, i.e. the same as of fiscal year 2009. The Company has issued 20,00,000 share warrants convertible into equity shares of Rs. 10 each at a premium of Rs. 40.33 /-, of which Rs. 25.16 million are received to meet the requirements in fiscal year 2010.

### ii) Reserves and Surplus

During the fiscal year 2010, addition to the Reserve & Surplus is due to surplus available in Profit & Loss Account and Security premium.

### iii) Secured Loans

The overall secured loan for the year stood at Rs. 2020.71 million, as compared to Rs. 1604.15 million in the previous year. The change is mainly due to increase in the working capital limit because of significant increase in the turnover.

### iv) Fixed Assets

The Company invested an amount of Rs. 217.46 million in Fixed Assets in the Fiscal Year 2010, as compared to Rs. 338.49 million in the fiscal year 2009.

### v) Investments

The investments at the end of the year stood at Rs. 25.78 million, representing the amount invested in the subsidiaries.

### vi) Inventories

Inventories stood at Rs. 1554.13 million in the fiscal year 2010, as against Rs. 1318.44 million in the fiscal year 2009. The inventories to income from operation have





come down from 37.57 percent to 33.84 percent. The inventory days were 187 days in the fiscal year 2010 from 217 days in the fiscal year 2009.

**vii) Sundry Debtors**

Sundry Debtors as of March 31, 2010 were Rs. 1407.60 million, as against Rs. 878.28 million as of March 31, 2009. These debtors are considered good and realizable. The number of days outstanding of debtors is 116 days in the fiscal year 2010 and 95 days in the fiscal year 2009.

**viii) Cash & Bank Balances**

Cash and Bank Balances stood at Rs. 150.92 million for the fiscal year 2010 as against Rs. 49.02 million in the fiscal year 2009 to improve the operations of the funds.

**ix) Loans and Advances**

Loan and advances as of March 31, 2010 have increased to Rs. 326.6 million from Rs. 198.59 million as at the end of fiscal year 2009. The increase is mainly on account of:

- a) Advance to Subsidiaries
- b) Duty Drawback Receivable on deemed exports
- c) Security Deposits
- d) Advances to Staff
- e) Advance to Suppliers
- f) Advance income tax, Refundable Vat

**x) Sundry Creditors**

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

The average credit period for the fiscal year 2010 stood at 98 days as compared to 82 days in the financial year 2009.

**xi) Miscellaneous Expenditure**

Miscellaneous Expenditure stood at Rs. 1.16 million in fiscal year 2010, as against Rs. 2.31 million in fiscal year 2009.

**Cautionary Statement**

Statements in the Management Discussion and Analysis report and other Sections relating to the Company's Objectives, projections, outlook, expectations, etc. may be forward looking statements within the meaning of applicable law and regulations. Actual results could differ materially from those expressed or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions, economic conditions, government rules and regulations, economic developments, natural calamities, etc., over which the Company does not have the direct control.

## AUDITORS' REPORT

To the Members of

Crew B.O.S. Products Limited

We have audited the attached Balance Sheet of Crew B.O.S. Products Limited, as at 31st March, 2010 and Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditors report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above :-
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account, as required by Law, have been kept by the Company so far as appears from our examination of the books.
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, *subject to note number 17 regarding non provision of gratuity liability and note number 18*

*regarding short provision for bonus* the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by the Report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.

- e) On the basis of written representation received from the directors and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our knowledge and information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :-
  - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2010.
  - (ii) In the case of the Profit & Loss Account of the profit for the year ended on that date.
  - (iii) In the case of the Cash Flow Statement, on the cash flows for the year ended on that date.

For **ANIL K. GOYAL & ASSOCIATES**  
Chartered Accountants

Sd/-  
**(ANIL K. GOYAL)**  
Proprietor  
Membership No. 71221  
Firm Reg. No. 004558N

Place : New Delhi  
Date : 25 May, 2010

## ANNEXURES REFERRED TO IN PARA 1 OF THE AUDITOR'S REPORT TO THE MEMBERS OF CREW B.O.S. PRODUCTS LIMITED ACCOUNTS FOR THE YEAR ENDED MARCH 31ST, 2010

- 1) a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. 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 physically verified during the year by the management and auditors appointed by the bankers from whom the company is enjoying various credit facilities. We have relied on the stock audit report submitted by the management and auditors to the bankers certifying the stock value figure as on March 31st, 2010. In our opinion the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records





of inventory. The discrepancies noticed on physical verification of inventory as compared to book records have been dealt with.

- 3) The Company has granted interest free unsecured loans/ advances to ten parties covered in the register maintained under section 301 of the Act, aggregating to Rs 695.81 Lakhs. The terms and conditions thereof are generally not prejudicial to the interest of the company. The company has taken interest free unsecured, loans/advances from three parties covered in the register maintained under section 301 of the Act, aggregating to Rs. 65.14 Lakhs. The terms and conditions thereof are generally not prejudicial to the interest of the company
- 4) In our opinion, and according to information and explanations given to us, there are adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of stores & spare parts, fixed assets, and with regard to sale of products and there are no major internal control weaknesses in regard thereto.
- 5) The transactions that need to be entered into a register in pursuance of section 301 of the Companies Act have been entered. According to the information and explanations given to us, purchase of goods and sale of services aggregating during the year to Rs. 5,00,000/- or more in respect of a party in pursuance of contracts or arrangements entered into the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time for such goods.
- 6) *During the year Company has taken unsecured interest free short-term loans of Rs. 2 lakhs from a Society. Necessary compliances for loans were not done since these stands squared-up during the same financial year*
- 7) In our opinion the Company has an internal audit system that is commensurate with the size and nature of its business.
- 8) *The company is still in the process of compiling 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 generally 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. There are no arrears of outstanding statutory dues as at 31st March, 2010 for a period of more than six months from the date they became payable *except undisputed Tax liability of Rs 266.32 Lakhs (including Fringe Benefit Tax for the financial year 2008 -09 as per income tax return filed.. As explained to us, the Company did not have any dues on account of investor education and protection fund.*  
*The Company has disputed Income Tax Liability of Rs. 18.95 Lakhs (Deposit Rs 18.95 Lakhs) for financial year 2002-03, Rs. 31.01 Lakhs (Deposit Rs 31.01 Lakhs) relating to financial year 2004-05 and Rs. 32.07 Lakhs (Deposit Rs 32.07 Lakhs) relating to financial year 2005-06 which have not been provided for being to be contested in appeal.*
- 10) The company has neither accumulated losses as at the end of the financial year nor it incurred cash losses in the current financial year as well as in the immediately preceding financial year.

- 11) According to the records of the company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or bank.
- 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 information and explanations given to us, the company has given a guarantee on behalf of its JV Company- Centre of Excellence In Design Limited for loans amounting to Rs. 560 Lakhs sanctioned from a bank during the year. The company holds 50% shareholding in this JV Company.
- 16) The company has availed term loans from a bank/financial institutions. According to the information and explanation given and in our opinion these term loans were applied for the purpose for which the loans were obtained.
- 17) According to the information & explanations given to us and based on examination of documents & records made available, we are of the opinion that the company has not used funds raised on short term basis for long term investments and vice versa.
- 18) During the year the company has made preferential allotment of warrants convertible into equity shares on private placement basis to parties and Companies covered in the register maintained u/s 301 of the Companies Act 1956 as per SEBI Guidelines.
- 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 as such disclosure of end use of money raised is not applicable.
- 21) During the course of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the company, noticed nor reported during year nor we have been informed of such case by the Management.

For **ANIL K. GOYAL & ASSOCIATES**

Chartered Accountants

Sd/-

**(ANIL K. GOYAL)**

Proprietor

Membership No. : 71221

Firm Reg. No. 004558N

Place: New Delhi

Date : 25 May, 2010

## BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	Amount (Rs.) 31-Mar-10	Amount (Rs.) 31-Mar-09
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	1	134,980,120	128,182,000
Reserves & Surplus	2	1,243,309,606	1,039,249,275
<b>LOAN FUNDS:</b>			
Secured Loan	3	2,020,709,458	1,604,154,309
Unsecured Loan	4	155,791,044	43,498,370
<b>DEFERRED TAX LIABILITY</b>		<b>29,206,518</b>	<b>37,206,518</b>
<b>TOTAL</b>		<b>3,583,996,746</b>	<b>2,852,290,472</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	1,780,987,137	1,566,197,995
Less : Depreciation		(361,273,576)	(251,748,837)
Net Block		1,419,713,561	1,314,449,158
<b>INVESTMENTS</b>			
<b>Current Assets, Loan &amp; Advances</b>	6	<b>25,782,750</b>	<b>20,782,720</b>
Inventories	7	1,554,133,086	1,318,439,411
Sundry Debtors	8	1,407,599,056	878,285,127
Cash & Bank Balances	9	150,923,503	49,023,027
Loan & Advances	10	326,600,622	198,589,610
		<b>3,439,256,267</b>	<b>2,444,337,175</b>
<b>Less : Current Liabilities &amp; Provisions</b>			
Current Liabilities	11	1,135,932,784	853,608,961
Provisions	12	165,981,100	75,981,100
		<b>1,301,913,884</b>	<b>929,590,061</b>
<b>NET CURRENT ASSETS</b>		<b>2,137,342,383</b>	<b>1,514,747,114</b>
Miscellaneous Expenditure (to the extent not written off or adjusted)		1,158,052	2,311,480
<b>TOTAL</b>		<b>3,583,996,746</b>	<b>2,852,290,472</b>
Significant Accounting Policies and Notes forming part of the Accounts Cash Flow Statement	18		

as per our report of even date attached.

For **Anil K. Goyal & Associates**  
Chartered Accountants

Sd/-  
**(Anil K. Goyal)**  
Proprietor  
Membership No. : 71221

Place : Gurgaon  
Date : May 25th, 2010

For and on behalf of the Board  
**Crew B.O.S. Products Limited**

Sd/-  
**(Tarun Oberoi)**  
Managing Director

Sd/-  
**(Sanjeev Sehgal)**  
C.F.O.

Sd/-  
**(Robin Bartholomew)**  
Director

Sd/-  
**(Sanjay Kumar Babu)**  
Company Secretary



## PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31ST, 2010

	Schedule	Amount (Rs.) 31-Mar-10	Amount (Rs.) 31-Mar-09
<b>INCOME</b>			
Income from Operations	13	4,592,862,003	3,509,482,058
Less : Inter-unit Transfer(s)		149,666,667	165,849,639
Net Income from Operations		4,443,195,336	3,343,632,419
Other Income	14	22,147,508	2,468,946
Increase / (Decrease) in Stocks	15	163,545,559	95,113,912
Income from forfeiture of Share Warrants		–	29,850,000
<b>TOTAL</b>		<b>4,628,888,403</b>	<b>3,471,065,277</b>
<b>EXPENDITURE</b>			
Material Manufacturing & Others	16	3,325,813,398	2,449,929,853
Personnel, Administration & Selling	17	669,401,610	582,187,508
Interest & Finance Charges		254,167,067	187,157,188
Depreciation		109,863,454	80,675,607
<b>TOTAL</b>		<b>4,359,245,529</b>	<b>3,299,950,156</b>
Profit Before Taxation		269,642,874	171,115,121
(Less) : Provision for Taxation		(90,000,000)	(37,500,000)
Add / (Less) : Deferred Tax Liability		8,000,000	(20,000,000)
		187,642,874	113,615,121
Add / (Less) : Tax Adjustments of Prior Years		–	–
Add / (Less) : Adjustments of Prior Years		(1,949,427)	(72,023)
Profit After Taxation		185,693,447	113,543,098
Balance in Profit and Loss Account		696,815,228	583,272,130
<b>Profit available for Appropriation</b>		<b>882,508,675</b>	<b>696,815,228</b>
<b>APPROPRIATIONS</b>			
Proposed Dividend		–	–
Proposed Interim Dividend		–	–
Transfer to General Reserve		–	–
Provision for Tax on Proposed Dividend		–	–
Provision for Tax on Proposed Interim Dividend		–	–
Balance Carried to Balance Sheet		882,508,675	696,815,228
		882,508,675	696,815,228
E.P.S. [Basic] In Rs.		22.47	8.86
E.P.S. [Diluted] In Rs.		12.53	8.86
Significant Accounting Policies and Notes forming part of the Accounts Cash Flow Statement	18		

as per our report of even date attached.

For **Anil K. Goyal & Associates**  
Chartered Accountants

For and on behalf of the Board  
**Crew B.O.S. Products Limited**

Sd/-  
**(Anil K. Goyal)**  
Proprietor  
Membership No. : 71221

Sd/-  
**(Tarun Oberoi)**  
Managing Director

Sd/-  
**(Robin Bartholomew)**  
Director

Place : Gurgaon  
Date : May 25th, 2010

Sd/-  
**(Sanjeev Sehgal)**  
C.F.O.

Sd/-  
**(Sanjay Kumar Babu)**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Amount (Rs.) 31-Mar-10	Amount (Rs.) 31-Mar-09
<b>A. Cash flow from operating activities:</b>		
Net (loss)/profit before tax but after exceptional/extraordinary items	269,642,874	171,115,121
Adjustments for:		
Depreciation	109,863,454	80,675,607
Interest Expense	254,167,067	187,157,188
Interest Income	(3,305,999)	(2,468,567)
Profit from Foreiture of Share Warrants	-	(29,850,000)
(Profit)/Loss on Fixed Assets sold	123,028	52,829
Deferred revenue expenditure written off	1,991,049	4,663,466
Unrealised foreign exchange (gain) /loss	(6,335,881)	37,946,842
<b>Operating profit before working capital changes</b>	<b>626,145,592</b>	<b>449,292,486</b>
<b>Adjustments for changes in working capital :</b>		
– (INCREASE)/DECREASE in Sundry Debtors	(521,922,105)	(429,896,728)
– (INCREASE)/DECREASE in Other Receivables	(120,483,423)	33,774,463
– (INCREASE)/DECREASE in Inventories	(235,693,675)	(431,423,922)
– INCREASE/(DECREASE) in Trade and Other Payables	280,587,659	513,228,264
<b>Cash generated from operations</b>	<b>28,634,048</b>	<b>134,974,563</b>
– Taxes (Paid) / Received (Net of TDS)	(3,604,593)	(2,051,307)
– Prior Period (Expenses)/Income (Net)	(1,949,427)	(72,023)
Net cash from operating activities	23,080,028	132,851,233
<b>B. Cash flow from Investing activities:</b>		
Purchase of fixed assets	(217,458,358)	(338,487,594)
Proceeds from Sale of fixed assets	226,501	312,182
Purchase of Investments	(5,000,000)	(3,750,060)
Miscellaneous Expenditure	(837,621)	-
Interest Received (Revenue)	1,363,975	3,038,326
Net cash used in investing activities	(221,705,503)	(338,887,146)
<b>C. Cash flow from financing activities:</b>		
Proceeds form fresh issue of Share Capital (including Share Premium)	25,165,004	-
Proceeds from long term borrowings	(110,590,092)	230,787,395
Proceeds from short term borrowings	640,118,106	145,528,578
Interest Paid	(254,167,067)	(187,157,188)
<b>Net cash used in financing activities</b>	<b>300,525,951</b>	<b>189,158,785</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>101,900,476</b>	<b>(16,877,127)</b>
<b>Cash and cash equivalents as at 31.03.2009</b>	<b>49,023,027</b>	<b>65,900,155</b>
<b>Cash and cash equivalents as at 31.03.2010</b>	<b>150,923,503</b>	<b>49,023,027</b>
<b>Cash and cash equivalents comprise</b>		
Cash, Cheques & Drafts (in hand) and Remittances in Transit	13,331,243	7,756,515
Balance with Banks	137,592,260	41,266,512
	<b>150,923,503</b>	<b>49,023,027</b>

### Notes :

- 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.
- Figures in brackets indicate cash outgo.
- Previous Year figures have been regrouped and recast wherever necessary to conform to the current year classification.

as per our report of even date attached.

For **Anil K. Goyal & Associates**  
Chartered Accountants

Sd/-  
**(Anil K. Goyal)**  
Proprietor  
Membership No. : 71221

Place : Gurgaon  
Date : May 25th, 2010

For and on behalf of the Board  
**Crew B.O.S. Products Limited**

Sd/-  
**(Tarun Oberoi)**  
Managing Director

Sd/-  
**(Sanjeev Sehgal)**  
C.F.O.

Sd/-  
**(Robin Bartholomew)**  
Director

Sd/-  
**(Sanjay Kumar Babu)**  
Company Secretary



## SCHEDULES FORMING PART OF THE BALANCE SHEET

	Amount (Rs.) 31-Mar-10	Amount (Rs.) 31-Mar-09
<b>SCHEDULE : 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
19,000,000 Equity Shares of Rs. 10/- each	190,000,000	190,000,000
1000,000 Preference Share of Rs. 10/- each	10,000,000	10,000,000
<b>TOTAL</b>	<b>200,000,000</b>	<b>200,000,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
12,818,200 Equity Shares of Rs. 10/- each fully paid up.	128,182,000	128,182,000
Share Warrants (25% called, Subscribed & Paid up – Refer Note No. 11)	6,798,120	–
<b>TOTAL</b>	<b>134,980,120</b>	<b>128,182,000</b>
<b>SCHEDULE : 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>GENERAL RESERVE</b>		
Opening Balance	42,413,947	42,413,947
Transferred from Profit & Loss Accounts	–	–
	<b>42,413,947</b>	<b>42,413,947</b>
<b>SECURITY PREMIUM</b>		
Opening Balance	300,020,100	300,020,100
Add : Received during the year	18,366,884	–
	<b>318,386,984</b>	<b>300,020,100</b>
Surplus in Profit & Loss Account	882,508,675	696,815,228
<b>TOTAL</b>	<b>1,243,309,606</b>	<b>1,039,249,275</b>
<b>SCHEDULE : 3</b>		
<b>SECURED LOANS</b>		
Cash Credit Limits	893,187,487	110,931,868
Packing Credit Limits	268,218,132	514,722,885
Bills Purchased by Banks	290,187,381	298,793,006
Vehicle / Equipment Loans	72,898,037	40,725,928
Term Loan	496,218,421	638,980,622
<b>TOTAL</b>	<b>2,020,709,458</b>	<b>1,604,154,309</b>
Notes:		
1. Term loans from banks and financial institution secured by deposit of title deeds relating to all immoveable assets of the Company and further secured by hypothecation of Company's all moveable assets, and equitable mortgage of property at Manesar belonging to WOS of the Company namely Vogue Home Products Limited.		
2. 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.		
3. Foreign Bills Purchased by banks included Rs 158.99 lakhs being sales bills factored by Standard Chartered Bank and further covered by insurance.		
The above loan facilities are further secured by 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 and Demand Promissory Notes signed by Promoter Directors on behalf of the Company.		
<b>SCHEDULE : 4</b>		
<b>UNSECURED LOANS</b>		
Standard Chartered Bank	69,854,390	39,998,370
State Bank of India : Bill Discounting	34,862,262	–
SIDBI	31,074,392	–
From Others	20,000,000	3,500,000
<b>TOTAL</b>	<b>155,791,044</b>	<b>43,498,370</b>

## SCHEDULES FORMING PART OF THE BALANCE SHEET

### SCHEDULE : 5 FIXED / INTANGIBLE ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
	As On 01/04/2009	Additions During the Year	Deletions / Sales / Adjustment	As On 01/04/2009	For the Year On Deletions / Sales / Adjustment	As On 31/03/2010	As On 31/03/2010	As On 31/03/2009
<b>FIXED ASSETS</b>								
FACTORY LAND	156,768,382	-	-	-	-	-	156,768,382	156,768,382
FACTORY BUILDING	287,952,072	80,121,656	-	58,684,892	43,229,540	101,914,432	266,159,296	229,267,180
COMPUTER	43,969,437	979,344	-	26,641,076	6,974,502	33,615,578	11,333,203	17,328,361
ELECTRICAL FITTINGS	22,198,080	5,934,771	-	9,005,541	1,789,259	10,794,800	17,338,051	13,192,539
FURNITURE & FIXTURES	45,391,458	6,362,309	-	19,028,206	4,638,043	23,666,249	28,087,518	26,363,252
PLANT & MACHINERIES	457,782,613	64,338,695	389,400	99,272,172	45,796,811	144,798,275	376,933,633	358,510,441
VEHICLES	26,471,861	6,789,443	2,279,816	15,103,625	3,516,185	16,570,831	14,410,657	11,368,236
OFFICE EQUIPMENTS	34,939,204	9,734,435	-	11,680,384	3,328,264	15,008,648	29,664,991	23,258,820
<b>TOTAL</b>	<b>1,075,473,107</b>	<b>174,260,653</b>	<b>2,669,216</b>	<b>239,415,896</b>	<b>109,272,604</b>	<b>346,368,813</b>	<b>900,695,731</b>	<b>836,057,211</b>
<b>INTANGIBLE ASSETS</b>								
COMPUTER SOFTWARE	13,289,830	6,969,366	-	7,172,222	1,274,871	8,447,093	11,812,103	6,117,608
TECHNICAL RECIPES & FORMULAE	12,969,505	-	-	5,160,719	1,296,951	6,457,670	6,511,835	7,808,786
<b>TOTAL</b>	<b>26,259,335</b>	<b>6,969,366</b>	<b>-</b>	<b>12,332,941</b>	<b>2,571,822</b>	<b>14,904,763</b>	<b>18,323,938</b>	<b>13,926,394</b>
<b>CAPITAL ADVANCES &amp; WIP</b>								
<b>CAPITAL ADVANCES &amp; WIP</b>	464,465,553	122,483,861	86,255,520	-	-	-	500,693,894	464,465,553
<b>TOTAL</b>	<b>464,465,553</b>	<b>122,483,861</b>	<b>86,255,520</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500,693,894</b>	<b>464,465,553</b>
<b>GRAND TOTAL (Rs.)</b>	<b>1,566,197,995</b>	<b>303,713,879</b>	<b>88,924,736</b>	<b>251,748,837</b>	<b>111,844,426</b>	<b>361,273,576</b>	<b>1,419,713,562</b>	<b>1,314,449,158</b>
PREVIOUS YEAR	1,228,591,730	353,471,984	15,865,719	169,288,500	82,976,655	251,748,837	1,314,449,158	

**Notes :** Plant and Machinery amount includes Rs 16542402.00 value of machinery located at its JV partner Leather Crafts (I) Private Limited. Depreciation Rs 1980972.00 on the same has been charged by joint venture named Crew MAG Exports Limited.



## SCHEDULES FORMING PART OF THE BALANCE SHEET

	Amount (Rs.) 31-Mar-10	Amount (Rs.) 31-Mar-09
<b>SCHEDULE : 6</b>		
<b>INVESTMENTS</b>		
<b>Unquoted-Long Term (Non-Trade)</b>		
Investment in subsidiary Company		
i) 50000 Equity Shares of Rs 10.00 each in Vouge Home Products Limited	500,000	500,000
ii) 1000 Equity Shares of USD 1.00 each in Crew B O S Far East Ltd., Hong Kong	43,250	43,250
iii) 790500 Equity Shares @ Rs 10/- each in Crew MAG Exports Limited (Out of above 765,000 Equity Share at a premium of Rs 10/- each.)	15,555,000	15,555,000
iv) 7900 Equity Shares of Euro 1/- each in IGUVIUM Srl, Italy	434,500	434,500
v) 124997 Equity Shares of Rs 10/- each in Centre of Excellence in Design Limited	1,250,000	1,249,970
vi) 100000 Equity Shares of Rs 10.00 each in Crew BOS Enterprises Limited	1,000,000	1,000,000
vii) 100000 Equity Shares of Rs 10.00 each in Villa BOS Leathers Limited	1,000,000	1,000,000
viii) 100000 Equity Shares of Rs 10.00 each in Emporio BOS Designs Limited	1,000,000	1,000,000
ix) 500000 Equity Shares of Rs 10.00 each in Crew ROR Products Limited	5,000,000	-
<b>TOTAL</b>	<b>25,782,750</b>	<b>20,782,720</b>
<b>SCHEDULE : 7</b>		
<b>INVENTORIES</b>		
(As Taken, Valued & Certified by the Management)		
Raw Material : Imported	212,959,891	242,484,097
: Indigenous	793,689,330	683,070,074
Semi Finished Goods	370,427,579	358,455,853
Finished Goods	105,469,785	3,975,794
Goods-in-Transit : Raw Material	2,088,655	11,035,589
: Finished Goods	69,497,846	19,418,004
<b>TOTAL</b>	<b>1,554,133,086</b>	<b>1,318,439,411</b>
<b>SCHEDULE : 8</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, Considered Good)		
Debts Outstanding for a period exceeding six months	139,938,056	24,877,129
Others Debts	1,267,661,000	853,407,998
<b>TOTAL</b>	<b>1,407,599,056</b>	<b>878,285,127</b>
<b>SCHEDULE : 9</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand	13,331,243	7,756,515
Bank Balance with Scheduled Banks	74,428,766	15,554,500
In Margin Money accounts	31,072,376	16,527,693
Cheque in Hand	11,742,747	-
Bank Deposits	20,348,371	9,184,319
<b>TOTAL</b>	<b>150,923,503</b>	<b>49,023,027</b>



## SCHEDULES FORMING PART OF THE BALANCE SHEET

	Amount (Rs.) 31-Mar-10	Amount (Rs.) 31-Mar-09
<b>SCHEDULE : 10</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received	<b>9,351,948</b>	7,690,969
Advance to Crew BOS Enterprises Limited	<b>89,100</b>	34,600
Advance to Emporio BOS Design Limited	<b>119,549</b>	34,600
Advance to Villa BOS Leathers Limited	<b>3,088,477</b>	34,600
Advance to W.O.S., Crew BOS Far East Limited, Hong Kong	<b>2,871,545</b>	5,248,905
Advance to W.O.S., Crew Home Products Limited	<b>6,374,945</b>	6,137,375
Advance to Crew MAG Exports Limited	<b>101,029,650</b>	46,412,534
Advance to Centre of Excellence in Design Limited	<b>6,434,485</b>	6,411,831
Advance to Luxuriun Leathers P.Ltd.	<b>2,024,700</b>	-
Advance to Crew ROR Products Limited	-	-
Advance to Crew Republica Retail Ltd.	<b>2,849,764</b>	-
Advance to Staff	<b>11,202,319</b>	9,016,690
Security Deposit	<b>37,424,494</b>	17,041,667
Advance Income Tax and TDS	<b>25,558,709</b>	21,954,116
Duty Drawback Receivable	<b>41,346,925</b>	26,635,913
Interest/Dividend/Other Receivable	<b>2,010,576</b>	68,552
Refundable Vat	<b>21,618,838</b>	15,818,683
Refundable Sales Tax	<b>5,155,559</b>	5,007,111
Cenvat Recoverable	<b>18,378,882</b>	16,282,086
Advances to Suppliers / Capital Advance	<b>28,198,853</b>	13,837,678
Prepaid Expenses	<b>1,471,304</b>	921,700
<b>TOTAL</b>	<b>326,600,622</b>	198,589,610
<b>SCHEDULE : 11</b>		
<b>CURRENT LIABILITIES</b>		
Advances from Customers	-	51,336
Credit Balance in Bank Current Accounts	<b>87,031,617</b>	37,231,164
Sundry Creditors	<b>939,200,249</b>	679,466,757
Other Liabilities	<b>109,616,721</b>	136,775,507
Unpaid Dividend	<b>84,197</b>	84,197
<b>TOTAL</b>	<b>1,135,932,784</b>	853,608,961





## SCHEDULES FORMING PART OF THE BALANCE SHEET

	Amount (Rs.) 31-Mar-10	Amount (Rs.) 31-Mar-09
<b>SCHEDULE : 12</b>		
<b>PROVISION</b>		
Provision for Income Tax	165,981,100	75,981,100
Provision for Proposed Dividend	-	-
Provision for Tax on Proposed Dividend	-	-
<b>TOTAL</b>	<b>165,981,100</b>	<b>75,981,100</b>
<b>SCHEDULE : 13</b>		
<b>INCOME FROM OPERATIONS</b>		
Export Sales (FOB)	2,692,941,248	2,080,548,653
Overseas Merchanting Trade	432,065,455	-
Domestic Sales	1,296,246,315	1,296,535,235
Duty Drawback	163,246,719	130,744,802
Jobwork Income	8,362,266	1,653,368
<b>TOTAL</b>	<b>4,592,862,003</b>	<b>3,509,482,058</b>
<b>SCHEDULE : 14</b>		
<b>OTHER INCOME</b>		
Interest	3,305,999	2,468,567
Misc Income	18,841,509	379
<b>TOTAL</b>	<b>22,147,508</b>	<b>2,468,946</b>
<b>SCHEDULE : 15</b>		
<b>INCREASE/DECREASE(-) IN STOCKS</b>		
<b>Closing Stock</b>		
Finished Goods	105,469,785	3,975,794
Semi Finished Goods	370,427,579	358,455,853
Goods-in-Transit : Finished Goods	69,497,846	19,418,004
	<b>545,395,210</b>	<b>381,849,651</b>
<b>Less : Opening Stock</b>		
Finished Goods	19,418,004	20,063,811
Semi Finished Goods	73,551,419	45,523,897
Goods-in-Transit : Finished Goods	288,880,228	221,148,031
	<b>381,849,651</b>	<b>286,735,739</b>
<b>TOTAL</b>	<b>163,545,559</b>	<b>95,113,912</b>

## SCHEDULES FORMING PART OF THE BALANCE SHEET

	Amount (Rs.) 31-Mar-10	Amount (Rs.) 31-Mar-09
<b>SCHEDULE : 16</b>		
<b>MATERIAL, MANUFACTURING AND OTHERS</b>		
Raw Material Consumed : Indigenous	857,855,692	718,183,828
Raw Material Consumed : Imported	607,037,221	363,506,053
Consumables Stores : Indigenous	178,193,421	147,143,676
Raw Material Consumed : Imported	14,199,436	21,799,801
Purchase of Finished Goods	1,379,934,845	971,893,548
Electricity, Water & Fuel Charges	36,512,103	28,998,504
Fabrication and Processing	147,078,853	109,381,842
Repair and Maintenance	5,647,910	6,670,581
Freight, Cartage and Clearing	74,048,503	63,326,472
Discount and Rebate	25,305,414	19,025,548
<b>TOTAL</b>	<b>3,325,813,398</b>	<b>2,449,929,853</b>
<b>SCHEDULE : 17</b>		
<b>PERSONNEL, ADMINISTRATION AND OTHERS</b>		
Wages, Salary & Bonus	364,396,500	225,920,512
Contribution to E.S.I. Fund	8,737,007	4,989,061
Contribution to Provident Fund	19,379,314	12,248,509
Staff Welfare Expenses	19,479,080	13,949,884
Directors Remuneration	12,029,900	12,018,900
Freight Outward and Packaging	43,566,481	38,537,197
Travelling and Conveyance	28,624,674	26,408,063
Printing and Stationery	4,441,821	4,382,622
Communication & Courier	35,140,873	22,625,407
Consultancy & Professional	9,689,398	16,489,103
Books & Periodicals	167,732	188,806
Sales Promotion	6,644,742	4,953,785
Security & Office Expenses	24,132,567	22,970,943
Vehicle Running & Maintenance	6,241,018	6,544,004
Insurance Charges	6,703,114	5,757,633
Payments to Auditors	991,400	875,003
Fees & Subscriptions	2,349,211	2,691,728
Testing Expenses	14,179,252	12,188,103
Miscellaneous Expenses	11,276,008	2,300,180
Loss on Sale of Fixed Assets	123,028	52,829
Rent	30,954,400	42,775,562
Foreign Exchanges Losses	18,163,041	100,198,287
Deferred Revenue Expenditure Written Off	1,991,049	3,121,387
<b>TOTAL</b>	<b>669,401,610</b>	<b>582,187,508</b>



## SCHEDULES FORMING PART OF THE BALANCE SHEET

### SCHEDULE 18

#### SIGNIFICANT ACCOUNTING POLICIES AND NOTES

##### A. SIGNIFICANT ACCOUNTING POLICIES

###### 1. Basis of Accounting

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.

###### 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.

###### 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.

###### 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.

###### 5. Depreciation

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

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

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

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

###### 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.

###### 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.

###### 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.

## SCHEDULES FORMING PART OF THE BALANCE SHEET

### 9. 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.

### 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.

### 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.

### 12. Contingent Liabilities

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

### 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.

## B. NOTES TO THE ACCOUNTS:

### 1. Contingent liabilities in the respect of:

(Amount in Rs / Lakh)

	For the year ended March 31, 2010	For the year ended March 31, 2009
a) Guarantees given by Bankers	0.72	Nil
b) Capital Commitments (Net of Advance) [documents not available with the company being taken by IT survey team-Jalandhar]	1462.36	1475.46
c) Bonds given to Excise authorities for its Export Oriented Unit(s) (Total amount of Bond-Rs. 800.00 Lakhs)	718.21	660.54
d) Letter of Credit established by bank	5071.22	3985.37
e) The Company has given corporate guarantee to Canara Bank on behalf of its associate company - The Centre of Excellence in Design Limited against bank limits availed by associates company. Company holds 50% Share in this Company.		
f) Claims made by four employees are pending in the industrial tribunals. Any liability which may arise out of awards from Tribunal is Contingent and shall be account for in the year of settlement of case.		
g) 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.		
h) The Company has outstanding Export obligation of Rs 353.49 (Previous Year 4302.45) lakh under EPCG Licenses obtained for Import of Capital Goods.		
i) There was a Tax Survey on the company on April 12th ,2010.The proceeding are on and final report of Survey team was not finalized. Therefore tax impact due to survey is not quantifiable and remains unprovided and will be dealt with in the year when finalized.		

2. The Company has sent letters to the vendor to identify their status of registration as Micro, Small & Medium enterprises development Act, 2006. The Company has received reply from few vendors and has provided interest of Rs 4.14Lakhs on delayed payment to them.

3. The various debit and credit balances are subject to confirmation.



## SCHEDULES FORMING PART OF THE BALANCE SHEET

4. In the opinion of the board of directors the current assets, loan and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities have been made.
5. Deferred Tax Liability/Asset comprises the following: (Amount in Rs./Lakhs)

Timing differences on account of:	For the year Ended March 31, 2010		For the year Ended March 31, 2009	
	Deferred Tax Assets	Deferred Tax Liability	Deferred Tax Assets	Deferred Tax Liability
a) Depreciation	–	451.10	–	396.94
b) Employees Benefits	159.03	–	24.88	–
<b>Total</b>	<b>159.03</b>	<b>451.10</b>	<b>24.88</b>	<b>396.94</b>
<b>Net Deferred Tax Liability / Asset</b>	<b>–</b>	<b>292.07</b>	<b>–</b>	<b>372.06</b>

6. There are debtors from whom Rs 75.50Lakh is due to be recovered for over one year. These debtors are unconfirmed and doubtful and provision for bad debt for the same has been made during the year under reference and debited under the head 'Discount rebate and claim' to the profit and loss accounts.
7. There are advance paid to Creditors to the tune of Rs 54.91 Lakhs which are over one year. These advances to supplier are unconfirmed and doubtful to be recovered and therefore provision for the same has been made during the year under reference and debited under the head 'Miscellaneous Expense' to the profit and loss accounts.
8. Under the group of Creditors, a sum of Rs 188.42 Lakhs is credit balance of Sundry Creditors which have not been claimed for more than one year by the suppliers. These credit balances are unconfirmed but the company has accounted for as income during the year under reference and credited under the head 'Miscellaneous Income' to the profit and loss accounts.
9. During the financial year 2006-07, the Company was sanctioned the External Commercial Borrowings (ECB) loan consisting of Japanese Yen equivalent of USD 5,000,000 for capital expenditure requirements vide credit arrangement entered with Citi Bank N.A. London. The ECB loan amount had been revised to USD 4,000,000 and accordingly fully utilized by the Company. During the year the company has repaid ECB Loan by USD 12,50,000 equaling to INR 588.33 lakhs). The interest rate on ECB loan is JPY Libor plus based. Outstanding Balance of ECB at the last day of financial year 2009-10 is USD 15,00,000 equaling to INR 677.10 Lakhs (Previous Year USD 27,50,000.00 equaling to INR 1162.92 Lakhs).
10. The Company has a JV Company namely Iguvium S.r.l. in Italy having investment of INR4.35Lakh(EURO7900). The Company holds only 79% shares. This Company is under Liquidation with no assets. There was a loan given to JV amounting to Rs 23.84Lakh which is doubtful to be recovered and the Company has not provided provision as needful compliances with Reserve Bank of India in this matter are to be complied with.
11. During the year the Company has issued 20 Lacs warrants convertible into equity shares of the Company on Preferential Basis at a price of Rs. 50.33/- per warrants, which will entitle the holder to subscribe to one equity share of the face value of Rs. 10/- at a price not being less than Rs. 50.33/- (including premium of Rs. 40.33/-) per equity share of the Company against each warrant. The holder of the warrants will have an option to apply for and be allotted one equity share of the Company per warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. The warrants were issued to the Promoters and Promoter Group Companies and other Private business investors for the working capital expansion of existing business requirement of the Company. As on date no holder of warrants has exercised the option. In case option is not exercised within a period of 18 months from the date of allotment, the aforesaid 25% amount paid on the date of allotment shall be forfeited as per Clause 77 of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The amounts received of Rs. 251.65 lakhs against the 25% payment for allotment of warrants which has been utilized in the working capital of the Company and expansion of existing business verticals of the Company.
12. The Company has amortized Rs. 12.97 lakhs being one-tenth (previous Year Rs 12.97lakhs) of total Rs 129.70 lakhs on development of new recipes and formulation for its leather finishing unit at Manesar being incurred in Financial Year 2005-06.
13. Depreciation on factory building includes Rs 308.61 Lakh (Previous year 90.31Lakh) being the amount of amortization on lease hold property over the lease period.
14. Capital advances / WIP includes Rs 4803.79Lakhs (Previous year Rs 3751.20Lakh) on account of building under construction at IMT Manesar (Haryana), Neemrana (Raj.), Jalandhar (Pb.) and Ranipet (TN). These Projects are still under progress and expected to be completed in the next financial year.
15. Company capitalized Rs 62.84 Lakh under the head 'Computer Software' from Capital advances / WIP for software under development and which are under customization and not in commercial use. The Company has not charged any depreciation on this item as the same has not been put to use during this year.
16. The company has writte off a sum of Rs. 11.53 lacs being one-fifth of GDR issue expenses. The remaining balance of Rs 11.58 lakh shall be written off during the next financial year 2010-11.

## SCHEDULES FORMING PART OF THE BALANCE SHEET

17. The Company has received valuation letter from LIC of India for gratuity contribution amounting to Rs 118.01 Lakh for the Financial Year ended March 31, 2009. The Company had already provided a sum of Rs 75.42Lakh and the remaining amount Rs 42.59Lakh of Gratuity liability has been provided in the current financial year pertaining to last year. The Company has not made any provision for Gratuity for the current Financial Year 2009–10 because actuarial valuation was not received from LIC of India till the date.
18. The Company has provided bonus a sum of Rs 103.88Lakh for the year under reference as per which is at minimum rate of bonus as per Bonus Act . The company has not made calculation of allocable surplus as per Bonus Act to determine the rate at which bonus should have been paid subject to maximum rate of 20% of wages & salary.
19. HSIDC Ltd. cancelled allotment of plot measuring 9000 sq.mtrs at IMT Manesar due to untimely payment including grace period. However, the same has been re-allotted as fresh allotment to the company for which company has given an undertaking that it will pay additional amount in future, if there is a rate revision. The company has given an advance of Rs. 202.75 Lakhs (Previous year-Rs. 110.25 Lakhs) to HSIDC Ltd. during the year against total value of Rs. 810 Lakhs.
20. During the year the Company has incorporated Crew ROR Products Limited as Wholly Owned Subsidiary (WOS) and its accounts for the year ended March 31st, 2010 has been considered in consolidated accounts of the Company.
21. First phase of Neemrana project covering area 7000 Sq. Mtr. out of total builtup area 16517 Sq. Mtr. (Total plot area 126,410 Sq. Mtr.) as a Slipper unit has been started during the 3rd quarter of the current financial year. Preoperative Expense of Rs 48.22Lakh (Total Rs 113.77Lakh) related to this phase has been capitalized.
22. Palampur project commenced production this year and due to some commercial reasons the same has been closed by the company and preoperative expense of Rs 8.38 Lakh related to this project has been written off during the year.
23. The Company had placed the Fixed Assets with its JV Company namely 'Crew MAG Exports Limited'. The Value of the Fixed Assets located with the JV Partner is Rs. 165.42 Lakhs and this has not been treated as sales to JV company. The Company has charged depreciation of Rs 19.81Lakh on these assets which have been debited to the JV Company.
24. The Company has given interest free loan of Rs 892.88Lakh Lakhs to its JV Company namely 'Crew MAG Exports Limited' for business operations which include Rs 175.00 to procure the Land/Lease hold Land from its JV Partner.
25. During the year the Company has also taken an unsecured loan of Rs 190.00Lakh from S E Investment Limited at the interest rate of 7.50% flat being repayable by Post Dated Cheques in 18 EMI.
26. During the year the Company had given interest free loan of Rs 22.50 Lakh to its employee's cooperative group housing society namely 'The Crew BOS C G H S Limited. The company has also taken interest free loan of Rs. 2 Lakhs from this Society. Necessary compliances for loan were not done since this stands squared – up during the same financial year.
27. During the year the Company has given contribution of Rs 0.25Lakh to its employees society 'The Crew Academy'. This amount shown under the group of 'Loans and Advances' since the receipt for the same is awaited.
28. The Company has been doing domestic trading business as well and it is changing its focus into similar International Business activities during the last quarter of this current year the said activities have generated a turnover of Rs.43.02 Crores (Previous Year 'Nil').
29. Export Sales includes Rs 215.32Lakh (Previous Year 820.17Lakh) being loss from exchange difference on realization of foreign currency.
30. Auditors' remuneration (Amount in Rs./Lakhs)

	For the year ended March 31, 2010	For the year ended March 31, 2009
a) Audit Fee	5.50	4.50
b) Limited review of quarterly results	2.00	1.60
c) Tax Audit Fees	0.75	0.75
d) Others	1.66	1.90
<b>TOTAL</b>	<b>9.91</b>	<b>8.75</b>

### 31. 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 after tax available for equity shareholders (Rs / Lakhs)	1856.93	1135.43
b) Weighted average no of equity shares outstanding during the year	14818200	12818200
c) Basic earning per Rs. Share (a÷12818200)*	14.49	8.86
d) Diluted earning per Rs. Share (a÷b )	12.53	8.86

\*(PAT ÷ Paidup Equity Shares)



## SCHEDULES FORMING PART OF THE BALANCE SHEET

### 32. Segment Accounting Policies:

In addition to the significant accounting policies as per Note 1 of A, Schedule 18, the accounting policies in relation to segment accounting are as under:

#### 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.

### Segment Reporting

I) Reportable Business Segment		Current Year					
		Fashion Accessories			Footwear Division	Leather	Total 31-03-2010
Segment		Cotton Made	Leather Made	Total			
A Manufacturing Production	(i) Domestic	–	9,030,226	9,030,226	762,394	212,788,115	222,580,735
	Less : Inter-Segment Sales	–	–	–	–	0	149,666,667
	Net Sales	–	9,030,226	9,030,226	762,394	212,788,115	72,914,068
	(ii) Exports	25,583,553	2,403,980,200	2,429,563,753	355,650,515	70,973,699	2,856,187,967
	Less : Inter-Segment Sales	–	–	–	–	–	–
	Net Sales	25,583,553	2,403,980,200	2,429,563,753	355,650,515	70,973,699	2,856,187,967
	(iii) Total [(i)+(ii)]	25,583,553	2,413,010,426	2,438,593,979	356,412,909	283,761,814	2,929,102,035
	(iv) Segment Result	6,481,353	137,037,165	143,518,518	75,919,456	10,091,252	229,529,226
B Trading Activity	(a) Domestic	1,082,027,846	–	1,082,027,846	–	–	1,082,027,846
	Less : Inter-Segment Sales	–	–	–	–	–	–
	Net Sales	1,082,027,846	–	1,082,027,846	–	–	1,082,027,846
	(b) Merchanting (Overseas)	–	285,317,755	285,317,755	146,747,700	–	432,065,455
	Less : Inter-Segment Sales	–	–	–	–	–	–
	Net Sales	–	285,317,755	285,317,755	146,747,700	–	432,065,455
	(c) Total [(a)+(b)]	1,082,027,846	285,317,755	1,367,345,601	146,747,700	–	1,514,093,301
	(d) Segment Result	78,311,882	285,317,755	363,629,637	37,567,387	–	401,197,024
C Total	Revenue {iii+c}	1,107,611,399	2,698,328,181	3,805,939,580	503,160,609	283,761,814	4,443,195,336
	Result {iv+d}	84,793,235	422,354,920	507,148,155	113,486,843	10,091,252	630,726,250
Other Income							22,147,508
Interest							(254,167,067)
Unallocable Expenditure							(131,013,244)
Provision for Taxation							(90,000,000)
Deferred Tax							8,000,000
Net Profit After Tax							185,693,447
Other Information							
Segment Assets				2,512,373,544	565,737,053	892,852,259	3,970,962,856
Unallocated Assets		–					914,947,774
Deferred Tax Assets/(Liability)							(29,206,518)
Total Assets		–		2,512,373,544	565,737,053	892,852,259	4,856,704,112
Segment Liabilities				579,282,913	137,651,934	71,446,383	788,381,230
Unallocated Liabilities							2,690,033,156
Share Capital & Reserves							1,378,289,726
Total Liabilities		–		579,282,913	137,651,934	71,446,383	4,856,704,112



## SCHEDULES FORMING PART OF THE BALANCE SHEET

### II) Information about Secondary Geographical Segment

Location	Rs / Lakh)
Exports Sales	3,288,253,422
Domestic Sales	1,304,608,581
Total	4,592,862,003
Less: Inter Segment Sales	149,666,667
<b>Total Revenues</b>	<b>4,443,195,336</b>

### 33. Related Party Disclosures :

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

(Rs./Lakh)					
Name of the Party	Nature of relationship	Nature of transaction	Transactions during the year 2009-10	Outstanding as on 31-03-2010	Transactions year 2008-09
Vogue Home Products Ltd.	Wholly Owned Subsidiary	Capital Contribution	–	5.00	–
		Loan Given	2.38	63.75	61.37
Crew B.O.S Far East Ltd.	Wholly Owned Subsidiary	Capital Contribution	–	0.43	–
		Sales	–	60.39	4.17
		Loan Given	4.78	–	52.49
		Loan Taken - (Squarred Up)	24.03	–	–
		Purchase	–	–	21.15
Iguvium Srl Italy	Subsidiary	Capital Contribution	–	4.35	–
		Loan Given	–	22.15	22.15
		Professional Charges	1.70	–	–
Crew MAG Exports Limited	Subsidiary	Capital Contribution	–	155.55	–
		Sales	58.52	1053.29	21.95
		Purchase	122.45	–	–
		Loan given	532.53	–	464.12
Crew ROR Products Limited	Subsidiary	Capital Contribution	50.00	50.00	–
Centre of Excellence in Design Limited	Joint Venture	Capital Contribution	–	12.50	–
		Sales	11.22	160.49	134.51
		Loan Given	1.12	–	69.22
Crew BOS Enterprises Limited	Subsidiary	Capital Contribution	–	10.00	–
		Loan Taken – (Squarred Up)	9.46	0.89	–
		Loan Given	0.54	–	0.35
Emporio BOS Design Limited	Subsidiary	Capital Contribution	–	10.00	–
		Loan Taken – (Squarred Up)	9.15	1.20	–
		Loan Given	0.85	–	0.35
Villa BOS Leather Limited	Subsidiary	Capital Contribution	–	10.00	–
		Purchase	114.02	34.68	–
		Job Work	7.07	–	–
		Loan Given	82.11	–	0.35
		Sales	62.31	–	–
Crew Republica Retail Ltd.	Subsidiary	Loan Given	28.50	28.50	–



## SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs./Lakh)					
Name of the Party	Nature of relationship	Nature of transaction	Transactions during the year 2009-10	Outstanding as on 31-03-2010	Transactions year 2008-09
Fable Concept & Technology Private Limited	Associated Enterprises	Loan Given	3.13	3.13	–
		Forfeiture of Preferential Share Warrants	–		92.06
Elan Trade Post Private Limited	Associated Enterprises	Loan Given	37.88	37.88	–
		Forfeiture of Preferential Share Warrants	–		117.44
The Crew BOS C.G.H.S. Limited	Group of Employees	Loan Given – (Squarred Up)	22.50	–	13.25
		Loan Taken – (Squarred Up)	2.00		174.45
Crew BOS Society	Group of Employees	Contribution/Donation	0.25	0.25	–
Mr. Tarun Oberoi	Key Managerial Personnel	Director's remuneration	77.05	–	77.05
Mr. Robin Bartholomew	Key Managerial Personnel	Director's remuneration	42.85	–	42.85
Mrs Shallay Bartholomew	Relative of Key Managerial Personnel	Remuneration	12.07		5.71

### 34. Directors Remuneration

(a) Total remuneration comprising of: Amount (Rs.)

Particulars	2009-10	2008-09
Salary	7,800,000	7,800,000
Allowances & Perquisites	4,189,200	4,189,200
Sitting Fees	40,700	29,700
<b>Total</b>	<b>12,029,900</b>	<b>12,018,900</b>

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

Amount (Rs.)

Particulars	2009-10	2008-09
Profit before taxation as per Profit & Loss A/c	269,642,874	171,115,121
Add:		
(1) Loss on sale of Fixed Assets	123,028	52,829
(2) Directors Remuneration	11,989,200	11,989,200
(3) Directors Sitting Fee	40,700	29,700
<b>Total</b>	<b>281,795,802</b>	<b>183,186,850</b>
Less:		
Profit on sale of Investments	–	–
<b>Total</b>	<b>–</b>	<b>–</b>
Profit u/s 349 of the Companies Act 1956 for Calculation of remuneration payable to Directors	281,795,802	183,186,850
Maximum amount Payable as per ceiling specified u/s 309(3) of the Companies Act, 1956 (10% of net profit)	28,179,580	18,318,685
	<b>28,179,580</b>	<b>18,318,685</b>

## SCHEDULES FORMING PART OF THE BALANCE SHEET

### 35. Foreign Currency Transactions Amount (Rs.)

	2009-10	2008-09
<b>A. Expenditure / Outflow</b>		
Foreign Travelling Expense	10,003,287	5,730,267
Subscription Exp.	213,378	16,579
Loan to IGUVIUM Srl, Italy	-	70,022
Raw-Material	913,311,979	492,054,678
ECB Repayment	62,254,717	56,182,640
Rebates & Discounts	25,305,414	-
Professional Charges	169,787	-
Capital Goods	5,156,802	25,808,747
Software License Fee :EDI	-	101,824
Machine Spares	1,296,254	1,580,906
<b>B. Earnings</b>		
Exports Sales (FOB)	3,125,006,703	2,080,548,653

### 36. Additional information pursuant to paras 3, 4C & 4D of Part II of Schedule VI of the Companies Act, 1956.

#### A) Licensed and installed capacity and production (As Certified by the Management)

Description	Current / Previous Year Licensed Capacity		Current / Previous Year Installed Capacity	Current Year Production	Previous Year Production
Fashion Accessories	7,000,000	No(s)	Not Ascertainable	4,242,083	4,130,589
Footwear	3,000,000	Pairs	Not Ascertainable	905,561	1,022,076
Finished Leather	14,800,000	SqFt	Not Ascertainable	3,697,569	769,306

#### B. Raw Material Consumed

Products		Consumption			
		Current Year		Previous Year	
Particulats	Unit	Qty.	Amount	Qty.	Amount
Leather	Sqft	13,012,722	898,021,647	7,401,394	652,219,649
Fabrics	Meter	2,794,269	80,134,264	1,755,301	69,457,740
Others			486,737,002		360,012,492
<b>Total</b>			<b>1,464,892,913</b>		<b>1,081,689,881</b>

#### (C) Composition of Raw Material Consumed

	Current Year		Previous Year	
	%	Value( Rs.)	%	Value( Rs.)
Indigenous	58.56%	857,855,692	66.39%	718,183,828
Imported	41.44%	607,037,221	33.61%	363,506,053
	<b>100.00%</b>	<b>1,464,892,913</b>	<b>100.00%</b>	<b>1,081,689,881</b>



## SCHEDULES FORMING PART OF THE BALANCE SHEET

### (D) Statement of Opening Stock, Sale & Closing Stock Of Finished Goods of Manufacturing items

Item	Opening Stock		Turn Over		Closing Stock	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Particulars	Qty	Amount	Qty	Amount	Qty	Amount
Bags	6,117	6,626,641	7,916	1,252,140,810	-	6,117
Belts	36,413	12,401,857	41,627	616,134,212	-	36,413
Wallets	874	389,506	8,728	1,429,968	-	874
Footwear	-	-	10,583	3,472,304	-	-
Finished Leather	-	-	-	-	-	-
Others	-	-	-	-	-	-
		19,418,004		2,893,415,779		19,418,004

### (E) Detail of Traded Items

ITEMS	Opening Stock		Purchases		Turnover		Closing Stock		
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	
Particulars	Unit	Qty.	Amounts	Qty.	Amounts	Qty.	Amounts	Qty.	Amounts
Belts	Nos	-	116	26,100	-	116	11,600	-	-
Bags	Nos	-	-	-	-	-	-	-	-
Footwear	Pair	-	62,141	114,532,274	-	62,141	158,992,730	-	-
Other Finished Goods	Nos	-	445,480	256,866,995	-	445,480	308,349,085	-	-
Leather	Soft	-	5,448	339,642	-	5,448	251,807	-	-
Fabrics	Mtr	36,782	3,975,794	10,816,517	1,105,209,955	8,991,150	971,893,548	1,307,817	105,469,785
<b>Total</b>			<b>3,975,794</b>	<b>365,742</b>	<b>1,476,609,224</b>	<b>971,893,548</b>	<b>1,067,166,564</b>	<b>1,307,817</b>	<b>105,469,785</b>

37. The corresponding figures of previous year have been regrouped, rearranged wherever necessary.

as per our report of even date attached.

For **Anil K. Goyal & Associates**

Chartered Accountants

Sd/-

**(Anil K. Goyal)**

Proprietor

Membership No. : 71221

Place: Gurgaon

Date : May 25th, 2010

For and on behalf of the Board

**Crew B.O.S. Products Limited**

Sd/-

**(Tarun Oberoi)**

Managing Director

Sd/-

**(Robin Bartholomew)**

Director

Sd/-  
**(Sanjeev Sehgal)**  
C.F.O.

Sd/-  
**(Sanjay Kumar Babu)**  
Company Secretary

# ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART-IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Details

Registration No.	34472
State Code	55
Balance Sheet Date	31.03.2010

### II. Capital raised during the year

(Amt. in '000)  
(Rs.)

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL

### III. Position of Mobilization and Deployment of Funds

(Amt. in '000)  
(Rs.)

<b>Total Liabilities</b>	3,583,997
<b>Total Assets</b>	3,583,997
<b>Source of Funds</b>	
Paid-up Capital	128,182
Equity Warrants Subscribed	6,798
Reserves & Surplus	1,243,310
Secured Loans	2,020,709
Unsecured Loans	155,791
Deferred Tax Liability	29,207
<b>Application of Funds</b>	
Net Fixed Assets	1,419,714
Investments	25,783
Net Current Assets	2,137,342
Misc. Expenditure	1,158
Deferred Revenue Expenditure	NIL
Accumulated Losses	NIL

### IV. Performance of Company

(Amt. in '000)  
(Rs.)

Turnover	4,592,862
Total Expenditure	4,359,246
Profit/ (Loss) before tax	269,643
Profit/ (Loss) after tax	185,693
Earning per Share (Basic) in Rs.	14.49
Earning Per Share (Diluted) in Rs.	12.53
Dividend rate %	NIL

### V. Generic Names of Three Principal Products/Services of Company

Item Code No. (ITC Code)	Product Description
420221	Bags and similar goods of leather
420330	Belts
440320	Leather footwear

For **Anil K. Goyal & Associates**  
Chartered Accountants

Sd/-  
**(Anil K. Goyal)**  
Proprietor  
Membership No. : 71221

Place : Gurgaon  
Date : May 25th, 2010

For and on behalf of the Board  
**Crew B.O.S. Products Limited**

Sd/-  
**(Tarun Oberoi)**  
Managing Director

Sd/-  
**(Sanjeev Sehgal)**  
C.F.O.

Sd/-  
**(Robin Bartholomew)**  
Director

Sd/-  
**(Sanjay Kumar Babu)**  
Company Secretary



## AUDITORS' REPORT

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

We have examined the attached Consolidated Balance Sheet of Crew B.O.S. Products Limited, as at 31st March, 2010 and the Consolidated Profit & Loss Account for the year ended on that date annexed thereto and the consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not audit the financial statements of foreign subsidiaries, whose financial statement reflect total assets of Rs. 35,49,351/- as at 31st March, 2010 and total revenue of Rs. 22,87,282/- for the year ended on that date. These financial statements have been audited by other auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these consolidated entities, is based solely on the report of the other auditors

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

basis of separate audited financial statements of the company and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the company and its subsidiaries, we are of the opinion that the said consolidated financial statements give a true and fair view of confirmative with the accounting principles generally accepted in India;

- (i) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiaries as at March 31st, 2010.
- (ii) In the case of the Consolidated Profit & Loss Account of the consolidated results of operations of the company and its subsidiaries for the year ended on that date.
- (iii) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

For **ANIL K. GOYAL & ASSOCIATES**

Chartered Accountants

Sd/-

**(ANIL K. GOYAL)**

Proprietor

Membership No. 71221

Firm Reg. No. 004558N

Place : New Delhi

Date : 25 May, 2010

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	Amount (Rs.) 31-Mar-10	Amount (Rs.) 31-Mar-09
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	1	134,980,120	128,182,000
Reserves & Surplus	2	1,162,897,990	1,016,758,774
<b>LOAN FUNDS:</b>			
Secured Loan	3	2,056,753,059	1,647,775,621
Unsecured Loan	4	199,358,829	80,951,803
Minority Interest		19,692,201	–
Deferred Tax Liability		–	37,336,112
<b>TOTAL</b>		<b>3,573,682,200</b>	<b>2,911,004,310</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets :</b>			
Gross Block	5	1,825,894,668	1,609,532,689
Less : Depreciation		(371,643,612)	(260,305,511)
Net Block		1,454,251,056	1,349,227,178
Investments	6	–	3,000,000
Deferred Tax Assets		8,827,598	–
<b>Current Assets, Loan &amp; Advances</b>			
Inventories	7	1,597,781,601	1,366,557,641
Sundry Debtors	8	1,455,876,413	908,494,245
Cash & Bank Balances	9	158,851,240	50,086,917
Loan & Advances	10	264,226,292	173,952,137
		3,476,735,547	2,499,090,940
<b>Less : Current Liabilities &amp; Provisions</b>			
Current Liabilities	11	1,204,081,382	906,159,005
Provisions	12	166,958,684	76,387,524
		1,371,040,066	982,546,529
<b>NET CURRENT ASSETS</b>			
Minority Interest		–	3,896,643
Miscellaneous Expenditure (to the extent not written off or adjusted)		1,158,052	2,311,480
Pre operative Expenses		3,750,013	36,024,598
<b>TOTAL</b>		<b>3,573,682,200</b>	<b>2,911,004,310</b>
Significant Accounting Policies and Notes forming part of the Accounts Consolidated Cash Flow Statement	18		

as per our report of even date attached.

For **Anil K. Goyal & Associates**  
Chartered Accountants

Sd/–  
**(Anil K. Goyal)**  
Proprietor  
Membership No. : 71221

Place : Gurgaon  
Date : May 25th, 2010

For and on behalf of the Board  
**Crew B.O.S. Products Limited**

Sd/–  
**(Tarun Oberoi)**  
Managing Director

Sd/–  
**(Sanjeev Sehgal)**  
C.F.O.

Sd/–  
**(Robin Bartholomew)**  
Director

Sd/–  
**(Sanjay Kumar Babu)**  
Company Secretary





## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	Amount (Rs.) 31-Mar-10	Amount (Rs.) 31-Mar-09
<b>INCOME</b>			
Income from Operations	13	4,802,889,125	3,617,150,275
Less : Interunit & Co. Sales		149,666,667	165,849,639
Net Income from Operations		4,653,222,458	3,451,300,636
Other Income	14	36,451,526	2,826,664
Increase in Stocks	15	160,615,483	134,921,051
Exceptional Item			
Income from Forfeiture of Share Warrant		–	29,850,000
<b>TOTAL</b>		<b>4,850,289,467</b>	<b>3,618,898,351</b>
<b>EXPENDITURE</b>			
Material Manufacturing & Others	16	3,501,483,296	2,572,648,149
Personnel, Administration & Selling	17	774,513,957	637,750,540
Interest & Finance Charges		261,089,248	190,226,629
Depreciation		114,503,789	84,832,271
<b>TOTAL</b>		<b>4,651,590,290</b>	<b>3,485,457,589</b>
Profit Before Taxation		198,699,177	133,440,762
Add/ (Less) : Provision for Taxation		(90,343,810)	(37,500,000)
Add/ (Less) : Provision for Wealth Tax		(227,350)	(130,250)
Add/ (Less) : Fringe Benefit Tax		–	(306,681)
Add / (Less) : Deferred Tax Liability		46,162,487	(20,091,693)
		154,290,503	75,412,138
Add / (Less) : Adjustments of Prior Years		(1,976,498)	(373,754)
Profit After Taxation		152,314,005	71,974,200
Balance in Profit and Loss Account		649,938,329	577,964,128
<b>Profit available for Appropriation</b>		<b>802,252,335</b>	<b>649,938,328</b>
<b>APPROPRIATIONS</b>			
Proposed Dividend		–	–
Interim Dividend		–	–
Transfer to General Reserve		–	–
Dividend Tax		–	–
Provision for Tax on Proposed Dividend		–	–
Balance Carried to Balance Sheet		802,252,335	649,938,328
		802,252,335	649,938,328
E.P.S. [Basic] In Rs.		11.88	5.62
E.P.S. [Diluted] In Rs.		10.28	5.62
Significant Accounting Policies and Notes forming part of the Accounts	18		
Consolidated Cash Flow Statement			

as per our report of even date attached.

For **Anil K. Goyal & Associates**  
Chartered Accountants

Sd/–  
**(Anil K. Goyal)**  
Proprietor  
Membership No. : 71221

Place : Gurgaon  
Date : May 25th, 2010

For and on behalf of the Board  
**Crew B.O.S. Products Limited**

Sd/–  
**(Tarun Oberoi)**  
Managing Director

Sd/–  
**(Sanjeev Sehgal)**  
C.F.O.

Sd/–  
**(Robin Bartholomew)**  
Director

Sd/–  
**(Sanjay Kumar Babu)**  
Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Amount (Rs.) 31-Mar-10	Amount (Rs.) 31-Mar-09
<b>A Cash flow from operating activities:</b>		
Net (loss)/profit before tax but after exceptional/extraordinary items	198,699,177	133,440,762
Adjustments for		
Depreciation	114,503,789	84,832,271
Interest Expense	261,089,248	190,226,629
Interest Income	(3,721,732)	(2,504,431)
Profit from Forfeiture of Share Warrant	-	(29,850,000)
(Profit)/Loss on Fixed Assets sold	123,028	52,829
Deferred revenue expenditure written off	38,015,647	13,688,949
Provision for Bad & Doubtful Debts/ Creditors Written off	945,066	-
Unrealised foreign Exchange	8,447,857	37,946,842
<b>Operating profit before working capital changes</b>	<b>618,102,080</b>	<b>427,833,851</b>
<b>Adjustments for changes in working capital :</b>		
– (INCREASE)/DECREASE in Sundry Debtors	(555,719,119)	(459,469,784)
– (INCREASE)/DECREASE in Other Receivables	(84,699,035)	37,655,850
– (INCREASE)/DECREASE in Inventories	(231,223,960)	(476,024,578)
– INCREASE/(DECREASE) in Trade and Other Payables	296,601,784	552,971,831
<b>Cash generated from operations</b>	<b>43,061,750</b>	<b>82,967,170</b>
– Taxes (Paid) / Received (Net of TDS)	(3,502,846)	(1,214,268)
– Prior Period (Expenses)/Income (Net)	(1,976,498)	(373,754)
<b>Net cash from operating activities</b>	<b>37,582,406</b>	<b>81,379,148</b>
<b>B. Cash flow from Investing activities:</b>		
Purchase of fixed assets	(219,970,411)	(348,006,578)
Proceeds from Sale of fixed assets	319,716	445,810
Purchase of Investments	-	(3,000,000)
Adjustment of Investments	3,000,000	-
Miscellaneous Expenditure	(4,727,124)	-
Interest Received (Revenue)	1,779,708	3,074,190
<b>Net cash used in investing activities</b>	<b>(219,598,111)</b>	<b>(347,486,578)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from fresh issue of Share Capital (including Share Premium)	25,165,004	-
Investments from Minorities	-	1,391,459
Proceeds from long term borrowings	(112,685,816)	233,678,065
Proceeds from short term borrowings	639,390,089	201,413,882
Interest Paid	(261,089,248)	(190,226,629)
<b>Net cash used in financing activities</b>	<b>290,780,029</b>	<b>246,256,777</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>108,764,324</b>	<b>(19,850,653)</b>
<b>Cash and cash equivalents as at 31.03.2009</b>	<b>50,086,917</b>	<b>69,937,570</b>
<b>Cash and cash equivalents as at 31.03.2010</b>	<b>158,851,241</b>	<b>50,086,917</b>
<b>Cash and cash equivalents comprise</b>		
Cash, Cheques & Drafts (in hand) and Remittances in Transit	13,864,076	8,008,320
Balance with Banks	144,987,165	42,078,597
	<b>158,851,241</b>	<b>50,086,917</b>

### Notes :

- 1 The above Cash flow statement has been prepared under the indirect method setout in AS-3 issued by the Institute of Chartered Accountants of India.
- 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

For **Anil K. Goyal & Associates**  
Chartered Accountants

Sd/-  
**(Anil K. Goyal)**  
Proprietor  
Membership No. : 71221

Place : Gurgaon  
Date : May 25th, 2010

For and on behalf of the Board  
**Crew B.O.S. Products Limited**

Sd/-  
**(Tarun Oberoi)**  
Managing Director

Sd/-  
**(Sanjeev Sehgal)**  
C.F.O.

Sd/-  
**(Robin Bartholomew)**  
Director

Sd/-  
**(Sanjay Kumar Babu)**  
Company Secretary



## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	Amount (Rs.) 31-Mar-10	Amount (Rs.) 31-Mar-09
<b>SCHEDULE : 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
19,000,000 Equity Shares of Rs. 10/- each	190,000,000	190,000,000
1000,000 Preference Share of Rs 10/- each	10,000,000	10,000,000
<b>TOTAL</b>	<b>200,000,000</b>	<b>200,000,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
12,818,200 Equity Shares of Rs. 10/- each fully paid up.	128,182,000	128,182,000
Preference Share Application Share	6,798,120	-
Preference Share Allotment Money	-	-
<b>TOTAL</b>	<b>134,980,120</b>	<b>128,182,000</b>
<b>SCHEDULE : 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>GENERAL RESERVE</b>		
Opening Balance	42,413,947	42,413,947
Transferred from Profit & Loss Account	-	-
	<b>42,413,947</b>	<b>42,413,947</b>
Security Premium	300,020,100	300,020,100
Add: Received on account of issue of GDRs / Equity Shares	18,366,884	-
Share Premium Account	<b>318,386,984</b>	<b>300,020,100</b>
Capital Reserve	-	-
Foreign Exchange Translation Reserve	(731,242)	3,822,080
Share holders transfer for loss covering purposes	-	-
Inter unit balances	-	-
Surplus Profit & Loss Account	802,828,301	649,938,328
Minority Share Adjustment	16,336,519	20,564,319
<b>TOTAL</b>	<b>1,162,897,990</b>	<b>1,016,758,774</b>
<b>SCHEDULE : 3</b>		
<b>SECURED LOANS</b>		
Cash Credit Limits	893,187,487	110,931,868
Packing Credit Limit	268,218,132	514,722,885
Foreign Bills Purchased by Bank	290,187,381	298,793,006
Vehicle / Equipment Loans	72,898,037	40,725,928
Term Loan from HDFC	878,951	964,340
Term Loan from HSIDC	115,528,159	135,501,261
Term Loan from Axis Bank	249,980,262	387,186,890
Citi Bank ECB Loan	67,710,000	116,292,471
Standard Chartered Bank	13,000,000	-
DCB Limited	50,000,000	-
Canara Bank DPN	10,220,466	12,864,775
Canara Term Loan	596,186	1,926,330
ICICI Bank (HP A/c)	1,276,535	1,378,471
Canara Bank CC Accounts	23,071,463	26,487,396
<b>TOTAL</b>	<b>2,056,753,059</b>	<b>1,647,775,621</b>
<b>Notes:</b>		
1. Term loans from banks and financial institution secured by deposit of title deeds relating to immovable assets of the Company and further secured by hypothecation of Company's all moveable assets, and equitable mortgage of property at Manesar belonging to WOS of the Company.		
2. 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 immovable properties of the Company and Corporate Guarantee of its Associates Companies.		
3. Foreign Bills Purchased by banks include Rs. 36136433.00 sales bills factored by Standard Chartered Bank covered by Insurance.		
The above loan facilities are further secured by personal guarantee by Promoter Directors and by Corporate Guarantee of the Associate Companies and Demand Promissory Note signed by Promoter Directors on behalf of the Company.		
<b>SCHEDULE : 4</b>	<b>Amount (Rs.) 31-Mar-10</b>	<b>Amount (Rs.) 31-Mar-09</b>
<b>UNSECURED LOANS</b>		
Matrix Clothing Ltd.	9,654,875	6,399,919
Leather Crafts(India) P Ltd	12,843,816	20,553,514
Mr. Tarun Oberoi	422,157	-
Mr. Robin Bartholomew	146,937	-
Standard Chartered Bank	69,854,390	39,998,370
State Bank of India : Bill Discounting	34,862,262	-
SIDBI	31,074,392	-
Simpal Leaf Pvt. Ltd.	4,000,000	4,000,000
Garg Petroleum Pvt. Ltd.	11,500,000	6,500,000
India Traders	5,000,000	-
From Others	20,000,000	3,500,000
<b>TOTAL</b>	<b>199,358,829</b>	<b>80,951,803</b>

## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

### SCHEDULE : 5

#### FIXED / INTANGIBLE ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK		
	As On 01/04/2009	Additions During the Year	Deletions / Sales / Adjustment	As On 31/03/2010	As On 01/04/2009	For the Year	On Deletions / Sales / Adjustment	As On 31/03/2010	As On 31/03/2009
<b>FIXED ASSETS</b>									
FACTORY LAND	160,506,692	-	-	160,506,692	-		-	160,506,692	160,506,692
FACTORY BUILDING	309,581,846	84,357,770	-	393,939,616	64,470,848	43,511,420	-	285,957,348	245,110,998
COMPUTER	45,722,471	1,203,140	176,080	46,749,531	27,353,802	7,412,641	82,865	12,065,953	18,368,669
ELECTRICAL FITTINGS	22,350,932	6,283,147	-	28,634,079	9,061,767	1,803,964	-	17,768,348	13,289,165
FURNITURE & FIXTURES	50,871,437	6,362,309	-	57,233,746	19,491,170	5,521,030	-	32,221,546	31,380,267
PLANT & MACHINERIES	459,824,924	65,586,638	1,152,536	524,259,026	100,008,523	45,903,037	1,033,844	379,381,310	359,816,401
VEHICLES	30,264,533	7,147,850	2,279,816	35,132,567	15,792,974	4,354,829	2,048,979	17,033,743	14,471,559
OFFICE EQUIPMENTS	35,274,615	10,067,965	-	45,342,580	11,767,717	3,381,246	-	30,193,617	23,506,898
<b>TOTAL</b>	1,114,397,449	181,008,819	3,608,432	1,291,797,836	247,946,801	111,888,167	3,165,688	935,128,556	866,450,648
<b>INTANGIBLE ASSETS</b>									
COMPUTER SOFTWARE	13,464,068	6,969,366	-	20,433,434	7,197,991	1,318,671	-	11,916,772	6,266,077
TECHNICAL RECIPES & FORMULAE	12,969,505	-	-	12,969,505	5,160,719	1,296,951	-	6,511,835	7,808,786
<b>TOTAL</b>	26,433,573	6,969,366	-	33,402,939	12,358,710	2,615,622	-	18,428,607	14,074,863
<b>CAPITAL ADVANCES &amp; WIP</b>									
CAPITAL ADVANCES & WIP	468,701,667	122,483,861	90,491,634	500,693,894	-	-	-	500,693,894	468,701,667
<b>TOTAL</b>	468,701,667	122,483,861	90,491,634	500,693,894	-	-	-	500,693,894	468,701,667
<b>GRAND TOTAL (Rs.)</b>	1,609,532,689	310,462,045	94,100,066	1,825,894,668	260,305,511	114,503,789	3,165,688	1,454,251,057	1,349,227,178
PREVIOUS YEAR	1,262,584,947	461,941,745	149,840,918	1,262,584,947	176,033,438	56,175,603	44,921	1,086,551,509	1,086,551,509



## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	Amount (Rs.) 31-Mar-10	Amount (Rs.) 31-Mar-09
<b>SCHEDULE : 6</b>		
<b>INVESTMENTS</b>		
<b>A) Long Term Investments (Unquoted-Non Trade)</b>		
i) 100000 Equity Shares of Rs.10/- each of Crew BOS Enterprises Ltd.	-	1,000,000
ii) 100000 Equity Shares of Rs.10/- each of Villa BOS Leathers Ltd.	-	1,000,000
iii) 100000 Equity Shares of Rs.10/- each of Emporio BOS Designs Ltd.	-	1,000,000
<b>TOTAL</b>	<b>-</b>	<b>3,000,000</b>
<b>SCHEDULE : 7</b>		
<b>INVENTORIES</b>		
(As certified by the Management)		
Raw Material : Imported	<b>212,959,891</b>	243,513,401
: Indigenous	<b>796,359,151</b>	686,250,230
Semi Finished Goods	<b>370,427,579</b>	381,811,440
Finished Goods	<b>146,448,479</b>	24,528,977
Goods-in-Transit : Raw Material	<b>2,088,655</b>	11,035,589
: Finished Goods	<b>69,497,846</b>	19,418,004
<b>TOTAL</b>	<b>1,597,781,601</b>	<b>1,366,557,641</b>
<b>SCHEDULE : 8</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, Considered Good)		
Debts Outstanding for a period exceeding six months	<b>165,700,595</b>	29,933,717
Others Debts	<b>1,290,175,819</b>	878,560,528
<b>TOTAL</b>	<b>1,455,876,414</b>	<b>908,494,245</b>
<b>SCHEDULE : 9</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand	<b>13,864,076</b>	8,008,320
Bank Balance	<b>79,823,671</b>	16,366,585
In Margin Money accounts	<b>31,072,376</b>	16,527,693
Bank Deposits	<b>20,348,371</b>	9,184,319
Cheques in Hand	<b>13,742,747</b>	-
<b>TOTAL</b>	<b>158,851,241</b>	<b>50,086,917</b>
<b>SCHEDULE : 10</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received	<b>14,536,008</b>	8,076,929
Advance to W.O.S., Crew BOS Enterprises Ltd.	-	34,600
Advance to W.O.S., Emporio BOS Designs Ltd.	-	34,600
Advance to W.O.S., Villa BOS Leathers Ltd.	-	34,600
Advance to Luxuriun Leathers P.Ltd.	<b>2,024,700</b>	-
Advance to Crew Republica Retail Ltd.	<b>2,849,764</b>	-
Advance to Staff	<b>11,260,893</b>	9,352,367
Security Deposit	<b>37,638,746</b>	17,414,333
Advance Income Tax and TDS	<b>25,609,545</b>	21,976,449
Duty Drawback Receivable	<b>48,284,469</b>	27,233,260
Interest/Dividend/Other Receivable	<b>2,010,576</b>	68,552
Refundable Vat	<b>23,072,974</b>	16,370,502
Refundable Sales Tax	<b>6,208,357</b>	5,541,449
Refundable Income Tax	<b>592,762</b>	592,762
Cenvat Recoverable	<b>18,378,882</b>	16,282,086

## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	Amount (Rs.) 31-Mar-10	Amount (Rs.) 31-Mar-09
Advances to Suppliers	38,978,143	16,647,679
Prepaid Expenses	1,616,848	1,171,511
Advance Against Land	27,900,000	27,900,000
Other Advances	–	3,726,833
Rent Advance	3,263,625	1,493,625
<b>TOTAL</b>	<b>264,226,292</b>	<b>173,952,137</b>
<b>SCHEDULE : 11</b>		
<b>CURRENT LIABILITIES</b>		
Advances from Customers	10,054,541	466,907
Credit Balance in Bank Current Accounts	90,701,143	43,997,765
Amount due to holding company	310,870	–
Sundry Creditors	986,275,401	720,162,412
Other Liabilities	116,655,230	141,447,724
Unpaid Dividend	84,197	84,197
<b>TOTAL</b>	<b>1,204,081,382</b>	<b>906,159,005</b>
<b>SCHEDULE : 12</b>		
<b>PROVISION</b>		
Provision for Taxation	166,601,084	76,257,274
Provision for weath Tax	357,600	130,250
<b>TOTAL</b>	<b>166,958,684</b>	<b>76,387,524</b>
<b>SCHEDULE : 13</b>		
<b>INCOME FROM OPERATIONS</b>		
Exports Sales (FOB)	3,271,384,355	2,310,156,735
Domestic Sales	1,339,781,671	1,167,874,297
Duty Drawback	179,332,628	136,805,785
Job Work	12,390,471	2,313,458
<b>TOTAL</b>	<b>4,802,889,125</b>	<b>3,617,150,275</b>
<b>SCHEDULE : 14</b>		
<b>OTHER INCOME</b>		
Interest	3,721,732	2,504,431
Miscellaneous Income	32,727,817	300,887
Exchange Difference	–	21,346
Profit on Sale of Fixed Assets	1,977	–
<b>TOTAL</b>	<b>36,451,526</b>	<b>2,826,664</b>
<b>SCHEDULE : 15</b>		
<b>INCREASE/DECREASE(–) IN STOCKS</b>		
Closing Stock		
Finished Goods	146,448,479	47,884,564
Semi Finished Goods	370,427,579	358,455,853
Goods–in–Transit : Finished Goods	69,497,846	19,418,004
	<b>586,373,904</b>	<b>425,758,421</b>
<b>Less : Opening Stock</b>		
Finished Goods	63,326,774	21,863,795
Semi Finished Goods	73,551,419	47,825,544
Goods–in–Transit : Finished Goods	288,880,228	221,148,031
	<b>425,758,421</b>	<b>290,837,370</b>
<b>TOTAL</b>	<b>160,615,483</b>	<b>134,921,051</b>



## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	Amount (Rs.) 31-Mar-10	Amount (Rs.) 31-Mar-09
<b>SCHEDULE : 16</b>		
<b>MATERIAL, MANUFACTURING &amp; OTHERS</b>		
Raw Material Consumed : Indigenous	1,001,842,265	767,664,198
Raw Material Consumed : Imported	947,089,259	358,326,813
Consumables Stores : Indigenous	178,322,146	147,518,379
Raw Material Consumed : Imported	14,199,436	21,799,801
Purchase of Finished Goods	1,062,271,486	1,038,850,501
Electricity, Water & Fuel Charges	39,200,662	29,646,855
Fabrication and Processing	147,995,702	117,375,897
Repair and Maintenance	5,758,869	6,696,773
Testing Report Charges	84,718	-
Freight, Cartages and Clearing	76,045,126	64,794,094
Discount , Rebates and Claims	28,673,627	19,974,838
<b>TOTAL</b>	<b>3,501,483,296</b>	<b>2,572,648,149</b>
<b>SCHEDULE : 17</b>		
<b>PERSONNEL, ADMINISTRATION &amp; SELLING</b>		
Wages, Salary & Bonus	391,321,491	246,630,920
Contribution to Provident Fund	21,618,740	5,532,156
Contribution to E.S.I. Fund	8,759,317	12,248,509
Staff Welfare Expenses	20,842,961	14,428,501
Directors Remuneration	12,029,900	12,018,900
Freight Outward and Packaging	59,253,194	43,660,078
Rates and Taxes	33,115	-
Traveling and Conveyance	32,609,391	32,412,076
Printing and Stationery	4,852,140	4,754,976
Communication & Courier	37,102,371	23,304,751
Consultancy & Professional Charges	11,382,655	18,559,177
Books & Periodicals	186,563	377,934
Commission & Brokerage Expense	2,746,163	300,000
Sales Promotion	6,979,659	8,837,971
Security Expenses	25,234,731	23,496,548
Vehicle Running & Maintenance	6,295,863	7,277,897
Accountancy Charges	30,583	88,500
Repair & Maintenance—Others	2,038,001	454,478
Insurance Charges	7,052,407	5,951,621
Auditors' Remuneration	1,234,785	1,096,108
Fees & Subscriptions	2,432,330	3,526,844
Testing Expenses	14,179,252	12,188,103
Miscellaneous Expenses	11,377,842	3,366,090
Loss on Sale of Fixed Assets	123,028	52,829
Rent	36,144,872	44,114,149
Short & Excess	-	745,600
Loss on Foreign Exchange	19,691,889	100,198,287
Provision for Doubtful Debts	945,066	-
Deferred Revenue Expenditure Written Off	38,015,647	12,127,537
<b>TOTAL</b>	<b>774,513,957</b>	<b>637,750,540</b>



# SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

## SCHEDULE 18

### Significant Accounting Policies and Notes

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### 1. Basis of Accounting

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.

##### 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.

##### 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.

##### 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.

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

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



## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

### 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.

### 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".

### 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.

### 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.

### 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.

### 11. Taxation

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.

### 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.

### 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.

### 14. Contingent Liabilities

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

## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

### B. NOTES TO THE ACCOUNTS:

#### 1. Contingent liabilities in the respect of:

		(Amount in Rs / Lakh)	
		For the year ended March 31, 2010	For the year ended March 31, 2009
a)	Guarantees given by Bankers	0.72	Nil
b)	Capital Commitments (Net of Advance) [documents not available with the company being taken by IT survey team-Jalandhar]	1462.36	1475.46
c)	Bonds given to Excise authorities for its Export Oriented Unit(s) (Total amount of Bond-Rs. 800.00 Lakhs)	718.21	660.54
d)	Letter of Credit established by bank	5071.22	3985.37
e)	The Company has given corporate guarantee to Canara Bank on behalf of its associate company - The Centre of Excellence in Design Limited against bank limits availed by associates company. Company holds 50% Share in this Company.		
f)	Claims made by four employees are pending in the industrial tribunals. Any liability which may arise out of awards from Tribunal is Contingent and shall be account for in the year of settlement of case.		
g)	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.		
h)	The Company has outstanding Export obligation of Rs 353.49 (Previous Year 4302.45) lakh under EPCG Licenses obtained for Import of Capital Goods.		
i)	There was a Tax Survey on the company on April 12th ,2010.The proceeding are on and final report of Survey team was not finalized . Therefore tax impact due to survey is not quantifiable and remains unprovided and will be dealt with in the year when finalized.		

2. 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%	31.03.2010	For the Period 1st April 2009 to 31st March, 2010
Crew MAG Exports Limited	India	51%	31.03.2010	For the Period 1st April 2009 to 31st March, 2010
Centre of Excellence in Design Limited	India	50%	31.03.2010	For the Period 1st April 2009 to 31st March, 2010
Crew BOS Enterprises Limited	India	100%	31.03.2010	For the Period 1st April 2009 to 31st March, 2010
Emporio BOS Designs Limited	India	100%	31.03.2010	For the Period 1st April 2009 to 31st March, 2010
Villa BOS Leathers Limited	India	100%	31.03.2010	For the Period 1st April 2009 to 31st March, 2010
Crew ROR Products Limited	India	100%	31.03.2010	For the Period 1st April 2009 to 31st March, 2010
Foreign Subsidiary				
Crew B.O.S. Far East Limited	Hong-Kong	100%	31.03.2010	Audited by David YIM & Co. for the period 1st April, 2009 to 31st March, 2010.

3. The Company has sent letters to the vendor to identify their status of registration as Micro, Small & Medium enterprises development Act, 2006. The Company has received reply from few vendors and has provided interest of Rs 4.14Lakhs on delayed payment to them.
4. The various debit and credit balances are subject to confirmation.
5. In the opinion of the board of directors the current assets, loan and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities have been made.



## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

6. There are debtors from whom Rs 75.50Lakh is due to be recovered for over one year. These debtors are unconfirmed and doubtful and provision for bad debt for the same has been made during the year under reference and debited under the head 'Discount rebate and claim' to the profit and loss accounts.
7. Deferred Tax Liability/Asset comprises the following:

(Amount in Rs./Lakhs)

	Timing differences on account of:	For the year Ended March 31, 2010		For the year Ended March 31, 2009	
		Deferred Tax Assets	Deferred Tax Liability	Deferred Tax Assets	Deferred Tax Liability
a)	Depreciation	-	443.65	-	399.99
b)	Employees Benefits	159.03	-	24.88	-
c)	Misc. Expenditure	372.89	-	1.75	-
	Total	531.92	443.65	26.63	399.99
	Net Deferred Tax Liability	-	88.27	-	373.36

8. There are advance paid to Creditors to the tune of Rs. 54.91 Lakhs which are over one year. These advances to supplier are unconfirmed and doubtful to be recovered and therefore provision for the same has been made during the year under reference and debited under the head 'Miscellaneous Expense' to the profit and loss accounts.
9. Under the group of Creditors, a sum of Rs. 188.42 Lakhs is credit balance of Sundry Creditors which have not been claimed for more than one year by the suppliers. These credit balances are unconfirmed but the company has accounted for as income during the year under reference and credited under the head 'Miscellaneous Income' to the profit and loss accounts.
10. During the financial year 2006-07, the Company was sanctioned the External Commercial Borrowings (ECB) loan consisting of Japanese Yen equivalent of USD 5,000,000 for capital expenditure requirements vide credit arrangement entered with Citi Bank N.A. London. The ECB loan amount had been revised to USD 4,000,000 and accordingly fully utilized by the Company. During the year the company has repaid ECB Loan by USD 12,50,000 equaling to INR 588.33 lakhs). The interest rate on ECB loan is JPY Libor plus based. Outstanding Balance of ECB at the last day of financial year 2009-10 is USD 15,00,000 equaling to INR 677.10 Lakh (Previous Year USD 27,50,000.00 equaling to INR 1162.92 Lakhs).
11. The Company has a JV Company namely Iguvium S.r.l. in Italy having investment of INR4.35Lakh(EURO7900). The Company holds only 79% shares. This Company is under Liquidation with no assets. There was a loan given to JV amounting to Rs 23.84Lakh which is doubtful to be recovered and the Company has not provided provision as needful compliances with Reserve Bank of India in this matter are to be complied with.
12. During the year the Company has issued 20 Lacs warrants convertible into equity shares of the Company on Preferential Basis at a price of Rs. 50.33/- per warrants, which will entitle the holder to subscribe to one equity share of the face value of Rs. 10/- at a price not being less than Rs. 50.33/- (including premium of Rs. 40.33/-) per equity share of the Company against each warrant. The holder of the warrants will have an option to apply for and be allotted one equity share of the Company per warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. The warrants were issued to the Promoters and Promoter Group Companies and other Private business investors for the working capital expansion of existing business requirement of the Company. As on date no holder of warrants has exercised the option. In case option is not exercised within a period of 18 months from the date of allotment, the aforesaid 25% amount paid on the date of allotment shall be forfeited as per Clause 77 of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The amounts received of Rs. 251.65 lakhs against the 25% payment for allotment of warrants which has been utilized in the working capital of the Company and expansion of existing business verticals of the Company.
13. The Company has amortized Rs. 12.97 lakhs being one-tenth (previous Year Rs 12.97lakhs) of total Rs 129.70 lakhs on development of new recipes and formulation for its leather finishing unit at Manesar being incurred in Financial Year 2005 - 06.
14. Depreciation on factory building includes Rs 308.61 Lakh (Previous year 90.31Lakh) being the amount of amortization on lease hold property over the lease period.
15. Capital advances / WIP includes Rs 4803.79Lakhs (Previous year Rs 3751.20Lakh) on account of building under construction at IMT Manesar (Haryana), Neemrana (Raj.), Jalandhar (Pb.) and Ranipet (TN). These Projects are still under progress and expected to be completed in the next financial year.
16. Company capitalized Rs 62.84 Lakh under the head 'Computer Software' from Capital advances / WIP for software under development and which are under customization and not in commercial use. The Company has not charged any depreciation on this item as the same has not been put to use during this year.
17. The company has writte off a sum of Rs. 11.53 lacs being one-fifth of GDR issue expenses. The remaining balance of Rs 11.58 lakh shall be written off during the next financial year 2010-11.

## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

18. The Company has received valuation letter from LIC of India for gratuity contribution amounting to Rs 118.01 Lakh for the Financial Year ended March 31, 2009. The Company had already provided a sum of Rs 75.42Lakh and the remaining amount Rs 42.59Lakh of Gratuity liability has been provided in the current financial year pertaining to last year. The Company has not made any provision for Gratuity for the current Financial Year 2009–10 because actuarial valuation was not received from LIC of India till the date.
19. HSIDC Ltd. cancelled allotment of plot measuring 9000 sq.mtrs at IMT Manesar due to untimely payment including grace period. However, the same has been re-allotted as fresh allotment to the company for which company has given an undertaking that it will pay additional amount in future, if there is a rate revision. The company has given an advance of Rs. 202.75 Lakhs (Previous year-Rs. 110.25 Lakhs) to HSIDC Ltd. during the year against total value of Rs. 810 Lakhs.
20. During the year the Company has incorporated Crew ROR Products Limited as Wholly Owned Subsidiary (WOS) and its accounts for the year ended March 31st, 2010 has been considered in consolidated accounts of the Company.
21. First phase of Neemrana project covering area 7000 Sq. Mtr. out of total builtup area 16517 Sq. Mtr. (Total plot area 126,410 Sq. Mtr.) as a Slipper unit has been started during the 3rd quarter of the current financial year. Preoperative Expense of Rs 48.22Lakh (Total Rs 113.77Lakh) related to this phase has been capitalized.
22. Palampur project commenced production this year and due to some commercial reasons the same has been closed by the company and preoperative expense of Rs 8.38 Lakh related to this project has been written off during the year.
23. The Company had placed the Fixed Assets with its JV Company namely 'Crew MAG Exports Limited'. The Value of the Fixed Assets located with the JV Partner is Rs. 165.42 Lakhs and this has not been treated as sales to JV company. The Company has charged depreciation of Rs 19.81Lakh on these assets which have been debited to the JV Company.
24. The Company has given interest free loan of Rs 892.88Lakh Lakhs to its JV Company namely 'Crew MAG Exports Limited' for business operations which include Rs 175.00 to procure the Land/Lease hold Land from its JV Partner.
25. During the year the Company had given interest free loan of Rs 22.50 Lakh to its employee's cooperative group housing society namely 'The Crew BOS C G H S Limited. The company has also taken interest free loan of Rs. 2 Lakhs from this Society. Necessary compliances for loan were not done since this stands squared – up during the same financial year.
26. During the year the Company has given contribution of Rs 0.25Lakh to its employees society 'The Crew Academy'. This amount shown under the group of 'Loans and Advances' since the receipt for the same is awaited.
27. The Company has been doing domestic trading business as well and it is changing its focus into similar International Business activities during the last quarter of this current year the said activities have generated a turnover of Rs.43.02 Crores (Previous Year 'Nil') .

28. Auditors' remuneration (Amount in Rs./Lakhs)

	For the year ended March 31,2010	For the year ended March 31,2009
a) Audit Fee	7.96	6.71
b) Limited review of quarterly results	2.00	1.60
c) Tax Audit Fees	0.90	0.75
d) Others	1.66	1.90
<b>TOTAL</b>	<b>12.52</b>	<b>10.96</b>

### 29. 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 after tax available for equity shareholders (Rs / Lakhs)	1986.99	719.74
b) Weighted average no of equity shares outstanding during the year	14818200	12818200
c) Basic earning per Rs. Share (a÷12818200)*	11.88	5.62
d) Diluted earning per Rs. Share (a÷b )	10.28	5.62
*(PAT ÷ Paidup Equity Shares)		



## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

### 30. Related Party Disclosures

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

(Rs. In lacs)

Name of the Party	Nature of relationship	Nature of transaction	Transactions during the year 2009–10	Outstanding as on 31.03.2010	Transactions– year 2008–09
Vogue Home Products Ltd.	Wholly Owned Subsidiary	Capital Contribution		5.00	
		Loan Given	2.38	63.75	61.37
Crew B.O.S Far East Ltd.	Wholly Owned Subsidiary	Capital Contribution	–	0.43	–
		Sales	–	60.39	4.17
		Loan Given	4.78		52.49
		Loan Taken – (Squarred Up)	24.03		–
		Purchase	–		21.15
Iguvium Srl Italy	Subsidiary	Capital Contribution	–	4.35	–
		Loan Given	–	22.15	22.15
		Professional Charges	1.70		–
Crew MAG Exports Limited	Subsidiary	Capital Contribution	–	155.55	–
		Sales	58.52	1053.29	21.95
		Purchase	122.45		–
		Loan given	532.53		464.12
Crew ROR Products Limited	Subsidiary	Capital Contribution	50.00	50.00	–
Centre of Excellence in Design Limited	Joint Venture	Capital Contribution	–	12.50	–
		Sales	11.22	160.49	134.51
		Loan Given	1.12		69.22
Crew BOS Enterprises Limited	Subsidiary	Capital Contribution	–	10.00	–
		Loan Taken – (Squarred Up)	9.46	0.89	–
		Loan Given	0.54		0.35
Emporio BOS Design Limited	Subsidiary	Capital Contribution	–	10.00	–
		Loan Taken – (Squarred Up)	9.15	1.20	
		Loan Given	0.85		0.35
Villa BOS Leather Limited	Subsidiary	Capital Contribution	–	10.00	–
		Purchase	114.02	34.68	–
		Job Work	7.07		–
		Loan Given	82.11		0.35
		Sales	62.31		–

## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(Rs. In lacs)

Name of the Party	Nature of relationship	Nature of transaction	Transactions during the year 2009-10	Outstanding as on 31.03.2010	Transactions-year 2008-09
Crew Republica Retail Ltd.	Subsidiary	Loan Given	28.50	28.50	–
Fable Concept & Technology Private Limited	Associated Enterprises	Loan Given	3.13	3.13	–
		Forfeiture of Preferential Share Warrants	–		92.06
Elan Trade Post Private Limited	Associated Enterprises	Loan Given	37.88	37.88	–
		Forfeiture of Preferential Share Warrants	–		117.44
The Crew BOS C.G.H.S. Limited	Group of Employees	Loan Given – (Squarred Up)	22.50	–	13.25
		Loan Taken – (Squarred Up)	2.00		174.45
Crew BOS Society	Group of Employees	Contribution/Donation	0.25	0.25	–
Mr. Tarun Oberoi	Key Managerial Personnel	Director's remuneration	77.05	–	77.05
Mr. Robin Bartholomew	Key Managerial Personnel	Director's remuneration	42.85	–	42.85
Mrs Shallay Bartholomew	Relative of Key Managerial Personnel	Remuneration	12.07	–	5.71

### 31. Segment Information

#### a) Information about primary Business Segment

(Rs. Lacs)

PARTICULARS		Consolidated 31-03-2010	Consolidated 31-03-2009
<b>Segment Revenue</b>			
(a)	Fashion Accessories	38273.09	29042.27
(b)	Footwear	7021.96	4770.96
(c)	Leather	2733.85	2358.27
Net Income from Operations		48028.9	36171.5
Less: Inter Segment Sales		1496.67	1658.5
Other Income		364.51	28.27
Total Revenues		46896.74	34541.27
Segment Result (Profit/loss before tax & interest from each Segment)			
(a)	Fashion Accessories	4796.89	4916.72
(b)	Footwear	643.80	260.39
(c)	Leather	53.09	110.64
Total		5493.78	5287.75
Less :			
Interest		2610.89	1902.27
Other un-allocable expenditure net of un-allocable income		895.9	2051.07
Total Profit before Tax		1986.99	1334.41
Capital Employed (Segment assets – Segment Liabilities)			
(a)	Fashion Accessories	19818.3	15894.21
(b)	Footwear	5264.04	4302.27
(c)	Leather	8339.73	7535.18
(C)	Un-allocable Assets less Liabilities	2314.75	1378.38
Total		35736.82	29110.04





## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

### b) Information about Secondary Business Segment

(Rs. Lacs)

Location	Revenues 2009-10	Revenues 2008-09
Exports	34507.17	24469.63
Domestic	13397.82	11678.74
Other	123.9	23.13
Total	48028.89	36171.5
Less: Inter Segment Sales	1496.67	1658.5
Net Income from Operations	46532.22	34513

### 32. Segment Accounting Policies:

In addition to the significant accounting policies as per Note 1 of A, Schedule 18, the accounting policies in relation to segment accounting are as under:

#### 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.

### 33. 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

Sd/-  
**(Anil K. Goyal)**  
Proprietor  
Membership No. : 71221

Place: Gurgaon  
Date : May 25th, 2010

For and on behalf of the Board  
**Crew B.O.S. Products Limited**

Sd/-  
**(Tarun Oberoi)**  
Managing Director

Sd/-  
**(Sanjeev Sehgal)**  
C.F.O.

Sd/-  
**(Robin Bartholomew)**  
Director

Sd/-  
**(Sanjay Kumar Babu)**  
Company Secretary

## DIRECTORS REPORT

To the Members,

Vogue Home Products Limited

Your Directors have pleasure in presenting the Sixth Annual Report and Audited Accounts for the year ended 31st March, 2010 and the Auditors' Report thereon.

### PERFORMANCE REVIEW

Your Company is engaged in Home furnishing business. Due to economic meltdown and global recession in the markets there were no demands for home furnishing products and therefore no sales were made by the Company during the period under review. On account of this the Company has suffered a loss of Rs 6.08 Lacs. The Company shall continue to act as contract manufacturer for the parent Company. The Company has reviewed the situation and accordingly planned the future growth.

### Dividend

As the Company has suffered a loss hence no dividend has been recommended for the financial year ended on 31st March, 2010.

### Directors

Mr. Sanjeev Sehgal, Director retires by rotation and being eligible offer himself for re-appointment.

### 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, the applicable accounting standards have been followed along with proper explanation;
- (b) Prudent accounting policies have been selected and have made judgments 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, 2010 and of the Profit of the Company for the financial year ended 31st March, 2010;
- (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 regularities;
- (d) Annual accounts have been prepared on a going concern basis.

### Auditors & Auditors observation

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

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

### Energy Conservation, Technology absorption and Foreign Exchange Earnings and outgo under Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

#### i) Conservation of Energy

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.

#### ii) Technology absorption

The manufacturing process does not involve any major technology absorption.

#### iii) Foreign Exchange Earnings and Outgo

There is no information provided under the captioned head as there is no Foreign Exchange earnings and outgo. The Company shall take appropriate initiatives and measures for the same.

### Public Deposit

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

### Particulars of Employees

The Company has no employee in respect of whom the statement under section 217(2A) of the Companies Act, 1956 is required to be annexed.

### Acknowledgements

Your Directors place on record their sincere gratitude to the continuing patronage of our valued customers, bankers, Shareholders who have sustained their support and encouragement to your Company.

Your Directors also place on record, their sincere appreciation to the dedication and commitment of its staff at all levels, who have together been responsible for the growth of the Company.

For and on behalf of the Board  
**Vogue Home Products Ltd.**

Place: Gurgaon  
Date: 24th May, 2010

Sd/-  
**(Sanjeev Sehgal)**  
Director

Sd/-  
**(Pradeep Kr. Bindra)**  
Director



## AUDITORS' REPORT

TO THE MEMBERS OF

VOGUE HOME PRODUCTS LIMITED

We have audited the attached Balance Sheet of Vogue Home Products Limited as at 31st March, 2010 and Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditors report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above :-
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account, as required by Law, have been kept by the Company so far as appears from our examination of the books.
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by the Report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
  - e) On the basis of written representation received from the directors and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
  - (f) In our opinion and to the best of our knowledge and information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :-
    - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2010.
    - (ii) In the case of the Profit & Loss Account of the Loss for the year ended on that date.
    - (iii) In the case of the Cash Flow Statement, on the cash flows for the year ended on that date.

For **ANIL K. GOYAL & ASSOCIATES**  
Chartered Accountants

Sd/-

**(ANIL K. GOYAL)**

Proprietor

Membership No. 71221

Place: New Delhi

Date : 24th May, 2010

### ANNEXURES REFERRED TO IN PARA 1 OF THE AUDITOR'S REPORT TO THE MEMBERS OF VOGUE HOME PRODUCTS LIMITED ACCOUNTS FOR THE YEAR ENDED MARCH 31st, 2010

- 1) a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b) The management has physically verified the Fixed Assets at reasonable intervals and no material discrepancies are reported to have been observed on such verification as compared to book records.
- c) 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) The company does not have any Inventory hence paragraph 4(ii) of the Order is not applicable.
- 3) The Company has taken loans/advances from its holding company in the nature of interest free unsecured loan. The outstanding amounting at the end of the year is Rs. 63.75 lacs. The maximum amount of outstanding at any time during the year is Rs. 63.75 lacs. The terms and conditions thereof are not prima facie prejudicial to the interest of the company. The company has not granted any loans secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act and therefore paragraph 4(iii) of the order is not applicable.
- 4) In our opinion, and according to information and explanations given to us, there are adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of stores & spare parts, Fixed Assets, and with regard to sale of products and there are no major internal control weaknesses in regard thereto.
- 5) The transactions that need to be entered into a register in pursuance of section 301 of the Companies Act have been entered. According to the information and explanations given to us, purchase of goods and sale of goods and services aggregating during the year to Rs. 5 lacs or more in respect of a party in pursuance of contracts or arrangements entered into the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time for such goods.
- 6) In our opinion and according to the information and explanations given to us, as the Company has not accepted deposits from the public, paragraph 4(vi) of the Order is not applicable.
- 7) The average annual turnover of the Company is less than Rs. 5 Crore for a period of three consecutive financial years immediately preceding the financial year concerned and the paid up capital and reserves of the company are less than Rs. 50 lacs, hence paragraph 4(vii) of the Order is not applicable.
- 8) We are informed that maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 in respect of activities of the company and therefore paragraph 4(viii) of the Order is not applicable.
- 9) In our opinion and according to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, employees' state insurance, income tax, wealth tax, service tax, sales tax, custom duty, excise duty, cess, and other statutory dues, as applicable to its activities, with appropriate

authorities. There are no arrears of outstanding statutory dues as at 31st March, 2010 for a year of more than six months from the date they became payable except wealth tax liability of Rs. 1,30,250/- for financial year 2008-09. As explained to us, there are no disputed dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess that have not been deposited on account of any dispute and therefore paragraph 4(ix)(b) of the Order is not applicable.

- 10) The company has no accumulated losses as at the end of the financial year though the company has incurred cash losses of Rs. 2.79 lacs in the current financial year. There were cash losses of Rs. 0.96 Lacs in the immediately preceding financial year.
- 11) The Company has not taken loan from any financial institution/ bank and therefore paragraph 4(xi) of the Order is not applicable.
- 12) 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) 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, debentures and other investments and therefore paragraph 4(xiv) of the Order is not applicable.
- 15) According to the information and explanations given to us, the company has given a Corporate Guarantee in respect of loans of Rs. 600 Lakhs sanctioned from bank by its holding company. The terms and conditions thereof are not prejudicial to the interest of the company.

- 16) The company has not availed any term loans from the bank during the year and there is no outstanding of such loans at the end of the year.
- 17) Based on examination of documents and records made available and on the basis of information and explanations given to us, the company has not used funds raised on short term basis for long term investments and vice versa.
- 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) The company has not raised any money by way of public issue during the year and therefore paragraph 4(xx) of the Order is not applicable.
- 21) During the course of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the company, noticed or reported during year nor we have been informed of such case by the Management.

For **ANIL K. GOYAL & ASSOCIATES**  
Chartered Accountants

**Sd/-**  
**(ANIL K. GOYAL)**  
Proprietor  
Membership No. 71221

Place: New Delhi  
Date : 24th May, 2010



## BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	Amount (Rs.) March 31, 2010	Amount (Rs.) March 31, 2009
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	1	500,000	500,000
Reserves & Surplus	2	84,864	693,322
<b>LOAN FUNDS</b>			
Unsecured Loans	3	27,444,039	16,637,374
<b>DEFERRED TAX LIABILITY</b>		25,954	25,954
<b>TOTAL</b>		<b>28,054,857</b>	<b>17,856,650</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	4	28,993,442	28,993,442
Less : Depreciation		6,684,072	6,684,072
Net Block		22,309,370	22,309,370
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Sundry Debtors	5	–	517,752
Cash & Bank Balances	6	488,152.08	11,886
Loans & Advances	7	6,024,651.70	1,024,203
		6,512,803.78	1,553,841
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	8	409,717	5,876,311
Provisions	9	357,600	130,250
		767,317	6,006,561
<b>NET CURRENT ASSETS</b>		<b>5,745,487</b>	<b>(4,452,720)</b>
<b>TOTAL</b>		<b>28,054,857</b>	<b>17,856,650</b>
Significant accounting Policies and Notes forming part of the Accounts	12		
The Schedules referred to above form an integral part of the Balance Sheet. .			
Cash Flow Statement			

As per our report of even date attached

For **Anil K. Goyal & Associates.**  
Chartered Accountants

Sd/-  
**(Anil K. Goyal)**  
Proprietor  
Membership No. 71221

For and on behalf of Board of Directors  
**Vogue Home Products Limited**

sd/-  
**(Umesh Oberoi)**  
Director

sd/-  
**(Sanjeev Sehgal)**  
Director

Place : Gurgaon  
Date : 24th May, 2010

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	Amount (Rs.) March 31, 2010	Amount (Rs.) March 31, 2009
<b>INCOME</b>			
Other Income	10	415,571	4,763
<b>TOTAL</b>		<b>415,571</b>	<b>4,763</b>
<b>EXPENDITURE</b>			
Personnel, Administration & Selling	11	795,394	95,476
Interest & Finance Charges		1,285	5,632
<b>TOTAL</b>		<b>796,679</b>	<b>101,108</b>
Profit Before Taxation		<b>(381,108)</b>	(96,345)
Less: Provision for Taxation		-	-
Less: Provision for Wealth Tax		<b>227,350</b>	130,250
Less: Fringe Benefit Tax		-	-
Less/(Add) : Deferred Tax Liability		-	-
Profit After Taxation		<b>(608,458)</b>	(226,595)
Add : Tax Adjustments of Prior Years		-	-
Add / (Less) : Adjustments of Prior Years		-	-
Profit After Taxation Post Adjustments		<b>(608,458)</b>	(226,595)
Add : Balance brought forward from previous year		<b>693,322</b>	919,917
		<b>84,864</b>	693,322
Significant accounting Policies and Notes forming part of the Accounts	12		
The Schedules referred to above form an integral part of the Profit & Loss Account .			
Cash Flow Statement			

As per our report of even date attached

For **Anil K. Goyal & Associates.**  
Chartered Accountants

Sd/-  
**(Anil K. Goyal)**  
Proprietor  
Membership No. 71221

Place : Gurgaon  
Date : 24th May, 2010

For and on behalf of Board of Directors  
**Vogue Home Products Limited**

sd/-  
**(Umesh Oberoi)**  
Director

sd/-  
**(Sanjeev Sehgal)**  
Director



## CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2010

	Amount (Rs.) March 31, 2010	Amount (Rs.) March 31, 2009
<b>A. Cash flow from operating activities:</b>		
Net (loss)/profit before tax but after exceptional/extraordinary items	(381,108)	(96,345)
Provision for Bad & Doubtful Debts	517,752	–
<b>Operating profit before working capital changes</b>	<b>136,644</b>	<b>(96,345)</b>
<b>Adjustments for changes in working capital :</b>		
– (INCREASE)/DECREASE in Other Receivables	(5,000,449)	–
– INCREASE/(DECREASE) in Trade and Other Payables	(392,644)	–
<b>Net Cash generated from operations</b>	<b>(5,256,449)</b>	<b>(96,345)</b>
<b>B. Cash flow from Investing activities:</b>		
Net cash used in investing activities	–	–
<b>C. Cash flow from financing activities:</b>		
Proceeds from short term borrowings	10,806,665	–
<b>Net cash used in financing activities</b>	<b>10,806,665</b>	<b>–</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>5,550,216</b>	<b>(96,345)</b>
<b>Cash and cash equivalents as at 01.04.2009</b>	<b>(5,062,064)</b>	<b>(4,693,420)</b>
<b>Cash and cash equivalents as at 31.03.2010</b>	<b>488,152</b>	<b>(4,789,765)</b>
<b>Cash and cash equivalents comprise</b>		
Cash, Cheques & Drafts (in hand) and Remittances in Transit	27,637	11,886
Balance with Scheduled Banks	460,515	(5,073,950)
<b>Cash and cash equivalents as at 31.03.2010</b>	<b>488,152</b>	<b>(5,062,064)</b>

### Notes :

- 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.
- Figures in brackets indicate cash outgo.

As per our report of even date attached

For **Anil K. Goyal & Associates.**  
Chartered Accountants

Sd/-  
**(Anil K. Goyal)**  
Proprietor  
Membership No. 71221

For and on behalf of Board of Directors  
**Vogue Home Products Limited**

sd/-  
**(Umesh Oberoi)**  
Director

sd/-  
**(Sanjeev Sehgal)**  
Director

Place : Gurgaon  
Date : 24th May, 2010



## SCHEDULES FORMING PART OF THE BALANCE SHEET

	Amount (Rs.) March 31, 2010	Amount (Rs.) March 31, 2009
<b>SCHEDULE : 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
100000 Equity Shares of Rs. 10/- each	<b>1,000,000</b>	1,000,000
<b>TOTAL</b>	<b>1,000,000</b>	1,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
50,000 Equity Shares of Rs. 10/- each fully paid up.	<b>500,000</b>	500,000
<b>TOTAL</b>	<b>500,000</b>	500,000
<b>SCHEDULE : 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
Profit and Loss Account	<b>84,864</b>	693,322
<b>TOTAL</b>	<b>84,864</b>	693,322
<b>SCHEDULE : 3</b>		
<b>UNSECURED LOANS</b>		
Crew B.O.S Products Ltd. ( Holding Company )	<b>6,374,945</b>	6,137,374
Mr. Tarun Oberoi	<b>422,157</b>	-
Mr. Robin Bartholomew	<b>146,937</b>	-
Simpal Leaf Pvt. Ltd.	<b>4,000,000</b>	4,000,000
Garg Petroleum Pvt. Ltd.	<b>11,500,000</b>	6,500,000
India Traders Pvt. Ltd.	<b>5,000,000</b>	-
	<b>27,444,039</b>	16,637,374



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

**SCHEDULE : 4  
FIXED ASSETS**

PARTICULARS	RATE OF DEPR.	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		AS ON 01/04/09	ADDITIONS DURING THE YEAR	"SALES/ ADJUST- MENT"	AS ON 01/04/2009	DEPRECIATION FOR THE YEAR	DEPRECIATION ON SALE/ ADJUST- MENTS	AS ON 31/03/2010	AS ON 31/03/2009
FACTORY LAND	0.00%	3,738,310	-	-	-	-	-	3,738,310	3,738,310
FACTORY BUILDING	10.00%	18,497,774	4,236,114	-	5,472,756	-	5,472,756	17,261,132	13,025,018
COMPUTER	40.00%	49,950	-	-	44,620	-	44,620	5,330	5,330
ELECTRICAL FITTINGS	13.91%	120,852	-	-	51,775	-	51,775	69,077	69,077
FURNITURE & FIXTURES	18.10%	296,618	-	-	157,982	-	157,982	138,636	138,636
PLANT & MACHINERY	13.91%	1,611,155	-	-	678,974	-	678,974	932,181	932,181
VEHICLES-SCOOTER	25.89%	40,762	-	-	28,569	-	28,569	12,193	12,193
VEHICLES- MOTOR CAR	25.89%	286,084	-	-	200,510	-	200,510	85,574	85,574
OFFICE EQUIPMENTS	13.91%	115,823	-	-	48,886	-	48,886	66,937	66,937
<b>TOTAL</b>		<b>24,757,328</b>	<b>4,236,114</b>	<b>-</b>	<b>6,684,072</b>	<b>-</b>	<b>6,684,072</b>	<b>22,309,370</b>	<b>18,073,256</b>
CAPITAL WORK IN PROGRESS		4,236,114	-	4,236,114	-	-	-	-	4,236,114
GRAND TOTAL		28,993,442	4,236,114	4,236,114	6,684,072	-	6,684,072	22,309,370	22,309,370
PREVIOUS YEAR		28,993,442	-	-	6,684,072	-	6,684,072	22,309,370	22,309,370

## SCHEDULES FORMING PART OF THE BALANCE SHEET

	Amount (Rs.) March 31, 2010	Amount (Rs.) March 31, 2009
<b>SCHEDULE : 5</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, Considered Good)		
Debts Outstanding for a period exceeding six months	–	517,752
<b>TOTAL</b>	<b>–</b>	<b>517,752</b>
<b>SCHEDULE : 6</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand	27,637	11,886
Bank Balance with Scheduled Banks	460,515	–
<b>TOTAL</b>	<b>488,152</b>	<b>11,886</b>
<b>SCHEDULE : 7</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured, Considered good)		
Loan to Kotia Estate Pvt. Ltd.	5,000,000	–
Security Deposit	212,500	212,500
Duty Drawback Receivable	57,322	57,322
Refundable Sales Tax	137,938	137,938
Refundable Income Tax	592,762	592,762
Prepaid Expenses	24,129	23,680
<b>TOTAL</b>	<b>6,024,652</b>	<b>1,024,203</b>
<b>SCHEDULE : 8</b>		
<b>CURRENT LIABILITIES</b>		
Advances from Customers	–	415,571
Credit Balance in Bank Current Accounts	–	5,073,950
Sundry Creditors	364,730	364,730
Other Liabilities	44,987	22,060
<b>TOTAL</b>	<b>409,717</b>	<b>5,876,311</b>
<b>SCHEDULE : 9</b>		
<b>PROVISION</b>		
Provision for Weath Tax	357,600	130,250
<b>TOTAL</b>	<b>357,600</b>	<b>130,250</b>
<b>SCHEDULE : 10</b>		
<b>OTHER INCOME</b>		
Misc. Income /Sundry Balance Written Back	415,571	4,763
<b>TOTAL</b>	<b>415,571</b>	<b>4,763</b>
<b>SCHEDULE : 11</b>		
<b>PERSONNEL, ADMINISTRATION &amp; SELLING</b>		
Wages, Salary & Bonus	201,000	–
Legal Compliance Expenses	1,500	300
Consultancy & Professional Charges	13,055	39,283
Repair and Maintenance Others	8,190	–
Insurance Charges	31,812	33,833
Auditor's Remuneration	22,060	22,060
Bad Debts Written Off	517,752	–
Miscellaneous Expenses	25	–
<b>TOTAL</b>	<b>795,394</b>	<b>95,476</b>



## SCHEDULES FORMING PART OF THE BALANCE SHEET

### SCHEDULE 15

#### SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

##### A. SIGNIFICANT ACCOUNTING POLICIES

###### 1 Basis of Accounting

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.

###### 2 Revenue Recognition

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

###### 3 Fixed Assets

Fixed Assets are stated at actual cost of acquisition inclusive of taxes, duties, freight and any directly attributable cost of bringing the assets to their working condition for intended use.

###### 4 Depreciation

Depreciation on fixed assets is provided on the WDV Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Depreciation is charged on fixed assets only in the year in which there is some commercial activity.

###### 5 Inventories

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

###### 6 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.

###### 7 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. Provision for liabilities in respect of gratuity & leave encashment benefit are made on accrual basis and charged to profit and loss account.

###### 8 Taxation

###### Current Tax

Provision for current tax is computed on the basis of tax payable on estimated taxable income 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.

###### 9 Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

##### B. NOTES TO THE ACCOUNTS.

###### 1. Contingent Liabilities:

(Rs. in Lacs)

S. No.	Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
1)	Mortgage of Property given to Banker for Term Loan sanctioned to its Parent company- Crew BOS Products Limited.	600.00	600.00

## SCHEDULES FORMING PART OF THE BALANCE SHEET

### 2. Deferred Tax Liability comprises the following:

Amount – Rs.

Timing differences on account of:	For the year Ended March 31, 2010		For the year Ended March 31, 2009	
	Deferred Tax Assets	Deferred Tax Liability	Deferred Tax Assets	Deferred Tax Liability
a) Depreciation	–	25,954	–	25,954

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

4. The various Debit & Credit balances are subject to confirmation.

5. The Company has not received information from vendors regarding their status under Micro, Small & Medium enterprises development Act, 2006 and hence disclosure related to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.

6. Some of the Bank Account are still in its previous name M/S IDEAS INDIA, the erstwhile partnership firm though it was converted in the company being Vogue Home Products Limited.

7. Company has not done any commercial activity during the year under reference, so the Company has not charged any depreciation on the Fixed Assets under the Companies Act.

### 8. 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:

Amount – Rs.

S. No. Particulars	For the year Ended March 31, 2010	For the year Ended March 31, 2009
a) Net Profit\ (Loss) after tax available for equity shareholders	(6,08,458)	(2,26,595)
b) We Weighted average no. of equity shares outstanding during the year	50,000	50,000
c) Basic / Diluted earning per share Rs. (a / b )		

9. There are debtors from whom Rs 5,17,752/- due to be recovered for over one year. These debtors are unconfirmed and doubtful, the same has been written off during the year under reference as Bad Debts. There are no cases / correspondence for the recovery of these dues. In case if any amount out of above is recovered in future the same will be accounted far as income in the year of receipt.

10. There is credit balance of Rs. 4,15,571/- being advance received from customers which have not been claimed for more than one year by them. These credit balances are unconfirmed but the company has accounted for the above amount as income during the year under reference and credited under the head 'Miscellaneous Income' to the profit and loss accounts. There are no cases / correspondence for payment of these dues. In case if any amount out of above is paid in future the same will be accounted far as expense in the year of payment.

11. During the year the Company has capitalized sum of Rs. 42,36,114/- to Factory Building from Capital Work in Progress.

12. The Company has made provision of Rs. 2,27,350/- towards wealth tax liability on WDV of Rs. 2,27,33,888/- of factory building in the name of the company.

13. During the year Company has taken interest free inter-corporate loan of Rs. 50.00 from Garg Petroleum Pvt. Ltd and the balance outstanding at the year end is Rs. 115.00 Lakhs.

14. The Company had taken interest free loan of Rs. 40.00 Lacs from Simple Fin-Lease Pvt. Ltd and Rs. 50.00 Lacs from India Traders Pvt. Ltd in earlier years and the same amounts are outstanding at year end.

15. Company has given interest free loan of Rs. 50.00 Lacs to Kotia Estate Pvt. Ltd during the year under reference and the same is outstanding at the year end.

### 16. Payment to Auditors (including service tax) :

Amount – Rs.

Particulars	For the year Ended March 31, 2010	For the year Ended March 31, 2009
Audit Fee	20,000/-	20,000/-
Service Tax	2,060/-	2,060/-
<b>TOTAL</b>	<b>22,060/-</b>	<b>22,060/-</b>



## SCHEDULES FORMING PART OF THE BALANCE SHEET

### 17. Related Party Disclosure:

Amount – Rs.

Name of the Party	Nature of Relationship	Nature of Transaction	For the year Ended March 31, 2010	For the year Ended March 31, 2009
Crew B.O.S Products Ltd.	Holding Company	Loan Mortgage of Company Property to the banker against loan taken by Holding Co.	63.74,945/- 6,00,00,000/-	61,37,374/- 6,00,00,000/-

### 18. Additional information pursuant to paragraph 3, 4C & 4D of Part II of Schedule VI of the Companies Act, 1956.

- A). Licensed and installed capacity and production (As Certified by the Management) -N A-
- B). Raw Material Consumed. -N A-
- C). Composition of Raw Material consumed -N A-
- D). Statement of Opening Stock & Sales of Semi Finished Goods of Manufacturing items -N A-
- E). Expenditure and Earnings in Foreign Currency -N A-

There were no transactions in Foreign Currency during the financial year.

- 19. The corresponding figures of previous year have been regrouped, rearranged wherever necessary.

For **Anil K. Goyal & Associates.**  
Chartered Accountants

For and on behalf of Board of Directors  
Vogue Home Products Limited

Sd/-  
**(Anil K. Goyal)**  
Proprietor  
Membership No. 71221

sd/-  
**(Umesh Oberoi)**  
Director

sd/-  
**(Sanjeev Sehgal)**  
Director

Place : Gurgaon  
Date : 24th May, 2010

# ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART-IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Details

Registration No.	127191
State Code	55
Balance Sheet Date	31.03.2010

### II. Capital raised during the year

(Amt. in '000)  
(Rs.)

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL

### III. Position of Mobilization and Deployment of Funds

(Amt. in '000)  
(Rs.)

<b>Total Liabilities</b>	28,055
<b>Total Assets</b>	28,055

#### Source of Funds

Paid-up Capital	500
Equity Warrants Subscribed	NIL
Reserves & Surplus	85
Secured Loans	NIL
Unsecured Loans	27,444
Deferred Tax Liability	26

#### Application of Funds

Net Fixed Assets	22,309
Investments	NIL
Net Current Assets	5,745
Misc. Expenditure	NIL
Deferred Revenue Expenditure	NIL
Accumulated Losses	NIL

### IV. Performance of Company

(Amt. in '000)  
(Rs.)

Turnover	NIL
Total Expenditure	797
Profit/(Loss) before tax	(381)
Profit/(Loss) after tax	(608)
Earning per Share (Basic) in Rs.	NIL
Earning Per Share (Diluted) in Rs.	NIL
Dividend rate %	NIL

### V. Generic Names of Two Principal Products/Services of Company

Item Code No. (ITC Code)	Product Description
420100	Articles/Composites of Leather
420291	Other Furnishing Articles

For **Anil K. Goyal & Associates.**  
Chartered Accountants

For and on behalf of Board of Directors  
**Vogue Home Products Ltd.**

Sd/-  
**(Anil K. Goyal)**  
Proprietor  
Membership No. 71221

sd/-  
**(Umesh Oberoi)**  
Director

sd/-  
**(Sanjeev Sehgal)**  
Director

Place : Gurgaon  
Date : 24th May, 2010





## DIRECTORS REPORT

To the Members,

### Crew MAG Exports Limited

Your Directors have pleasure in presenting their Fourth Annual Report of the Company together with the Audited Accounts and Auditors' Report thereon for the period ended 31st March 2010.

### Financial Results

During the period under review, your company has achieved a turnover of Rs. 1784.98 Lacs as compare to the previous year Rs. 666.09 Lacs. Being initial years of commercial production the Company has suffered loss of Rs. 315.12 Lacs on account of overhead expenses. However you're Company is in the process of increasing the turnover for the coming year ahead and to achieve the higher profits in future.

### Performance Review

The Company is carrying out the business of trading and manufacturing all kinds of footwear, footwear components and fashion accessories made out of leather and non-leather materials. Since the Company was a Joint Venture till last year but the loss that took place during the continuation of JV is still having its effect over the present profitability of the Company but the Company with its new strategies and plan will be able to cope up with the losses and will be able to make it a profitable concern.

### Dividend

Your Directors have not recommended any dividend for the financial year ended 31st March, 2010.

### Directors

Mr. Tarun Oberoi, Director retires by rotation and being eligible offers himself for reappointment.

### Compliance Certificate

As per the Companies (Compliance Certificate) Rules, 2001, read with the provisions of sub section 1 of 383A of the Companies Act, 1956, the Company has obtained Compliance Certificate for the year 2009-10 from M/s Nityanand Singh & Co.

The said Compliance Certificate forms part of this report and is attached as annexure to this report.

### Directors' Responsibility Statement

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956 it is hereby stated and confirmed that:

1. in the preparation of the Annual Accounts for the financial year ended 31st March 2010, all applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. the appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs as at 31st March 2010 and of the profit of the Company for the period ended 31st March 2010;
3. the proper and sufficient care has been taken for 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; and

4. the annual accounts for the year ended 31st March 2010 have been prepared on a going concern basis.

### Auditors

The auditors of the Company M/s Anil K. Goyal & Associates, Chartered Accountants hold office until the conclusion of this AGM and being eligible to offer themselves for re-appointment. They have furnished a certificate that their appointment, if made shall be within the Statutory limits specified u/s 224(1B) of the Companies Act, 1956. The Board recommended their appointment for the financial year 2010-11.

The observations of the Auditors' for the financial statements and all annexures forming part thereto for the financial year 2009-10 have been explained wherever necessary in the appropriate notes to the Accounts and do not call for any further comments.

### Public Deposits

The Company has not invited or accepted any Deposits from the public during the period under review.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

#### 1) Conservation of Energy

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.

#### 2) Technology Absorption

The Company is not engaged into any technology absorption transaction.

#### 3) Foreign Exchange Earnings and Outgo

As per Note No. 15 there is a Foreign Currency Outgo during the period under review. The Company shall take appropriate initiatives and measures for the same.

### Particulars of Employees

The Company has no employee in respect of whom the statement under section 217(2A) of the Companies Act, 1956 is required to be annexed.

### Acknowledgement

Your Directors take this opportunity to convey their gratitude and sincere thanks for the unstinted co-operation & assistance, valuable guidance and the continued support of the Central Government, State Government, Customers, Bankers, and Suppliers/Vendors and other business partners.

Your Directors take note of sincere efforts of the dedicated employees at all levels who have been responsible for the growth of the Company.

For and on behalf of the Board  
**Crew MAG Exports Limited**

Place: Gurgaon  
Dated: 24th May, 2010

Sd/-  
**(Robin Bartholomew)**  
Director

Sd/-  
**(Rakesh Diwan)**  
Director

# AUDITORS' REPORT

TO THE MEMBERS OF

CREW MAG EXPORTS LTD

We have audited the attached Balance Sheet of Crew MAG Exports Ltd, as at 31st March 2010 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. 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;
- iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet and Profit and Loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v. On the basis of written representations received from the directors, as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

In our opinion **subject to notes on accounts** and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
- b) In the case of the Profit and Loss Account, of the Loss for the year ended 31st March 2010; and
- c) In the case of Cash flow Statement of the Cash Flows for the year ended 31st March 2010.

For **Anil K Goyal & Associates**

Chartered Accountants

Sd/-

**Anil K Goyal**

Proprietor

M No.: 071221

Place: New Delhi

Date: 24th May, 2010

## ANNEXURE TO THE REPORT OF AUDITORS

- i) (a) *The company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets. However no records for fixed assets worth of Rs. 3.64 lacs which have been capitalized during the year have been made available to us.*  
(b) In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. No significant discrepancies were noticed on such verification.  
(c) Based on our scrutiny of the records of the company and the information and explanations received by us, we report that during the year no fixed assets were disposed. Hence, the question of reporting whether the sale of any substantial part of fixed assets has affected going concern of the company does not arise.
- ii) (a) The inventory has been occasionally physically verified by the management during the year.  
(b) *We have been unable to obtain instructions from the company to attend physical stock count. In consequence we are unable to carry out auditing procedures necessary to obtain adequate assurance regarding the quantities and conditions of inventories.*  
(c) *On the basis of our examination there are no other satisfactory audit procedures that we could adopt to verify the existence, ownership, condition and valuation of the inventories of Rs. 364.44 lacs as stated in the Balance Sheet. Any adjustments to the figure may have a consequential significant effect on the result for the year and net assets at 31st March 2010.*
- iii) The Company has taken an interest free unsecured loan from its JV partners. The outstanding amount at the end of the year is Rs. 1173.94 Lac. The terms and conditions thereof are not prima facie prejudicial to the interest of the company. The company has not granted any loans secured or unsecured, to the companies, firms or other parties covered in the register maintained under section 301 of the Act and thereof paragraph 4(iii) of the order is not applicable.
- iv) In our opinion and according to the information and explanations provided to us, there are adequate internal control procedures commensurate with the size of the company and nature of business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v) (a) According to the information and explanations given to us, in our opinion the transactions that need to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956 have been duly entered.  
(b) In our opinion and according to the information and explanations provided to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000/- or more in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) During the year the Company has not accepted any deposits from the public and therefore paragraph 4(vi) of the order is not applicable.
- vii) *The Company does not have a formal Internal Audit System. However, in our opinion, there are adequate internal control*



*procedures commensurate with the size of the company and the nature of its business.*

- viii) *The company is in the process of maintaining the cost records as per the requirement of clause (d) of sub – section (1) of Section 209 of the Companies Act, 1956.*
- ix) *In our opinion and according to the information and explanations provided to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, service tax and other statutory dues applicable to it except TDS. There are arrears of TDS of Rs.2.81 lacs as outstanding statutory dues as at 31st March 2010 for a period of more than six months from the date they became payable. As explained to us, there are no disputed dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess that have not been deposited on account of any dispute.*
- x) The company was incorporated on 17th November 2006 since a period of five years has not elapsed since the date of incorporation as at the balance sheet date, we are of the opinion that no comment is required under clause (x) of para 4 of the Order regarding the erosion of 50% or more of net worth and cash losses in the current and immediately preceding financial year. Though the companies net worth stands fully eroded & until any significant steps to restructure is not done, its existence could be at risk.
- xi) According to the records of the company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or bank.
- xii) The company has not granted any loans and 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.
- xiii) In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is neither a Chit Fund nor a nidhi / mutual benefit society. Hence, in our opinion, the requirements of para 4 (xiii) of the Order do not apply to the company.
- xiv) According to the informations and explanations given to us by the management, the company is not dealing or trading in

shares, securities, and or debentures and other investments. Hence, in our opinion, the requirements of para 4 (xiv) of the Order do not apply to the company.

- xv) According to the records of the company and the information and explanations provided by the management, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) The company has availed term loans from a bank/financial institutions. According to the information and explanation given and in our opinion these term loans were applied for the purpose for which the loans were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment by the company.
- xviii) According to the records of the company and the information and explanations provided by the management, the company has made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix) According to the records of the company, the company has not issued any debentures.
- xx) According to the information and explanations given to us, the company has not raised any money by public issues during the period covered by our audit report.
- xxi) Based upon the audit procedures performed and information and explanations provided by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**For Anil K Goyal & Associates**  
Chartered Accountants

**Sd/-**  
**Anil K Goyal**  
Proprietor  
M No.: 071221

Place: New Delhi  
Date: 24th May, 2010

# COMPLIANCE CERTIFICATE

Corporate Identity No. : U74999DL2006PLC155621  
Nominal Capital : Rs. 7,00,00,000/-  
Paid up Capital : Rs. 1.55,00,000/-

To,  
The Members  
**Crew Mag Exports Limited,**  
624, Jaina Tower-1,  
District Centre, Janakpuri  
New Delhi-110058.

We have examined the registers, records, books and papers of Crew Mag Exports Limited (the Company) New Delhi as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of association of the Company for the year ended on 31st March, 2010 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder except as under
  - The company did not file Form 23AC, ACA, 20B and 66 for the year ending on 31.03.2009.
  - Did not file form 23 for registration of special resolution passed in EOGM held on 27.04.2009
  - Filed form 18 for change of registered office on 19.05.2010.
3. The Company being a Public Limited Company, comments is not required.
4. The Board of Directors duly met eight times on 04.04.2009, 25.05.2009, 29.05.2009, 16.06.2009, 16.09.2009, 25.11.2009, 03.12.2009 and 31.03.2010 in respect of which meetings proper notices were given and proceedings were properly recorded and signed including the circular resolutions passed in the Minutes book maintained for the purpose.
5. The Company was not required to close its registers of members or debenture holders during the year.
6. The Annual General Meeting for the financial year ended on 31st March, 2009 was held on 22nd September, 2009, after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. One Extra Ordinary General Meeting was held on 27.04.2009 after giving due notice to the members of the company and the resolution passed thereat were duly recorded in the minutes book maintained for the purpose.
8. The Company has not advanced any Loans to its directors and / or Persons or Firms or Companies referred in Section 295 of the Companies Act, 1956.
9. The Company has duly complied with the provisions of Section 297 of the Act, in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. The Company has obtained necessary approvals of the Board of Directors and Members under Section 314 of the Act.
12. The Company has not issued duplicate Share certificates during the financial year.
13. The Company has:
  - i. Delivered the entire share certificates on lodgment thereof for transfer in accordance with the provision of the act.
  - ii. Not deposited any amount in a separate Bank account as no dividend was declared during the financial year.
  - iii. Not posted any warrants to any member of the Company as no dividend was declared during the financial year.
  - iv. Was not required to transfer any amounts to Investor Education and Protection Fund as there were no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
  - v. Duly complied with the requirements of the Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. Mr. Rakesh Diwan regularized as director of the company. Necessary form has been filed in this regard.
15. The Company has not appointed any Managing Director/ Manager/Whole time Director during the financial year.
16. The Company has not appointed any Sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back shares during the financial year.
21. Since the Company has not issued any Debentures or Preference share capital, there was no redemption of preference shares or Debentures during the financial year.



22. There were no transactions necessitating the Company to keep in abeyance the right to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A/ 58 AA during the financial year.
24. The Company has not made any borrowing during the financial year ended on 31st March, 2009 and hence provisions of Section 293(1) (d) of the Act do not apply.
25. The Company has not made any loans or advances or given guarantee or provided any securities to other bodies corporate.
26. The Company has not altered the provisions of Memorandum with respect to the situation of registered office from one state to another during the financial year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the financial year under scrutiny.
30. The Company has not altered its Articles of association during the financial year.
31. There was/ were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment imposed on the Company during the financial year, for the offences under the Act.
32. The Company has not received any money from its employees during the financial year.
33. The Company has not deducted and deposited Employee's and employer's contribution to the Provident Fund as Section 418 of the Act is not applicable to the Company.

For **NITYANAND SINGH & CO.**  
COMPANY SECRETARIES

Sd/-  
NITYANAND SINGH  
C.P. No. 2388

Place : New Delhi  
Date : 24.05.2010

#### Annexure A

##### Registers as maintained by the Company

- 1 Books of Accounts u/s 209.
- 2 Minutes Books u/s 193 for Board & Shareholders Meetings ( separately)
- 3 Register of Members u/s 150 and index of Member u/s 151.
- 4 Register of Particulars of Contracts in which Directors are interested u/s 301.
- 5 Register of Directors, Managing Director, Manager and Secretary u/s 303.
- 6 Register of Directors' shareholding u/s 307.
- 7 Register of Share Transfer U/s 108
- 8 Register of Share Application and Allotment.

#### Annexure B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2010.

S. No.	Form No./return	Filed under Section	For	Date of filing	Whether filed within prescribed time	If delay in filing whether requisite additional fee paid
1	Form-32	303(2)	Regularisation of Mr. Rakesh Diwan	05.10.2009	Yes	N.A.



# BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	Amount (Rs.) March 31, 2010	Amount (Rs.) March 31, 2009
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	1	15,500,000	15,500,000
Reserves & Surplus	2	(40,458,774)	(8,919,408)
<b>LOAN FUNDS</b>			
Secured Loan	3	878,951	964,340
Unsecured Loan	4	117,394,191	66,966,048
Deferred Tax Liability (Net)			202,417
<b>TOTAL</b>		<b>93,314,368</b>	<b>74,713,397</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	7,644,216	5,895,299
Less : Depreciation		1,094,171	763,135
Net Block		6,550,045	5,132,164
Deferred Tax Assets (Net)		23,799,214	–
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	6	36,443,809	20,553,183
Sundry Debtors	7	5,500,659	3,555,794
Cash & Bank Balances	8	2,220,616	342,803
Loans & Advances	9	56,995,803	36,346,273
		101,160,886	60,798,052
<b>LESS: CURRENT LIABILITIES PROVISIONS</b>			
Current Liabilities	10	37,556,176	23,719,877
Provisions		639,600	–
		38,195,776	23,719,877
<b>NET CURRENT ASSETS</b>		<b>62,965,110</b>	<b>37,078,175</b>
<b>MISCELLANEOUS EXPENDITURE</b>			
Pre-operative Expenses	11	–	32,503,058
<b>TOTAL</b>		<b>93,314,368</b>	<b>74,713,397</b>
Significant Accounting Policies and Notes forming part of the Accounts	16	(0)	

Cash Flow Statement

As per our report of even date attached

For **Anil K. Goyal & Associates**  
Chartered Accountants

For and on behalf of the Board  
**Crew Mag Exports Limited**

Sd/-  
**(Anil K. Goyal)**  
Proprietor  
Membership No. 71221

Sd/-  
**(Tarun Oberoi)**  
Director

Sd/-  
**(Rakesh Diwan)**  
Director

Place: Gurgaon



## PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2010

	SCHEDULE	Amount (Rs.) March 31, 2010	Amount (Rs.) March 31, 2009
<b>INCOME</b>			
Income from Operations	12	178,497,506	66,608,520
Increase in Stocks	13	15,890,626	18,762,248
<b>TOTAL</b>		<b>194,388,132</b>	<b>85,370,768</b>
<b>EXPENDITURE</b>			
Material Manufacturing & Others	14	157,098,582	81,711,733
Personnel, Administration & Selling	15	56,396,233	14,483,580
Interest & Finance Charges		829,042	125,355
Pre-Operative Expenses W/off		32,503,058	8,125,765
Depreciation (Refer Note No. 6)		3,075,143	3,064,184
<b>TOTAL</b>		<b>249,902,059</b>	<b>107,510,617</b>
Profit Before Taxation		(55,513,928)	(22,139,849)
Less: Provision for Taxation		-	-
Less: Fringe Benefit Tax		-	30,507
Less/(Add): Deferred Tax Liability		(24,001,631)	202,417
Profit After Taxation		(31,512,295)	(22,372,773)
Add : Prior Period Adjustments		27,071	-
Add : Balance brought forward from previous year		(23,919,408)	(1,546,635)
Balance Transferred to Balance Sheet		(55,458,774)	(23,919,408)
Significant Accounting Policies and Notes forming part of the Accounts	16		
The Schedules referred to above form an integral part of the Profit and Loss Account			

As per our report of even date attached

For **Anil K. Goyal & Associates**  
Chartered Accountants

For and on behalf of the Board  
Crew Mag Exports Limited

Sd/-  
**(Anil K Goyal)**  
Proprietor  
Membership No. 71221

Sd/-  
**(Tarun Oberoi)**  
Director

Sd/-  
**(Rakesh Diwan)**  
Director

Place: Gurgaon  
Date: 24th May, 2010



## CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31ST, 2010

	Amount (Rs.) March 31, 2010	Amount (Rs.) March 31, 2009
<b>A. Cash flow from operating activities:</b>		
Net (loss)/profit before tax but after exceptional/extraordinary items	(55,513,928)	(22,139,849)
<b>Adjustments for:</b>		
Depreciation	3,075,143	3,064,183
Interest Expense	829,042	125,355
Deferred revenue expenditure written off	32,503,058	8,125,765
<b>Operating profit before working capital changes</b>	<b>(19,106,685)</b>	<b>(10,824,546)</b>
<b>Adjustments for changes in working capital :</b>		
– (INCREASE)/DECREASE in Sundry Debtors	(1,944,865)	935,359
– (INCREASE)/DECREASE in Other Receivables	(20,649,529)	(8,012,930)
– (INCREASE)/DECREASE in Inventories	(15,890,626)	(18,762,248)
– INCREASE/(DECREASE) in Trade and Other Payables	14,475,899	19,126,310
<b>Cash generated from operations</b>	<b>(43,115,806)</b>	<b>(17,538,055)</b>
– Fringe Benefit Tax	–	(30,507)
<b>Net cash from operating activities</b>	<b>(43,115,806)</b>	<b>(17,568,562)</b>
<b>B. Cash flow from Investing activities:</b>		
Purchase of fixed assets	(2,512,052)	(1,643,799)
Pre Operative Expenses	–	–
<b>Net cash used in investing activities</b>	<b>(2,512,052)</b>	<b>(1,643,799)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds form fresh issue of Share Capital (including Share Premium )	–	–
Proceeds from long term borrowings	(85,389)	964,340
Proceeds from short term borrowings	48,420,102	18,211,177
Interest Paid	(829,042)	(125,355)
<b>Net cash used in financing activities</b>	<b>47,505,671</b>	<b>19,050,162</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>1,877,813</b>	<b>(162,199)</b>
<b>Cash and cash equivalents as at 01.04.2009</b>	<b>342,803</b>	<b>505,002</b>
<b>Cash and cash equivalents as at 31.03.2010</b>	<b>2,220,616</b>	<b>342,803</b>
<b>Cash and cash equivalents comprise</b>		
Cash, Cheques & Drafts (in hand) and Remittances in Transit	42,504	71,359
Balance with Banks	2,178,112	271,444
Cash and cash equivalents as at 31.03.2010	2,220,616	342,803

### Notes :

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

As per our report of even date attached

For **Anil K. Goyal & Associates**  
Chartered Accountants

For and on behalf of the Board  
**Crew Mag Exports Limited**

Sd/-  
**(Anil K Goyal)**  
Proprietor  
Membership No. 71221

Sd/-  
**(Tarun Oberoi)**  
Director

Sd/-  
**(Rakesh Diwan)**  
Director

Place: Gurgaon



## SCHEDULES FORMING PART OF THE BALANCE SHEET

	Amount (Rs.) March 31, 2010	Amount (Rs.) March 31, 2009
<b>SCHEDULE : 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
70,00,000 Equity Share of Rs.10/- each	<b>70,000,000</b>	70,000,000
<b>TOTAL</b>	<b>70,000,000</b>	70,000,000
<b>ISSUED, SUBSCRIBED AND PAIDUP</b>		
15,50,000 Equity Share of Rs. 10/- each fully paid up.	<b>15,500,000</b>	15,500,000
<b>TOTAL</b>	<b>15,500,000</b>	15,500,000
<b>SCHEDULE : 2</b>		
<b>RESERVE &amp; SURPLUS</b>		
Security Premium	<b>15,000,000</b>	15,000,000
Surplus in Profit & Loss Account	<b>(55,458,774)</b>	(23,919,408)
<b>TOTAL</b>	<b>(40,458,774)</b>	(8,919,408)
<b>SCHEDULE : 3</b>		
<b>SECURED LOAN</b>		
Term Loan from HDFC & Tata Finance (Secured against Hypothecation of Vehicle)	<b>878,951</b>	964,340
	<b>878,951</b>	964,340
<b>SCHEDULE : 4</b>		
<b>UNSECURED LOAN</b>		
Crew BOS Products Ltd	<b>104,550,374</b>	46,412,534
Leather Crafts (India) P. Ltd	<b>12,843,816</b>	20,553,514
<b>TOTAL</b>	<b>117,394,191</b>	66,966,048

## SCHEDULES FORMING PART OF THE BALANCE SHEET

### SCHEDULE : 5 FIXED ASSETS

PARTICULARS	RATE OF DEPR.	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		AS ON 01/04/2009	ADDITIONS DURING THE YEAR	AS ON 31/03/2010	AS ON 01/04/2009	DEPRECIATION FOR THE YEAR	DEPRECIATION ON SALE/ ADJUSTMENTS	AS ON 31/03/2010	AS ON 31/03/2009
FACTORY BUILDING	10.00%	2,818,800	-	2,818,800	313,200	281,880	-	2,536,920	2,818,800
COMPUTER	40.00%	400848	223,796	624,644	244,352	217,259	-	407,385	400,848
AIR CONDITINOR	13.91%		241,500	241,500	4,451	25,378	-	216,122	27,549
PLANT & MACHINERY	13.91%	327983	1247943.00	1,575,926	38,202	96,034	-	1,479,892	327,983
VEHICLES-TOYOTA	25.89%	1188179	-	1,188,179	48,235	307,620	-	880,559	1,188,179
VEHICLES- MOTOR CAR	25.89%	293476	-	293,476	102,524	75,981	-	217,495	293,476
TATA ACE VEHICLE	25.89%		358407.00	358,407		60,505	-	297,902	-
OFFICE EQUIPMENTS	13.91%	75329	92030.00	167,359	12,171	14,809	-	152,550	75,329
ELECTRICAL FIXTURE & FITTINGS	13.91%	27549	348,376	375,925	-	14,705	-	361,220	-
<b>TOTAL</b>		<b>5,132,164</b>	<b>2,512,052</b>	<b>7,644,216</b>	<b>763,135</b>	<b>1,094,171</b>	<b>-</b>	<b>6,550,045</b>	<b>5,132,164</b>
PREVIOUS YEAR		4,251,500	1,643,799	5,895,299	-	763,135	-	5,132,164	4,251,500



## SCHEDULES FORMING PART OF THE BALANCE SHEET

	Amount (Rs.) March 31, 2010	Amount (Rs.) March 31, 2009
<b>SCHEDULE : 6</b>		
<b>INVENTORIES</b>		
(As Taken, valued and certified by the Management)		
Finished Goods	36,443,809	20,553,183
	<b>36,443,809</b>	<b>20,553,183</b>
<b>SCHEDULE : 7</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, Considered Good)		
Debts Outstanding for a period exceeding six months	–	–
Other Debts	5,500,659	3,555,794
	<b>5,500,659</b>	<b>3,555,794</b>
<b>SCHEDULE : 8</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand	42,504	71,359
Bank Balances	2,178,112	271,444
<b>TOTAL</b>	<b>2,220,616</b>	<b>342,803</b>
<b>SCHEDULE : 9</b>		
<b>LOAN &amp; ADVANCES</b>		
(Unsecured, Considered good)		
Advance Recoverable in Cash or in Kind or for value to be received	102,000	116,900
Advance Against Land	27,900,000	27,900,000
Rent Advance	3,263,625	1,493,625
Advance to Suppliers	2,018,914	1,867,634
Security Deposit	–	3,000
Prepaid Expenses	87,939	146,436
Duty Drawback Receivable	5,464,921	4,266,858
Crew Ror Products Ltd – Associated Company	16,704,267	–
Input Tax	1,454,136	551,819
<b>TOTAL</b>	<b>56,995,803</b>	<b>36,346,273</b>
<b>SCHEDULE : 10</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
Credit Balance in Current Account	2,602,386	1,692,651
Sundry Creditors	31,851,585	19,597,265
Other Liabilities	3,102,205	2,429,961
Provisions	639,600	–
<b>TOTAL</b>	<b>38,195,776</b>	<b>23,719,877</b>
<b>SCHEDULE : 11</b>		
<b>PRE-OPERATIVE EXPENSES</b>	–	32,503,058
	–	32,503,058
<b>SCHEDULE : 12</b>		
<b>INCOME FROM OPERATIONS</b>		
Export Sales	129,208,838	58,300,818
Local Sales	30,589,855	1,586,629
Duty Drawback	14,670,608	6,060,983
Job Work Receipts	4,028,205	660,090
<b>TOTAL</b>	<b>178,497,506</b>	<b>66,608,520</b>

## SCHEDULES FORMING PART OF THE BALANCE SHEET

	Amount (Rs.) March 31, 2010	Amount (Rs.) March 31, 2009
<b>SCHEDULE : 13</b>		
<b>INCREASE/ DECREASE (-) IN STOCKS</b>		
Closing Stock		
Finished Goods	<b>36,443,809</b>	20,553,183
Less: Opening Stock		
Finished Goods	<b>20,553,183</b>	1,790,935
<b>TOTAL</b>	<b>15,890,626</b>	18,762,248
<b>SCHEDULE : 14</b>		
<b>MATERIAL, MANUFACTURING &amp; OTHERS</b>		
Raw Material Consumed	<b>151,707,514</b>	38,739,883
Consumables Stores	<b>128,725</b>	175,973
Finished Goods Purchased	-	39,098,793
Fabrication and Processing	<b>1,219,283</b>	1,847,710
Freight Inward	<b>1,438,401</b>	1,130,692
Testing Report Charges	<b>84,718</b>	26,192
Power and Fuel	<b>2,075,485</b>	413,378
Discount, Rebates and Claims	<b>444,456</b>	279,112
<b>TOTAL</b>	<b>157,098,582</b>	81,711,733
<b>SCHEDULE : 15</b>		
<b>PERSONNEL, ADMINISTRATION &amp; SELLING</b>		
Wages, Salary & Bonus	<b>19,421,787</b>	4,242,960
Staff Welfare Expenses	<b>1,165,717</b>	363,952
Rent	<b>3,967,629</b>	861,348
Contribution to PF & ESI	<b>2,175,647</b>	502,926
Freight Outward and Packaging	<b>15,229,687</b>	4,226,909
Travelling & Conveyance	<b>3,370,462</b>	1,860,127
Courier Charges	<b>1,146,020</b>	189,432
Fees & Subscriptions	<b>36,500</b>	695,947
Security Charges	<b>917,556</b>	223,998
Printing & Stationery	<b>280,818</b>	105,655
Professional Charges	<b>1,353,934</b>	216,516
Business Promotion	<b>244,807</b>	5,306
Commission	<b>2,746,163</b>	300,000
Miscellaneous Expenses/ General Expenses	<b>99,835</b>	96,145
Insurance	<b>138,841</b>	-
Rates & Taxes	<b>33,115</b>	-
Exchange Rate Fluctuation	<b>1,404,942</b>	-
Telephone Expenses	<b>614,110</b>	49,617
Repair and Maintenance	<b>1,949,392</b>	454,478
Audit Fees	<b>99,270</b>	88,264
<b>TOTAL</b>	<b>56,396,233</b>	14,483,580



## SCHEDULES FORMING PART OF THE BALANCE SHEET

### SCHEDULE 16

#### SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

##### A. SIGNIFICANT ACCOUNTING POLICIES

###### 1 Basis of Accounting

The Financial Statement 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.

###### 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.

###### 3 Fixed Assets

Fixed Assets are stated at actual cost of acquisition inclusive of taxes, duties, freight and any directly attributable cost of bringing the assets to their working condition for 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.

###### 4 Depreciation

Depreciation on fixed assets is provided on the WDV Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

###### 5 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.

###### 6 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.

In case of Forward Exchange Contract, the cost of contract is amortized over the period of contract. Any profit or loss arising on the cancellation or renewal of a forward exchange contract is recognized as income or expense for the year, except in case of forward exchange contract relating to liabilities incurred for acquiring fixed assets from outside India, in which case, such profit or loss is adjusted in the cost of fixed assets.

###### 7 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. Provision for liabilities in respect of gratuity & leave encashment benefit are made on accrual basis and charged to profit and loss account.

The company does not have any employee on its role based on which the Retirement Benefits are not applicable and hence not provided.

###### 8 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.

###### 9 Export Benefits

Export benefits i.e. duty drawback is accounted for on accrual basis.

## SCHEDULES FORMING PART OF THE BALANCE SHEET

### 10. Prior Period Items

Income and Expenses which arise in the current year as a result of errors or omission in the preparation of financial statements of one or more prior periods are shown as prior periods adjustments expect rebate & discount which are accounted for by the Company in the year of acceptance thereof.

### B. NOTES TO THE ACCOUNTS.

- In the opinion of the board of directors the current assets, loan and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities have been made.
- The various Debit & Credit balances are subject to confirmation.
- The Company has not received information from vendors regarding their status under Micro, Small & Medium enterprises development Act, 2006 and hence disclosure related to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.
- The Company has received the machinery from its Holding Company M/s. Crew B.O.S. Products Limited for set up the project. The Written Down Value of the fixed assets located in Chennai as at 01/04/2009 is Rs. 142.41 lacs. The Company has charged depreciation for the use of said machineries. Depreciation of Rs. 30.75 lacs includes 19.81 lacs being depreciation charged for the use of said machineries.
- Bank balances includes the balance of Indian Overseas Bank of Rs. 7,398, in which there is no transaction during the financial year 2009-10. The company has not received any statement from the bank and any charges, if any, debited by the bank will be accounted for upon receipt of the bank statement.
- Pre-operative expenses of Rs. 32.50 lacs have been written off during the year as per Accounting Standard 26 'Intangible Assets' issued by the 'Institute of Chartered Accountants of India'.
- Company had paid an advance of Rs. 2.79 crore to Mahindra Industrial Park Limited against lease hold land during the year 2009-10. However no document was made available to us regarding the current status of the same during the current year.
- Joint Venture Agreement with Leather Craft India (P) Limited has already been discontinued since April – 2009. However no formal document for the same have been made available to us. All balances lying in the accounts of Leather Craft India (P) Limited as at 31/03/2010 are subject to pending settlement.
- Provision for leave encashment for Rs. 6.40 lacs have been made during the year on estimated basis.
- No provision for Gratuity has been made in the books during the current year.
- During the year company has made scrap/seconds sales of Rs. 39.43 lacs. No Vat has been charged against the same. There is a contingent liability of approx Rs. 4.93 lacs against the same which have not been provided for in the books.
- Audit Fees (including service tax) : Amount in Rs

Particulars	For the year Ended March 31, 2010	For the year Ended March 31, 2009
Audit Fee	90,000.00	80,000.00
Service Tax	9,270.00	8,264.00
<b>TOTAL</b>	<b>99,270.00</b>	<b>88,264.00</b>

- Deferred Tax Liability as at 31st March 2010, comprises the following Amount in Rs.

Timing Difference on account of	For the year ended 31st March 2010		For the year ended 31st March 2009	
	Deferred Tax Assets	Deferred Tax Liability	Deferred Tax Assets	Deferred Tax Liability
a) Deprecation	668545.00	–	–	202417.00
b) Business Losses	15376734.00	–	–	
c) Others	7750855.00	–	–	
<b>Total</b>	<b>23796134.00</b>	<b>–</b>	<b>–</b>	<b>202417.00</b>
<b>Net Deferred Tax Assets / Liability</b>	<b>23796134.00</b>	<b>–</b>	<b>–</b>	<b>202417.00</b>





## SCHEDULES FORMING PART OF THE BALANCE SHEET

### 14. Related Party Disclosures :

Related Party Disclosures, as required by AS - 18 "Related Party Disclosure" are given below Related Party Disclosure :

(Amount in Lakhs)

Name of the Party	Nature of Relationship	Nature of Transaction	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
Crew B.O.S. Products Ltd.,	Associated Company	Capital Contribution	155.55	155.55
		Advance	892.88	464.12
		Reimbursement of Expenses	20.14	
		Sales	122.45	
		Purchase	254.94	21.95
Leather Craft India Pvt Ltd.,	Associated Company	Capital Contribution	149.45	149.45
		Rent Deposit	0.00	-12.00
		Finished Goods Purchases	0.00	390.98
		Fixed Assets	0.00	0.28
		Advance	147.02	205.53
Crew ROR Products Ltd.,	Associated Company	Sales	183.40	-
		Advances/Reimbursement of Expenses	16.36	
People Bank	Relative of Director	Professional Services	4.90	-

### 15. Additional Information pursuant to paragraph 3,4C & 4D of part II of Schedule VI of the Companies Act, 1956.

#### A. Licensed and Install capacity and Production: (As certified by the Management)

##### Licensed & Installed Capacity and Production (As certified by the Management)

Description	Current / Previous Year Licensed Capacity	Current / Previous Year Installed Capacity	Current Year Production (Qty In No- Pairs )	Previous Year Production (Qty In No Pairs )
Foot Wear	750000 Pairs	Not Ascertainable	251037	49116

#### B. Raw Material Consumed :

##### Raw Material Consumed

Product	Unit	Consumption Current Year		Consumption Previous Year	
		Qty	Amount	Qty	Amount
Leather	Sq. Meter	59636	74336682	23042	18982543
Fabrics		43656	12136601	16868	3099191
Others	Nos		65234231		16658150
Total			151707514		38739883

#### C. Composition of Raw Materials consumed :

##### Composition of Raw Material Consumed

Particulars	%	Value (Rs.)
Indigenous	83.16	126158264
Imported	16.84	25549251
Total	100.00	151707514

#### D. Statement of Sales & Closing Stock of Finished Goods of Manufacturing items :

##### Statement of Opening Stock, Sales & Closing of Finished Goods of Manufacturing Items

Items	Units	Opening Stock Current Year		Manufactured Current Year Qty	Turnover Current Year		Closing Stock Current Year	
		Qty	Amount		Qty	Amount	Qty	Amount
Foot Wear	Pairs	9332	6048640	251037	250665	159798693	9704	5336865
Total			6048640			159798693		5336865

\*Stock figures are not verified in absence of proper records.

## SCHEDULES FORMING PART OF THE BALANCE SHEET

E. Expenditure in Foreign Currency :

Particulars	2009-10	2008-09
Raw – Material	25549251	2484665
Repair & Maintenance	-	137854
Traveling Expenses	872188	488801

F. Earning in Foreign Currency :

Earnings	2009-10	2008-09
Export Sales (FOB)	<b>129208838</b>	58155096

16. During the year a new associated company “Crew ROR Products Ltd” has been incorporated which is also wholly owned subsidiary of “Crew B.O.S. Products Ltd”. All the Fixed Assets and Stocks lying as on 31/03/2010 in the books of Crew MAG Exports Ltd have been transferred to Crew ROR Products Ltd w.e.f. 01/04/2010.
17. The corresponding figures of previous year have been regrouped / rearranged wherever necessary.
18. The figure has been rounded off to the nearest rupees.

For **Anil K. Goyal & Associates**  
Chartered Accountants

For and on behalf of the Board  
**Crew MAG Exports Limited**

Sd/-  
**(Anil K. Goyal)**  
Proprietor  
Membership No. 71221

Sd/-  
**(Tarun Oberoi)**  
Director

Sd/-  
**(Rakesh Diwan)**  
Director

Place: Gurgaon  
Date: 24th May, 2010



## Additional Information Pursuant To The Provisions Of Part-IV Of Schedule Vi Of The Companies Act, 1956.

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details		
Registration No.		155621
State Code		55
Balance Sheet Date		31.03.2010
II. Capital raised during the year		(Amt. in '000)
		(Rs.)
Public Issue		NIL
Rights Issue		NIL
Bonus Issue		NIL
III. Position of Mobilization and Deployment of Funds		(Amt. in '000)
		(Rs.)
Total Liabilities		93,314
Total Assets		93,314
Source of Funds		
Paid-up Capital		15,500
Equity Warrants Subscribed		NIL
Reserves & Surplus		(40,459)
Secured Loans		979
Unsecured Loans		1,17,394
Deferred Tax Liability		NIL
Application of Funds		
Net Fixed Assets		6,550
Investments		NIL
Net Current Assets		62,965
Misc. Expenditure		NIL
Deferred Tax Asset (Net)		23,799
IV. Performance of Company		(Amt. in '000)
		(Rs.)
Turnover		178,498
Total Expenditure		249,902
Profit/(Loss) before tax		(55,514)
Profit/(Loss) after tax		(31,512)
Earning per Share (Basic) in Rs.		NIL
Earning Per Share (Diluted) in Rs.		NIL
Dividend rate %		NIL
V. Generic Names of One Principal Products/Services of Company		
Item Code No. (ITC Code)	Product Description	
640320	Leather Footwear	

For **Anil K. Goyal & Associates**  
Chartered Accountants

For and on behalf of the Board  
**Crew MAG Exports Limited**

Sd/-  
**(Anil K. Goyal)**  
Proprietor  
Membership No. 71221

Sd/-  
**(Tarun Oberoi)**  
Director

Sd/-  
**(Rakesh Diwan)**  
Director

Place: Gurgaon  
Date: 24th May, 2010

# DIRECTORS' REPORT

## Dear Members

### Centre of Excellence in Design Limited

Your Directors have pleasure in presenting Third Annual Report of the Company together with the Audited Accounts and Auditors' Report thereon for the period ended 31<sup>st</sup> March 2010.

### Operational & Financial Review

During the period under review, your Company has achieved a turnover of Rs. 190.82 lacs. The main business of the Company is trading of leather and non-leather fashion accessories and products. Since these are the initial years of commercial production, the Company has suffered Loss of Rs.135.36 lacs on account of increase of cost of production due to high inflation. The Company has reviewed the situation and accordingly planned the future growth.

### Dividend

No Dividend has been recommended for the financial year ending on 31<sup>st</sup> March, 2010.

### Directors

Mr. Gautam Nair, Director retires by rotation and being eligible offers himself for reappointment.

### Compliance Certificate

As per the Companies (Compliance Certificate) Rules, 2001, read with the provisions of sub section 1 of 383A of the Companies Act, 1956, the Company has obtained Compliance Certificate for the year 2009-10 from M/s Nityanand Singh & Co, a Practicing Company Secretary.

### Directors Responsibility Statement

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956 it is hereby stated and confirmed that:

1. In the preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March 2010 all applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. The appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs as at 31<sup>st</sup> March 2010 and of the profit of the Company for the period ended 31<sup>st</sup> March 2010;
3. The proper and sufficient care has been taken for 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;
4. The annual accounts for the year ended 31<sup>st</sup> March 2010 have been prepared on a going concern basis.

### Auditors

M/s Anil K. Goyal & Associates., Chartered Accountants, New Delhi, the retiring Auditor and being eligible, offered themselves for re-appointment. The Director recommended their re-appointment. They have furnished a certificate that their appointment, if made shall be within the statutory limits specified u/s 224(1B) of the Companies Act, 1956.

The observations of the Auditor in the Auditors Report is explained wherever necessary in the appropriate notes to the accounts.

### Public Deposits

The Company has not invited or accepted any Deposits from the public during the period under review.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo under Section 217 (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

#### 1. Conservation of Energy

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.

#### 2. Technology Absorption

The Company is not engaged into any technology absorption transaction.

#### 3. Foreign Exchange Earnings and Outgo

There is no information to be provided under the captioned head as there is no Foreign Exchange Earnings and outgo during the period under review. The Company shall take appropriate initiatives and measures for the same.

### Particulars of Employees

The Company has no employee in respect of whom the statement under section 217(2A) of the Companies Act, 1956 is required to be annexed.

### Acknowledgement

Your Directors take this opportunity to convey their gratitude and sincere thanks for the unstinted co-operation & assistance, valuable guidance and the continued support of the Central Government, State Government, Customers, Bankers, and Suppliers/Vendors and other business partners.

Your Directors take note of sincere efforts of the dedicated employees at all levels who have been responsible for the growth of the Company.

For and on behalf of the Board  
For **Centre of Excellence in Design Ltd.**

Place: Gurgaon  
Date: 24-05-2010

Sd/-  
**(Robin Bartholomew)**  
Director

Sd/-  
**(Gautam Nair)**  
Director



## AUDITORS' REPORT

### TO THE MEMBERS OF

#### CENTRE OF EXCELLENCE IN DESIGN LIMITED

We have audited the attached Balance Sheet of Centre of Excellence In Design Limited, as at 31<sup>st</sup> March, 2010 and Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditors report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above :-
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account, as required by Law, have been kept by the Company so far as appears from our examination of the books.
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, **subject to notes on accounts**, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by the Report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
  - e) On the basis of written representation received from the directors and taken on record by the board of directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
  - (f) *Subject to the notes on account*, in our opinion and to the best of our knowledge and information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :-
    - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31<sup>st</sup>, 2010
    - (ii) In the case of Profit & Loss Account of the Loss for the year ended on that date,

- (iii) In the case of the Cash Flow Statement, on the cash flows for the period ended on that date.

For **ANIL K. GOYAL & ASSOCIATES**  
Chartered Accountants

Sd/-  
**(ANIL K. GOYAL)**  
Proprietor  
Membership No. 71221

Place: Gurgaon  
Date: 24<sup>th</sup> May, 2010

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#### ANNEXURES REFERRED TO IN PARA 1 OF THE AUDITOR'S REPORT TO THE MEMBERS OF CENTRE OF EXCELLENCE IN DESIGN LIMITED ACCOUNTS FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2010

- 1) a) The Company is in process of maintaining records showing particulars including quantitative details and situation of Fixed Assets.
- b) The management has physically verified the Fixed Assets at reasonable intervals and no material discrepancies are reported to have been observed on such verification as compared to book records.
- c) 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 have been occasionally physically verified by the management during the year.
- b) *We have been unable to obtain instructions from the company to attend physical stock count. In consequence we are unable to carry out auditing procedures necessary to obtain adequate assurance regarding the quantities and conditions of inventories.*
- c) *On the basis of our examination there are no other satisfactory audit procedures that we could adopt to verify the existence, ownership, condition and valuation of the inventories of Rs. 51.02 lacs as stated in the Balance Sheet. Any adjustments to the figure may have a consequential significant effect on the result for the year and net assets at 31<sup>st</sup> March 2010.*
- 3) The Company has taken interest free unsecured loans from its both JV partners amounting to Rs. 160.89 lacs during the financial period. The terms and conditions thereof are not prima facie prejudicial to the interest of the company. The company has not granted any loans secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act and therefore paragraph 4(iii) of the order is not applicable.
- 4) In our opinion, and according to information and explanations given to us, there are adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of stores & spare parts, fixed

assets, and with regard to sale of products and there are no major internal control weaknesses in regard thereto.

- 5) The transactions that need to be entered into a register in pursuance of section 301 of the Companies Act have been entered. According to the information and explanations given to us, purchase of goods and sale of goods and services aggregating during the year to Rs. 5 lacs or more in respect of a party in pursuance of contracts or arrangements entered into the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time for such goods.
- 6) In our opinion and according to the information and explanations given to us, as the Company has not accepted deposits from the public, paragraph 4(vi) of the Order is not applicable.
- 7) The average annual turnover of the Company is less than Rs. 5 Crore for the financial year concerned and the paid up capital and reserves of the company are less than Rs. 50 lacs, hence paragraph 4(vii) of the Order is not applicable.
- 8) We are informed that maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 in respect of activities of the company and therefore paragraph 4(viii) of the Order is not applicable.
- 9) In our opinion and according to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, employees' state insurance, income tax, wealth tax, service tax, sales tax, custom duty, excise duty, cess, and other statutory dues, as applicable to its activities, with appropriate authorities *except VAT & FBT of Rs. 3.45 lacs. There are arrears of FBT of Rs. 2.76 lacs as outstanding statutory dues as at 31<sup>st</sup> March, 2010 for a period of more than six months from the date they became payable.* As confirmed to us, there are no disputed dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess that have not been deposited on account of any dispute.
- 10) As the company has not been in existence for more than five years from the date of registration till the last day of the financial year covered by the auditor's report, hence the provisions of accumulated losses, net worth and cash losses covered under paragraph 4(x) of the order are not applicable. *Though the companies net worth stands fully eroded & until any significant steps to restructure is not done, its existence could be at risk.*
- 11) *The Company has defaulted in repayment of loan taken from bank against the hypothecation of Car. The company has not paid dues after Nov-09 for Rs. 1.40 lacs till 31<sup>st</sup> Mar-2010. Total outstanding amount as on 31<sup>st</sup> March 2010 is 12.76 lacs payable over the period till Aug-2013.*
- 12) 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) 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, debentures and other investments and therefore paragraph 4(xiv) of the Order is not applicable.
- 15) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions and therefore paragraph 4(xv) of the Order is not applicable.
- 16) The company has availed term loans from a bank/financial institutions. According to the information and explanation given and in our opinion these term loans were applied for the purpose for which the loans were obtained.
- 17) Based on examination of documents and records made available and on the basis of information and explanations given to us, the company has not used funds raised on short term basis for long term investments and vice versa.
- 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) The company has not raised any money by way of public issue during the year and therefore paragraph 4(xx) of the Order is not applicable.
- 21) During the course of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the company, noticed or reported during year nor we have been informed of such case by the Management.

For **ANIL K. GOYAL & ASSOCIATES**  
Chartered Accountants

Sd/-  
**(ANIL K. GOYAL)**  
Proprietor  
Membership No. 71221

Place: Gurgaon  
Date: 24<sup>th</sup> May, 2010





## COMPLIANCE CERTIFICATE

Corporate Identity No. : U19100DL2007PLC167727

Nominal Capital : Rs. 25,00,000/-

Paid up Capital : Rs. 25,00,000/-

To,

The Members

**Centre of Excellence in Design Limited,**

A/2, Plot # 2-5, Kirtideep Building,

Retail Business Centre, Nangalraya,

New Delhi-110046

We have examined the registers, records, books and papers of Centre of Excellence in Design Limited (the Company) New Delhi as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of association of the Company for the year ended on 31st March, 2010 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Public Limited Company, comments is not required.
4. The Board of Directors duly met FIVE times on 28.05.2009, 18.06.2009, 10.09.2009, 20.11.2009 and 12.02.2010 in respect of which meetings proper notices were given and proceedings were properly recorded and signed including the circular resolutions passed in the Minutes book maintained for the purpose.
5. The Company was not required to close its registers of members or debenture holders during the year.
6. The Annual General Meeting for the financial year ended on 31st March, 2009 was held on 21st September, 2009, after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any Loans to its directors and / or Persons or Firms or Companies referred in Section 295 of the Companies Act, 1956.
9. The Company has duly complied with the provisions of Section 297 of the Act , in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of the Section 314 of the Act, the Company has not obtained any approvals of the Board of Directors, Members or Central Government.
12. The Company has not issued duplicate Share certificates during the financial year.
13. The Company has:
  - i. Delivered the entire share certificates on allotment in accordance with the provision of the act.
  - ii. Not deposited any amount in a separate Bank account as no dividend was declared during the financial year.
  - iii. Not posted any warrants to any member of the Company as no dividend was declared during the financial year.
  - iv. Was not required to transfer any amounts to Investor Education and Protection Fund as there were no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
  - v. Duly complied with the requirements of the Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of directors, additional directors, alternative directors and directors to fill casual vacancy during the said financial year. Mr Sameer Lakshman Katre resigned from the directorship of the company. Necessary form has been filed in this regard.
15. The Company has not appointed any Managing Director/ Manager/Whole time Director during the financial year.
16. The Company has not appointed any Sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back shares during the financial year.
21. Since the Company has not issued any Debentures or Preference share capital, there was no redemption of preference shares or Debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the right to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A/ 58 AA during the financial year.

24. The Company has not made any borrowing during the financial year ended on 31st March, 2009 and hence provisions of Section 293(1) (d) of the Act do not apply.
25. The Company has not made any loans or advances or given guarantee or provided any securities to other bodies corporate.
26. The Company has not altered the provisions of Memorandum with respect to the situation of registered office from one state to another during the financial year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the financial year under scrutiny.
30. The Company has not altered its Articles of association during the financial year.
31. There was/ were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment imposed on the Company during the financial year, for the offences under the Act.
32. The Company has not received any money from its employees during the financial year.
33. The Company has not deducted and deposited Employee's and employer's contribution to the Provident Fund as Section 418 of the Act is not applicable to the Company.

For **NITYANAND SINGH & CO.**  
COMPANY SECRETARIES

Sd/-  
**NITYANAND SINGH**  
C.P. No. 2388

Place : New Delhi  
Date : 24.05.2010

#### Annexure A

##### Registers as maintained by the Company

- 1 Books of Accounts u/s 209.
- 2 Minutes Books u/s 193 for Board & Shareholders Meetings ( separately)
- 3 Register of Members u/s 150 and Index of Members u/s 151.
- 4 Register of Particulars of Contracts in which Directors are interested u/s 301.
- 5 Register of Directors, Managing Director, Manager and Secretary u/s 303.
- 6 Register of Directors' shareholding u/s 307.
- 7 Register of Share Transfer U/s 108
- 8 Register of Share Application and Allotment.

#### Annexure B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2010.

S. No.	Form No./return	Filed under Section	For	Date of filing	Whether filed within prescribed time	If delay in filing whether requisite additional fee paid
1	Form-32	303(2)	Resignation of Mr. Sameer Lakshman Katre	28.05.2009	Yes	N.A.
2	Form-2	75(1)	Return of Allotment	24.06.2009	No	Yes
3	Form-66 Compliance Certificate	383A	2009-10	03.11.2009	No	Yes
4	Form-23AC, ACA Balance Sheet and Profit and Loss	220	2009-10	04.11.2009	No	Yes
5	Form -20 B Annual return	159	2009-10	04.11.2009	Yes	N.A.





## Balance Sheet as at March 31st, 2010

	Schedule	Amount (Rs.) 31-Mar-10	Amount (Rs.) 31-Mar-09
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	1	2,500,000	2,500,000
Reserves & Surplus	2	(33,043,450)	(19,507,334)
<b>LOAN FUNDS:</b>			
Secured Loan	3	35,164,650	42,656,972
Unsecured Loan	4	16,089,360	12,811,750
<b>TOTAL</b>		<b>20,710,560</b>	<b>38,461,388</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	8,235,263	8,411,343
Less : Depreciation		(2,557,675)	(1,081,235)
Net Block		5,677,588	7,330,108
Deferred Tax Asset		14,260,856	100,000
<b>Current Assets, Loan &amp; Advances</b>			
Inventories	6	5,102,210	24,384,891
Sundry Debtors	7	26,299,948	23,670,451
Cash & Bank Balances	8	153,685	399,380
Loan & Advances	9	1,326,473	1,941,139
		32,882,316	50,395,861
<b>Less : Current Liabilities &amp; Provisions</b>			
Current Liabilities	10	31,834,027	22,609,947
Provisions	11	276,174	276,174
		32,110,201	22,886,121
<b>NET CURRENT ASSETS</b>			
Pre-Operative Expenses		772,115	27,509,740
		-	3,521,540
<b>TOTAL</b>		<b>20,710,560</b>	<b>38,461,388</b>
Significant Accounting Policies and Notes forming part of the Accounts	17		
Cash Flow Statement			

as per our report of even date attached.

**For Anil K. Goyal & Associates**  
Chartered Accountants

Sd/-  
**(Anil K. Goyal)**  
Proprietor  
Membership No. 71221

**For and on behalf of the Board**  
**Centre of Excellence in Design Limited**

Sd/-  
**(Robin Bartholomew)**  
Director

Sd/-  
**(Gautam Nair)**  
Director

Place: Gurgaon  
Date: 24<sup>th</sup> May, 2010

## Profit and Loss Account For the Year ended March 31st, 2010

	Schedule	Amount (Rs.) 31-Mar-10	Amount (Rs.) 31-Mar-09
<b>INCOME</b>			
Income from Operations	12	19,082,144	37,796,841
Other Income	13	2,763,641	250,339
Increase / (Decrease) in Stocks	14	(18,820,702)	23,355,587
<b>TOTAL</b>		<b>3,025,083</b>	<b>61,402,767</b>
<b>EXPENDITURE</b>			
Material Manufacturing & Others	15	11,336,333	46,375,208
Personnel, Administration & Selling	16	8,244,530	29,159,681
Pre-operative exp. Written off		3,521,540	880,385
Interest & Finance Charges		6,060,348	2,935,687
Depreciation		1,559,305	1,081,235
<b>TOTAL</b>		<b>30,722,056</b>	<b>80,432,196</b>
Profit Before Taxation		(27,696,973)	(19,029,429)
(Less) : Provision for Taxation		-	(276,174)
Add / (Less) : Deferred Tax Assets		14,160,856	100,000
		(13,536,116)	(19,205,603)
Add / (Less) : Prior Period Adjustments		-	(301,731)
Profit After Taxation		(13,536,116)	(19,507,334)
Balance in Profit and Loss Account		(19,507,334)	
		(33,043,450)	(19,507,334)
Significant Accounting Policies and Notes forming part of the Accounts	17		
Cash Flow Statement			

as per our report of even date attached.

**For Anil K. Goyal & Associates**  
Chartered Accountants

Sd/-  
**(Anil K Goyal)**  
Proprietor  
Membership No. 71221

**For and on behalf of the Board**  
**Centre of Excellence in Design Limited**

Sd/-  
**(Robin Bartholomew)**  
Director

Sd/-  
**(Gautam Nair)**  
Director

Place: Gurgaon  
Date: 24<sup>th</sup> May, 2010



## Cash Flow Statement For The Period Ended March 31, 2010

	Amount (Rs.) March 31, 2010	Amount (Rs.) March 31, 2009
<b>A. Cash flow from operating activities:</b>		
Net (loss)/profit before tax but after exceptional/extraordinary items	(27,696,973)	(19,331,160)
Adjustments for:		
Depreciation	1,559,305	1,081,235
Interest Expense	6,060,348	2,935,687
Deferred revenue expenditure written off	3,521,540	880,385
<b>Operating profit before working capital changes</b>	<b>(16,555,780)</b>	<b>(14,433,853)</b>
<b>Adjustments for changes in working capital :</b>		
– (INCREASE)/DECREASE in Sundry Debtors	(2,629,497)	(23,670,451)
– (INCREASE)/DECREASE in Other Receivables	614,666	(1,413,942)
– (INCREASE)/DECREASE in Inventories	19,282,681	(24,384,891)
– INCREASE/(DECREASE) in Trade and Other Payables	9,224,080	20,442,296
<b>Cash generated from operations</b>	<b>9,936,150</b>	<b>(43,460,841)</b>
<b>Net cash from operating activities</b>	<b>9,936,150</b>	<b>(43,460,841)</b>
<b>B. Cash flow from Investing activities:</b>		
(Purchase)/sale of fixed assets	93,215	(7,875,185)
Miscellaneous Expenditure	–	–
<b>Net cash used in investing activities</b>	<b>93,215</b>	<b>(7,875,185)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds form fresh issue of Share Capital	–	2,000,000
Proceeds from long term borrowings	(1,432,080)	3,304,802
Proceeds from short term borrowings	(2,782,632)	48,475,275
Interest Paid	(6,060,348)	(2,935,687)
<b>Net cash used in financing activities</b>	<b>(10,275,060)</b>	<b>50,844,390</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(245,695)</b>	<b>(491,636)</b>
<b>Cash and cash equivalents as at 01.04.2009</b>	<b>399,380</b>	<b>891,016</b>
<b>Cash and cash equivalents as at 31.03.2010</b>	<b>153,685</b>	<b>399,380</b>
<b>Cash and cash equivalents comprise</b>		
Cash	92,818	87,354
Balance with Scheduled Banks	60,867	312,026
<b>Cash and cash equivalents as at 31.03.2010</b>	<b>153,685</b>	<b>399,380</b>

### Notes :

- 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.
- Figures in brackets indicate cash outgo.

as per our report of even date attached.

**For Anil K. Goyal & Associates**  
Chartered Accountants

Sd/-  
**(Anil K. Goyal)**  
Proprietor  
Membership No. 71221

**For and on behalf of the Board**  
**Centre of Excellence in Design Limited**

Sd/-  
**(Robin Bartholomew)**  
Director

Sd/-  
**(Gautam Nair)**  
Director

Place: Gurgaon  
Date: 24<sup>th</sup> May, 2010

## Schedules Forming Part of the Balance Sheet

	Amount (Rs.) 31-Mar-10	Amount (Rs.) 31-Mar-09
<b>SCHEDULE : 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
250000 Equity Shares of Rs. 10/- each	<b>2,500,000</b>	2,500,000
<b>TOTAL</b>	<b>2,500,000</b>	2,500,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
2,50,000 Equity Shares of Rs. 10/- each fully paid up.	<b>2,500,000</b>	2,500,000
<b>TOTAL</b>	<b>2,500,000</b>	2,500,000
<b>SCHEDULE : 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
Profit & Loss Account	<b>(33,043,450)</b>	(19,507,334)
<b>TOTAL</b>	<b>(33,043,450)</b>	(19,507,334)
<b>SCHEDULE : 3</b>		
<b>SECURED LOANS</b>		
Canara Bank DPN	<b>10,220,466</b>	12,864,775
Canara Bank Term Loan	<b>596,186</b>	1,926,330
Canara Bank CC Account	<b>23,071,463</b>	26,487,396
ICICI Bank ( <i>Refer Note No.17</i> )	<b>1,276,535</b>	1,378,471
<b>TOTAL</b>	<b>35,164,650</b>	42,656,972
<b>SCHEDULE : 4</b>		
<b>UNSECURED LOANS</b>		
Crew BOS Products Ltd.	<b>6,434,485</b>	6,411,831
Matrix Clothing Pvt. LTd.	<b>9,654,875</b>	6,399,919
<b>TOTAL</b>	<b>16,089,360</b>	12,811,750



## Schedules Forming Part of the Balance Sheet

### Schedule: 5

#### FIXED ASSETS

PARTICULARS	Rates of Depreciation	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		OPENING AS ON 01-04-2009	ADDITION DURING THE YEAR	SALES/ADJUSTMENT DURING THE YEAR	TOTAL AS ON 31-03-2010	OPENING	FOR THE YEAR	DEPRECIATION ON SALES/ADJUSTMENT	TOTAL AS ON 31-03-2010	AS ON 31-03-2010	AS ON 31-03-2009
PLANT & MACHINERY	13.91%	64,972	-	-	64,972	7,551	7,987	-	15,538	49,434	57,421
OFFICE EQUIPMENTS	13.91%	114,840	-	-	114,840	22,855	12,795	-	35,650	79,190	91,985
COMPUTER	40.00%	1,079,490	-	176,080	903,410	410,567	217,198	82,865	544,900	358,510	668,923
COMPUTER & SOFTWARE	40.00%	135,269	-	-	135,269	25,769	43,800	-	69,569	65,700	109,500
FURNITURE & FIXTURES	18.10%	5,183,361	-	-	5,183,361	304,982	882,987	-	1,187,969	3,995,392	4,878,379
MOTOR VEHICLES	25.89%	1,833,411	-	-	1,833,411	309,511	394,538	-	704,049	1,129,362	1,523,900
GRAND TOTAL		8,411,343	-	176,080	8,235,263	1,081,235	1,559,305	82,865	2,557,675	5,677,588	7,330,108
PREVIOUS YEAR		536,158	7,875,185	-	8,411,343	-	1,081,235	-	1,081,235	7,330,108	-

## Schedules Forming Part of the Balance Sheet

	Amount (Rs.) 31-Mar-10	Amount (Rs.) 31-Mar-09
<b>SCHEDULE :6</b>		
<b>INVENTORIES</b>		
(As valued & certified by the Management)		
Raw Material	567,325	1,029,304
Finished Goods	4,534,885	23,355,587
<b>TOTAL</b>	<b>5,102,210</b>	<b>24,384,891</b>
<b>SCHEDULE :7</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, Considered Good)		
Debts Outstanding for a period exceeding six months	23,033,621	1,762,875
Others Debts	3,266,327	23,094,476
<b>TOTAL</b>	<b>26,299,948</b>	<b>24,857,351</b>
<b>SCHEDULE : 8</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand	92,818	18,350
Bank Balances	60,867	872,666
<b>TOTAL</b>	<b>153,685</b>	<b>891,016</b>
<b>SCHEDULE : 9</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received		
Deposit with with SK Malik Landlord	-	165,000
Deposit with Nathu Singh Landlord	-	22,000
Advance to Suppliers	834,016	942,367
Advance to Staff	33,103	335,677
Refundable Sales Tax	425,879	396,400
Prepaid Expenses	33,475	79,695
<b>TOTAL</b>	<b>1,326,473</b>	<b>1,941,139</b>
<b>SCHEDULE : 10</b>		
<b>CURRENT LIABILITIES</b>		
Advances from Customers	10,054,541	1,186,900
Sundry Creditors	20,206,841	19,577,984
Other Liabilities	1,572,645	2,089,596
<b>TOTAL</b>	<b>31,834,027</b>	<b>22,854,480</b>



## Schedules Forming Part of the Balance Sheet

	Amount (Rs.) 31-Mar-10	Amount (Rs.) 31-Mar-09
<b>SCHEDULE : 11</b>		
<b>PROVISION</b>		
Provision for Taxation – Fringe Benefit Tax	276,174	276,174
<b>TOTAL</b>	<b>276,174</b>	–
<b>SCHEDULE : 12</b>		
<b>INCOME FROM OPERATIONS</b>		
Domestic Sales : Finished Goods	18,966,202	37,796,841
Domestic Sales : Raw Material – Fabric	115,942	–
<b>TOTAL</b>	<b>19,082,144</b>	37,796,841
<b>SCHEDULE : 13</b>		
<b>OTHER INCOME</b>		
Interest	162	1,315
Profit on sale of fixed assets	1,977	–
Sundry balances written off	2,732,432	–
Misc Income	29,070	249,024
<b>TOTAL</b>	<b>2,763,641</b>	250,339
<b>SCHEDULE : 14</b>		
<b>INCREASE/DECREASE(–) IN STOCKS</b>		
<b>Closing Stock</b>		
Finished Goods	4,534,885	23,355,587
	4,534,885	23,355,587
<b>Less : Opening Stock</b>		
Finished Goods	23,355,587	–
	23,355,587	–
<b>TOTAL</b>	<b>(18,820,702)</b>	23,355,587
<b>SCHEDULE : 15</b>		
<b>MATERIAL, MANUFACTURING AND OTHERS</b>		
Raw Material Consumed	767,106	11,342,391
Purchase of Finished Goods	6,733,798	27,858,160
Electricity, Water & Fuel Charges	77,924	234,973
Fabrication and Processing	309,260	6,146,345
Freight, Cartage and Clearing	524,488	123,161
Discount and Rebate	2,923,757	670,178
<b>TOTAL</b>	<b>11,336,333</b>	46,375,208

## Schedules Forming Part of the Balance Sheet

	Amount (Rs.) 31-Mar-10	Amount (Rs.) 31-Mar-09
<b>SCHEDULE : 16</b>		
<b>PERSONNEL, ADMINISTRATION AND SELLING</b>		
Wages, Salary, Bonus & Allowances	<b>5,241,867</b>	15,351,504
Staff Welfare Expenses	<b>142,486</b>	117,965
Freight Outward and Packaging	<b>447,386</b>	895,972
Travelling and Conveyance	<b>596,940</b>	4,116,487
Printing and Stationery	<b>109,866</b>	266,227
Communication & Courier	<b>190,843</b>	433,852
Consultancy & Professional	<b>266,520</b>	1,843,487
Books & Periodicals	<b>18,831</b>	189,128
Sample Development/Sales Promotion	<b>88,906</b>	3,755,145
Security & Office Expenses	<b>184,608</b>	301,607
Vehicle Running & Maintenance	<b>44,845</b>	733,893
Insurance Charges	<b>178,640</b>	160,155
Payments to Auditors	<b>60,665</b>	39,326
Fees & Subscriptions	<b>6,619</b>	84,281
Miscellaneous Expenses	<b>194</b>	125,052
Rent	<b>238,000</b>	745,600
Bad debts written off	<b>427,314</b>	-
<b>TOTAL</b>	<b>8,244,530</b>	29,159,681





## Schedules Forming Part of the Balance Sheet

### SCHEDULE 17

#### SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

##### A. SIGNIFICANT ACCOUNTING POLICIES

###### 1 Basis of Accounting

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

###### 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

###### 3 Fixed Assets

Fixed Assets are stated at actual cost of acquisition inclusive of taxes, duties, freight and any directly attributable cost of bringing the assets to their working condition for intended use.

###### 4 Depreciation

Depreciation on fixed assets is provided on the WDV Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

###### 5 Inventories

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

###### 6 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. Exchange differences, relating to fixed assets are adjusted to the carrying cost of the assets.

###### 7 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. Provision for liabilities in respect of gratuity & leave encashment benefit are made on accrual basis and charged to profit and loss account.

###### 8 Taxation

###### Current Tax

Provision for current tax is computed on the basis of tax payable on estimated taxable income 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.

##### B. NOTES TO THE ACCOUNTS.

- Deferred Tax Liability/Asset comprises the following:

(Amount In Rs. Lakhs)

Timing differences on account of:	For the year Ended March 31, 2010		For the year Ended March 31, 2009	
	Deferred Tax Assets	Deferred Tax Liability	Deferred Tax Assets	Deferred Tax Liability
a) Depreciation	1.03	–	–	0.75
b) Others	141.57	–	1.75	–
<b>Total</b>	<b>142.60</b>	<b>–</b>	<b>1.75</b>	<b>0.75</b>
<b>Net Deferred Tax Liability / Asset</b>	<b>142.60</b>	<b>–</b>	<b>1.00</b>	<b>–</b>

## Schedules Forming Part of the Balance Sheet

2. In the opinion of the Board of Directors the current assets, loan and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities have been made. However there are no confirmations available with the company for amount due to or owed by company.
3. Various debits & credits balances are subject to confirmations.
4. Provision for doubtful debts against opening balances has been made for Rs. 4.27 lac. Also creditors old balances has been written back and booked under the head other income for Rs. 27.32 lacs. In case these are paid or received in the future the same will be reversed accordingly.
5. The Company has not received information from vendors regarding their status under Micro, Small & Medium enterprises development Act, 2006 and hence disclosure related to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.
6. **Payment to Auditors (including service tax):**

	For the year Ended March 31, 2010	For the year Ended March 31, 2009
Audit Fee	40000.00	35000.00
Taxation Matters	15000.00	Nil
Service Tax & Other	5665.00	4326.00
<b>TOTAL</b>	<b>60665.00</b>	<b>39326.00</b>

**7. Related Party Disclosure:** (Rs in Lakh)

Name of the Party	Nature of relationship	Outstanding balance as on 31.03.2010	Nature of transaction	2009-10	2008-09
Matrix Clothing Pvt. Ltd.	Joint Venture	99.15 Lacs	Rent	1.50	5.91
			Purchase Return	2.13	-
			Raw Material Purchased	-	5.89
			Expense Reimburse	1.20	16.67
			Capital Contribution	12.50	12.50
			Sale of Fixed Assets	0.15	-
			Advance (Received / Adjusted)	29.84	40.47
Crew B.O.S. Products Ltd.	Joint Venture	169.92 Lacs	Advance (Received / Adjusted)	-	62.41
			Raw Material Purchased	11.22	134.51
			Capital Contribution	12.50	12.50
			Expense Reimburse	1.12	6.81
Gautam Nair	Director	Nil	Reimbursement against Sale of Computer	0.63	-

8. During the year company has discontinued production after Oct-09. However the sales are continued against the old inventory. The company has also given rebate/discount of Rs. 29.24 lac against total sales of Rs. 189.66 lac. Since the accumulated losses of the company and its ability to repay its liabilities, the ability of the company to carry on its business on "Going Concern Basis" is seriously affected.
9. The company has undisputed liability of Rs. 2,76,174 towards FBT for the previous year to be deposited. Undisputed amount of Rs. 68,994 towards VAT for the current year is yet to be deposited.
10. Sales are subject to VAT reconciliation due to non availability of the copies of VAT returns for two quarters. Also TDS returns have not been filed for the third quarter though TDS has been deducted and deposited.
11. **Additional information pursuant to paragraph 3, 4C & 4D of Part II of Schedule VI of The Companies Act, 1956**
  - A) **Licensed and installed capacity and production (As Certified by the Management)**

For the year Ended March 31, 2010		
Description	Current/Previous Year Licensed Capacity	Current/Previous Year Installed Capacity
Shirts	N.A.	Not Ascertainable
T-Shirt	N.A.	Not Ascertainable
Wallets	N.A.	Not Ascertainable
Belt	N.A.	Not Ascertainable
Bags	N.A.	Not Ascertainable
W.Band	N.A.	Not Ascertainable



## B) Raw Material Consumed

Product	Consumption		
	For the year Ended March 31, 2010		
	Unit	Qty.	Amount
Leather	Sqft.	8295	4,02,061.00
Fabrics	Meter	1965	1,06,072.00
Others			2,58,973.00
<b>Total</b>		<b>10260</b>	<b>7,67,106.00</b>

## C) Composition of Raw Material consumed

For the year Ended March 2010		
	%	Value (Rs.)
Indigenous	100.00%	7,67,106.00
Imported	–	–
<b>Total</b>	<b>100.00%</b>	<b>7,67,106.00</b>

## D) Statement of Sales &amp; Closing Stock of Finished Goods of Manufacturing items

For the year Ended March 31, 2010								
Item	Unit	Opening Stock		Manufactured Quantity	Turnover		Closing Stock	
		Qty.	Amount		Qty.	Amount	Qty.	Amount
Shirts	Nos.	30269	83,23,975		29727	48,02,922	542	61246
T-Shirt	Nos.	35096	55,15,180		34094	47,56,151	1002	77154
Wallets	Nos.	11812	24,45,084	1589	3133	7,08,058	10268	1127225
Bags	Nos.	–	–	310	310	4,86,530	–	–
Belts		–	–	1808	1808	4,77,312	–	–
<b>Total</b>		<b>–</b>	<b>16,284,239</b>			<b>1,12,30,973</b>		<b>12,65,625</b>

## E) Details of Traded Items:

For the year Ended March 31, 2010									
Item	Unit	Opening Stock		Purchase		Turnover		Closing Stock	
		Qty.	Amt	Qty.	Amount	Qty.	Amount	Qty.	Amount
Shirts	Nos.	–	–	10325	31,13,592	10325	19,61,915	–	–
T-Shirt	Nos.	8295	14,27,380	478	2,70,261	8773	14,54,388	–	–
Wallets	Nos.	–	–	5681	6,36,119	5681	12,22,819	–	–
Belt	Nos.	20071	47,56,827	11845	25,70,568	10828	27,64,149	21088	30,57,760
Bags	Nos.	527	8,64,376	–	–	142	2,20,810	385	1,73,250
W.Band	Nos.	952	22,765	3350	36,630	4047	1,11,148	255	38,250
Fabric	Kg.			1748	1,06,628	1748	1,15,942		
<b>Total</b>		<b>–</b>	<b>70,71,348</b>		<b>67,33,798</b>		<b>78,51,171</b>		<b>32,69,260</b>

## F) Expenditure and Earnings in Foreign Currency

<u>Foreign Currency Transactions</u>		
A. Expenditure / Outflow	Amount in Lac (Rs.)	
	2009–10	2008–09
Foreign Traveling Expense	Nil	4.05
<b>B. Earnings</b>	Nil	Nil

12. The company has an agreement with Arvind Brand (A division of Arvind Ltd.) for use of the trade mark "Flying Machine" and with Arvind Ltd for the use of the trade mark "Arrow" as per terms & condition prescribed therein. However no royalty provision has been made in the books due to non availability of documents for renewal of the same.
13. The company has incurred Rs.0.80 lac on sample development/sales promotion. The samples developed have been given to Distributors free of cost for promotion of products of the company.
14. Salary & wages includes Rs.0.89 lac being amount paid to a labour contractor by its JV Partners Crew BOS Products Ltd. towards reimbursement of wages paid to the contractor on behalf of the company The company has not deducted TDS on this amount as Crew BOS Products has already deducted and deposited TDS there on.
15. Pre-operative expenses of Rs. 35.21 lacs has been written off in the books as per Accounting Standard 26 ' Intangible Assets' issued by the 'Institute of Chartered Accountants of India'
16. The company had taken term loan & other loans from Canara Bank aggregating Rs.560.00 Lac during previous year, total outstanding amount as on 31<sup>st</sup> March 2010 is 338.88 Lac, which are secured against hypothecation of stock, book debts, and entire assets of the company besides corporate guarantee given by Crew BOS Products Ltd. & Matrix Clothing P. Ltd. being the Joint Venture of the company. The same is subject to confirmation. Also due to non submission of stock records, the bank has charged penal interest of Rs. 65,000/- during the year.
17. Car loan from ICICI Bank is secured against hypothecation of Car. EMI of car loan has been paid till November 2009 after that no Emi has been paid. The company has not received any statement from bank and penal charges, if any, debited by bank will be accounted for upon receipt of the bank statement.
18. Rent agreement with Matrix Clothing Pvt Ltd has been terminated as per the agreement w.e.f from 01/04/2009. The same has not been renewed though the premises has been utilised during the current year. However the company has booked Rs. 1.50 lac as office rent as per mutual agreement.
19. No proper stock records have been shown to us hence we are unable verify the quantities, existence, ownership, conditions and valuation of Inventories as stated in the balance sheet. Stocks are in any case valued at net realizable value (being lower then the cost).
20. Company has outstanding liability of Rs. 9.53 lac lying under staff imprest account which is pending against full and final settlement of the employees.
21. No provision for Gratuity and Leave Encashment has been made during the year.
22. The figures have been rounded of to the nearest rupee.
23. The corresponding figures of previous year have re-grouped/re-arranged wherever necessary.

**For Anil K. Goyal & Associates**  
Chartered Accountants

Sd/-  
**(Anil K. Goyal)**  
Proprietor  
Membership No. 71221

Place: Gurgaon  
Date: 24<sup>th</sup> May, 2010

**For and on behalf of the Board**  
**Centre of Excellence in Design Limited**

Sd/-  
**(Robin Bartholomew)**  
Director

Sd/-  
**(Gautam Nair)**  
Director



## ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART-IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

#### I. Registration Details

Registration No.	167727
State Code	55
Balance Sheet Date	31.03.2010

#### II. Capital raised during the year

(Amt. in '000)  
(Rs.)

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL

#### III. Position of Mobilization and Deployment of Funds

(Amt. in '000)  
(Rs.)

<b>Total Liabilities</b>	20,711
<b>Total Assets</b>	20,711
<b>Source of Funds</b>	
Paid-up Capital	2,500
Equity Warrants Subscribed	NIL
Reserves & Surplus	(33,043)
Secured Loans	35,165
Unsecured Loans	16,089
<b>Application of Funds</b>	
Net Fixed Assets	5,678
Investments	NIL
Net Current Assets	772
Pre-Operative Expenses	NIL
Deferred Revenue Expenditure	NIL
Accumulated Losses	NIL
Deferred Tax Asset	14,261

#### IV. Performance of Company

(Amt. in '000)  
(Rs.)

Turnover	19,082
Total Expenditure	30,722
Profit/(Loss) before tax	(27,697)
Profit/(Loss) after tax	(13,536)
Earning per Share (Basic) in Rs.	NIL
Earning Per Share (Diluted) in Rs.	NIL
Dividend rate %	NIL

#### V. Generic Names of Principal Products/Services of Company

Item Code No. (ITC Code)	Product Description
Not applicable	Trading activities

For Anil K. Goyal & Associates  
Chartered Accountants

For and on behalf of the Board  
Centre of Excellence in Design Limited

Sd/-  
(Anil K. Goyal)  
Proprietor  
Membership No. 71221

Sd/-  
(Robin Bartholomew)  
Director

Sd/-  
(Gautam Nair)  
Director

Place: Gurgaon  
Date: 24<sup>th</sup> May, 2010

# DIRECTORS REPORT

## Dear Members

### Villa B.O.S. Leathers Limited

Your Directors have pleasure in presenting First Annual Report of the Company together with the Audited Accounts and Auditors' Report thereon for the period ended 31st March 2010.

### Operational & Financial Review

During the period under review, your Company has achieved a turnover of Rs. 143.62 lacs. The main business of the Company is to manufacture articles of apparel and clothing accessories, of leather or of composition leather. Since these are the initial years of commercial production, the Company has earned a profit of Rs. 7.55 lacs. The Company has prepared blue print to accelerate the growth momentum.

### Dividend

No Dividend has been recommended for the financial year ending on 31st March, 2010.

### Directors

Mr. Robin Bartholomew, Director retires by rotation and being eligible offers himself for reappointment.

### Compliance Certificate

As per the Companies (Compliance Certificate) Rules, 2001, read with the provisions of sub section 1 of 383A of the Companies Act, 1956, the Company has obtained Compliance Certificate for the year 2009-10 from M/s Ajay Garg & Associates, a Practicing Company Secretary.

### Directors Responsibility Statement

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956 it is hereby stated and confirmed that:

1. In the preparation of the Annual Accounts for the financial year ended 31st March 2010 all applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. The appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs as at 31st March 2010 and of the profit of the Company for the period ended 31st March 2010;
3. The proper and sufficient care has been taken for 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;
4. The annual accounts for the year ended 31st March 2010 have been prepared on a going concern basis.

### Auditors

M/s Arora & Choudhary Associates, Chartered Accountants, New Delhi, the retiring Auditor and being eligible, offered themselves for re-appointment. The Director recommended their re-appointment. They have furnished a certificate that their appointment, if made shall be within the statutory limits specified u/s 224(1B) of the Companies Act, 1956.

The observations of the Auditor in the Auditors Report is explained wherever necessary in the appropriate notes to the accounts.

### Public Deposits

The Company has not invited or accepted any Deposits from the public during the period under review.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo under Section 217 (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

#### 1. Conservation of Energy

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.

#### 2. Technology Absorption

The Company is not engaged into any technology absorption transaction.

#### 3. Foreign Exchange Earnings and Outgo

There is no information to be provided under the captioned head as there is no Foreign Exchange Earnings and outgo during the period under review. The Company shall take appropriate initiatives and measures for the same.

### Particulars of Employees

The Company has no employee in respect of whom the statement under section 217(2A) of the Companies Act, 1956 is required to be annexed.

### Acknowledgement

Your Directors take this opportunity to convey their gratitude and sincere thanks for the unstinted co-operation & assistance, valuable guidance and the continued support of the Central Government, State Government, Customers, Bankers, and Suppliers/Vendors and other business partners.

Your Directors take note of sincere efforts of the dedicated employees at all levels who have been responsible for the growth of the Company.

For and on behalf of the Board  
**Villa B.O.S. Leathers Ltd.**

Place: Gurgaon  
Date: 24-05-2010

<b>Sd/-</b> <b>(Robin Bartholomew)</b> Director	<b>Sd/-</b> <b>(Rakesh Diwan)</b> Director
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## AUDITORS' REPORT

### AUDITORS' REPORT

#### TO THE MEMBERS OF

#### VILLA B.O.S. LEATHERS LIMITED

We have audited the attached Balance Sheet of Villa BOS Leathers Limited, as at 31st March, 2010 and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditors report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above :-
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account, as required by Law, have been kept by the Company so far as appears from our examination of the books.
  - c) The Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet and Cash Flow Statement dealt with by the Report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
  - e) On the basis of written representation received from the directors and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
  - (f) In our opinion and to the best of our knowledge and information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :-
    - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2010.
    - (ii) In the case of the Cash Flow Statement, on the cash flows for the year ended on that date.

For **ARORA AND CHOUDHARY ASSOCIATES**

Chartered Accountants

F. Reg. No. 003870N

Sd/-

**(Vijay K. Choudhary)**

Partner

M. No. 081843

Place: Gurgaon

Date : 24/05/2010

#### ANNEXURES REFERRED TO IN PARA 1 OF THE AUDITOR'S REPORT TO THE MEMBERS OF VILLA B.O.S. LEATHERS LIMITED

1. Based on our scrutiny of the company's books of account and other records and according to the information and explanations received by us from the management, we are of the opinion that the question of commenting on maintenance of proper records of fixed assets, physical verification of fixed assets and any substantial sale thereof does not arise since the company had no fixed assets as on 31st March 2010 nor any time during the financial year ended 31st March 2010.
2. (a) As explained to us, the inventory of the company, has been physically verified by the management during the year
  - (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. The Company has taken advance from its holding company in the nature of interest free unsecured loan. The amount of transaction involved during the year is Rs. 114.49 lacs. The outstanding amounting at the end of the year is Rs. 74,59,300/-. The terms and conditions thereof are not prima facie prejudicial to the interest of the company. The company has not granted any loans secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act and therefore, paragraph 4(iii) of the order is not applicable.
4. According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and sale of goods. We have not observed any continuing failure to correct major weakness in internal control.
5. (a) Based on the audit procedure applied by us and according to the information and explanation provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 and exceeding the value of five lacs rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, as the Company has not accepted deposits from the public, paragraph 4(vi) of the Order is not applicable.
7. The average annual turnover of the Company is less than Rs. 5 Crore for a period of three consecutive financial years immediately preceding the financial year concerned and the paid up capital and reserves of the company are less than Rs. 50 lacs, hence paragraph 4(vii) of the Order is not applicable.
8. We have been informed by the management that no



records have been prescribed under section 209(1)(d) of the Companies Act, 1956 in respect of products manufactured by the company.

9. In our opinion and according to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, employees' state insurance, income tax, wealth tax, service tax, sales tax, custom duty, excise duty, cess, and other statutory dues, as applicable to its activities, with appropriate authorities. There are no arrears of outstanding statutory dues as at 31st March, 2010 for a year of more than six months from the date they became payable. As explained to us, there are no disputed dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess that have not been deposited on account of any dispute.
10. The company was incorporated on 06/03/2009. Since a period of five years has not elapsed since the date of incorporation as on the Balance Sheet date, we are of the opinion that no comment is required under clause (x) of para 4 of the Order regarding the erosion of 50% or more of the net worth and cash losses in the current.
11. The Company has not taken loan from any financial institution/bank and therefore paragraph 4(xi) of the Order is not applicable.
12. 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. 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, debentures and other investments and therefore paragraph 4(xiv) of the Order is not applicable.
15. According to the information and explanations given to us, the company has given a Corporate Guarantee in respect of loans taken from bank by its holding company. The terms and

conditions thereof are not prejudicial to the interest of the company.

16. The company has not availed any term loans from the bank during the year and there is no outstanding of such loans at the end of the year.
17. Based on examination of documents and records made available and on the basis of information and explanations given to us, the company has not used funds raised on short term basis for long term investments and vice versa.
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. The company has not raised any money by way of public issue during the year and therefore paragraph 4(xx) of the Order is not applicable.
21. During the course of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the company, noticed or reported during year nor we have been informed of such case by the Management.

For **Arora & Choudhary Associates**

Chartered Accountants

F. Reg. No. 003870N

Sd/-

**(Vijay K. Choudhary)**

Partner

M. No.: 081843

Place: Gurgaon

Date: 24/05/2010





## COMPLIANCE CERTIFICATE

Registration No. of the Company : 55-188303  
Nominal capital : Rs. 1,000,000/-

To

The Members,

**Villa B.O.S. Leathers Limited**

624, Jaina Tower-1,  
District Centre, Janakpuri,  
New Delhi-110058

We have examined the registers, records, books and papers of Villa B.O.S. Leathers Limited (hereinafter referred as 'the company') as required to be maintained under the Companies Act 1956, (hereinafter referred as 'Act') and rules made there under and also as per the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31st March 2010 (hereinafter referred as 'financial year'). In our opinion and to the best of our information and according to the examination carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The company being a public limited company, comments are not required.
4. The Board of Directors during the financial year duly met Six (6) times respectively on 05/06/2009, 31/07/2009, 17/08/2009, 30/10/2009, 31/10/2009, 20/01/2010. In respect of these meetings proper notices were given and proceedings were properly recorded and signed. No resolution was passed through circulation.
5. The company has not closed required to close its Register of Members during the financial year.
6. No Annual General Meeting was held during the financial year as company is incorporated on 6.03.2009.
7. No Extra-Ordinary General meeting was held during the financial year.
8. The company has not advanced any loans to its director or persons or firms or companies referred to under section 295 of the Act.
9. The company has not entered into any contracts falling within the provisions of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members of the Central Government.
12. The company has not issued any duplicate share certificates during the financial year.
13. The company has/was:
  - (i) delivered all certificates on allotment of securities in accordance with the provisions of the act and there were no lodgment for transfer/ transmission or any other purpose.
  - (ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - (iii) not required to post dividend warrants to any member of the company as no dividend was declared during the financial year.
  - (iv) not transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to investor Education and protection fund as there are no such funds eligible to be transferred.
  - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the year.
15. The Company has not appointed any Managing-Director/ Whole-Time Director/ Manager during the financial year.
16. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any equity shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares/debentures during the financial year. (Company has no debentures/ preference shares.)
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The company has not made any borrowings during the financial year ended 31st March 2010.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.

27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provision of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notice received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.

32. The company has not received any money as security from its employees during the financial year.
33. The company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under section 418 of the Act.

Place: Faridabad  
Date: 24.05.2010  
Signature:  
For AGB & Associates

Partner  
Company Secretaries  
C.P. No. 8790

#### Annexure A

##### Register as maintained by the company

##### Statutory Registers

1. Register of Members u/s 150
2. File of Returns u/s 163
3. Minutes Book of Board of Director's Meeting
4. Minutes Book of Shareholder's Meeting.
5. Company has maintained all books of Account u/s 209
6. Register of Directors, Managing directors, Managers, Secretaries u/s 303.
7. Register of Directors shareholdings u/s 307.
8. Register of particulars of contracts in which directors are interested under section 301

**Note: Company has not maintained the following registers as it was informed that there were no entries/transactions to be recorded therein:**

1. Register of Deposits under rule 7
2. Register of Fixed Assets
3. Register of Investments or Loans u/s 372A
4. Register of Transfer of Shares
5. Register of securities bought back u/s 77A
6. Register of charges u/s 143
7. Register of debenture holders u/s 152
8. Register of foreign members
9. Register of renewed and duplicate certificate under rule 7 of companies (issue of share certificate rule) 1960.
10. Register of destruction of records / documents
11. Company is not required to maintain cost records.

Place: Faridabad  
Date: 24.05.2010  
Signature:  
For AGB & Associates

Partner  
Company Secretaries  
C.P. No. 8790

#### ANNEXURE B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central government or other authorities during the financial year ending 31st March 2010

S. NO	FORM NO./ RETURN	Filed under section/ Rule	For	Date of Filing	Whether filed within prescribed time (Yes/No)	If delay in filing whether requisite additional fee paid (Yes/No)
1.	Form-22B	187C(4)	Return to be filed with ROC	01/05/2009	Yes	No
2.	Form-22	165	Statutory report	18/08/2009	No	Yes
3.	Form-18	146	Change in registered office	12/03/2010	Yes	No
4.	Form-23AA	209(1)	Notice of Address of keeping the books and account	24/03/2010	Yes	No

Place: Faridabad  
Date: 24.05.2010

Signature  
For AGB & Associates  
Partner  
Company Secretaries  
C.P. No. 8790



## BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	Amount (Rs.) March 31, 2010
<b>SOURCES OF FUNDS</b>		
<b>SHAREHOLDERS FUNDS</b>		
Share Capital	1	1,000,000
Reserves & Surplus	2	755,392
<b>LOAN FUNDS</b>		
Unsecured Loans	3	7,459,300
<b>TOTAL</b>		<b>9,214,692</b>
<b>APPLICATION OF FUNDS</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
Inventories	4	1,267,976
Sundry Debtors	5	13,657,547
Cash & Bank Balances	6	383,640
Loans & Advances	7	8,454,433
		<b>23,763,596</b>
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>		
Current Liabilities	8	14,207,904
Provisions	9	341,000
		<b>14,548,904</b>
<b>NET CURRENT ASSETS</b>		
<b>TOTAL</b>		<b>9,214,692</b>
Significant accounting Policies and Notes forming part of the Accounts	13	
The Schedules referred to above form an integral part of the Balance Sheet.		
Cash Flow Statement		

As per our report of even date attached

For **Arora & Choudhary Associates**  
Chartered Accountants  
Firm Registration No. 3870N

For and on behalf of the Board  
**Villa B.O.S. Leathers Limited**

Sd/-  
**(Vijay K. Choudhary)**  
Partner  
Membership No. 081843

Sd/-  
**(Tarun Oberoi)**  
Director

Sd/-  
**(Robin Bartholomew)**  
Director

Place : Gurgaon  
Date : 24th May, 2010

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	Amount (Rs.) March 31, 2010
<b>INCOME</b>		
Income from Operations	10	14,362,350
<b>TOTAL</b>		<b>14,362,350</b>
<b>EXPENDITURE</b>		
Material Manufacturing & Others	11	12,010,868
Personnel, Administration & Selling	12	1,228,797
Interest & Finance Charges		26,293
<b>TOTAL</b>		<b>13,265,958</b>
Profit Before Taxation		1,096,392
Less: Provision for Taxation		341,000
Profit After Taxation		755,392
Add : Tax Adjustments of Prior Years		
Add / (Less) : Adjustments of Prior Years		-
Profit After Taxation Post Adjustments		755,392
Add : Balance brought forward from previous year		-
		<b>755,392</b>
E.P.S. [Basic & Diluted] In Rs.		7.55
Significant accounting Policies and Notes forming part of the Accounts	13	
The Schedules referred to above form an integral part of the Profit & Loss Account .		
Cash Flow Statement		

As per our report of even date attached

For **Arora & Choudhary Associates**  
Chartered Accountants  
Firm Registration No. 3870N

For and on behalf of the Board  
**Villa B.O.S. Leathers Limited**

Sd/-  
**(Vijay K. Choudhary)**  
Partner  
Membership No. 081843

Sd/-  
**(Tarun Oberoi)**  
Director

Sd/-  
**(Robin Bartholomew)**  
Director

Place : Gurgaon  
Date : 24th May, 2010



## CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2010

	Amount (Rs.) March 31, 2010
<b>A. Cash flow from operating activities:</b>	
Net (loss)/profit before tax but after exceptional/extraordinary items	1,096,392
<b>Operating profit before working capital changes</b>	<b>1,096,392</b>
<b>Adjustments for changes in working capital :</b>	
– (INCREASE)/DECREASE in Sundry Debtors	(13,657,547)
– (INCREASE)/DECREASE in Other Receivables	(8,454,433)
– (INCREASE)/DECREASE in Inventories	(1,267,976)
– INCREASE/(DECREASE) in Trade and Other Payables	13,140,764
<b>Cash generated from operations</b>	<b>(9,142,800)</b>
<b>Net cash from operating activities</b>	<b>(9,142,800)</b>
<b>B. Cash flow from Investing activities:</b>	
<b>Net cash used in investing activities</b>	–
<b>C. Cash flow from financing activities:</b>	
Proceeds form fresh issue of Share Capital (including Share Premium )	1,000,000
Proceeds from short term borrowings	7,459,300
<b>Net cash used in financing activities</b>	<b>8,459,300</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(683,500)</b>
<b>Cash and cash equivalents as at 01.04.2009</b>	–
<b>Cash and cash equivalents as at 31.03.2010</b>	<b>(683,500)</b>
<b>Cash and cash equivalents comprise</b>	
Cash, Cheques & Drafts (in hand) and Remittances in Transit	288,669
Balance with Scheduled Banks	(972,169)
<b>Cash and cash equivalents as at 31.03.2010</b>	<b>(683,500)</b>

### Notes :

- 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.
- Figures in brackets indicate cash outgo.

As per our report of even date attached

For **Arora & Choudhary Associates**

Chartered Accountants  
Firm Registration No. 3870N

Sd/-

**(Vijay K. Choudhary)**

Partner

Membership No. 081843

For and on behalf of the Board

**Villa B.O.S. Leathers Limited**

Sd/-

**(Tarun Oberoi)**

Director

Sd/-

**(Robin Bartholomew)**

Director

Place : Gurgaon

Date : 24th May, 2010

## SCHEDULES FORMING PART OF THE BALANCE SHEET

	Amount (Rs.) March 31, 2010
<b>SCHEDULE : 1</b>	
<b>SHARE CAPITAL</b>	
<b>AUTHORISED SHARE CAPITAL</b>	
100,000 Equity Shares of Rs. 10/- each	1,000,000
<b>TOTAL</b>	<b>1,000,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>	
100,000 Equity Shares of Rs. 10/- each fully paid up.	1,000,000
<b>TOTAL</b>	<b>1,000,000</b>
<b>SCHEDULE : 2</b>	
<b>RESERVES &amp; SURPLUS</b>	
Profit and Loss Account	755,392
<b>TOTAL</b>	<b>755,392</b>
<b>SCHEDULE : 3</b>	
<b>UNSECURED LOANS</b>	
Crew B.O.S Products Ltd.( Holding Company )	7,459,300
<b>TOTAL</b>	<b>7,459,300</b>
<b>SCHEDULE : 4</b>	
<b>INVENTORIES</b>	
(As certified by the Management)	
Raw Material	1,267,976
<b>TOTAL</b>	<b>1,267,976</b>
<b>SCHEDULE : 5</b>	
<b>SUNDRY DEBTORS</b>	
(Unsecured, Considered Good)	
Debts Outstanding for a period exceeding six months	-
Others Debts	13,657,547
<b>TOTAL</b>	<b>13,657,547</b>
<b>SCHEDULE : 6</b>	
<b>CASH &amp; BANK BALANCES</b>	
Cash in Hand	288,669
Bank Balance with Scheduled Banks	94,971
<b>TOTAL</b>	<b>383,640</b>
<b>SCHEDULE : 7</b>	
<b>LOANS &amp; ADVANCES</b>	
(Unsecured, Considered good)	
Advance to Staff	25,471
Advance Income Tax and TDS	13,621
Advance to Supplier	7,926,360
Refundable Sales Tax	488,981
<b>TOTAL</b>	<b>8,454,433</b>



	Amount (Rs.) March 31, 2010
<b>SCHEDULE : 8</b>	
<b>CURRENT LIABILITIES</b>	
Credit Balance in Bank Current Accounts	1,067,140
Sundry Creditors	12,259,596
Other Liabilities	881,168
<b>TOTAL</b>	<b>14,207,904</b>
<b>SCHEDULE : 9</b>	
<b>PROVISION</b>	
Provision for Taxation	341,000
<b>TOTAL</b>	<b>341,000</b>
<b>SCHEDULE : 10</b>	
<b>INCOME FROM OPERATIONS</b>	
Domestic Sales	11,919,450
Job Work Income	2,442,900
<b>TOTAL</b>	<b>14,362,350</b>
<b>SCHEDULE : 11</b>	
<b>MATERIAL, MANUFACTURING &amp; OTHERS</b>	
Raw Material Consumed : Indigenous	11,634,552
Electricity, Water & Fuel Charges	135,890
Fabrication and Processing	95,733
Repair and Maintenance	110,959
Freight, Cartages and Clearing	33,734
<b>TOTAL</b>	<b>12,010,868</b>
<b>SCHEDULE : 12</b>	
<b>PERSONNEL, ADMINISTRATION &amp; SELLING</b>	
Wages, Salary & Bonus	888,359
Contribution to Provident Fund	63,779
Contribution to E.S.I. Fund	22,310
Staff Welfare Expenses	55,678
Freight Outward and Packaging	9,640
Travelling and Conveyance	17,315
Printing and Stationery	11,072
Communication	10,525
Consultancy & Professional Charges	8,216
Sales Promotion	1,204
Repair and Maintenance Others	80,419
Vehicle Running & Maintenance	10,000
Auditor's Remuneration	10,000
Fees & Subscriptions	38,500
Miscellaneous Expenses	1,780
<b>TOTAL</b>	<b>1,228,797</b>

# SCHEDULES FORMING PART OF THE BALANCE SHEET

## SCHEDULE 13

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### 1 Basis of Accounting

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.

##### 2 Revenue Recognition

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

##### 3 Fixed Assets

Fixed Assets are stated at actual cost of acquisition inclusive of taxes, duties, freight and any directly attributable cost of bringing the assets to their working condition for intended use.

##### 4 Depreciation

Depreciation on fixed assets is provided on the WDV Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Depreciation is charged on fixed assets only in the year in which there is some commercial activity.

##### 5 Inventories

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

##### 6 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.

##### 7 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. Provision for liabilities in respect of gratuity & leave encashment benefit are made on accrual basis and charged to profit and loss account.

##### 8 Taxation

###### Current Tax

Provision for current tax is computed on the basis of tax payable on estimated taxable income 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.

##### 9 Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

#### B. NOTES TO THE ACCOUNTS.

1. The Company was incorporated on 6th Day of March, 2009, as per the Certificate of Incorporation issued by the Registrar of Companies of National Capital Territory of Delhi and Haryana in the name & style Villa B.O.S. Leathers Limited.
2. In the opinion of the Board of Directors the current assets, loan and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities have been made.
3. The various Debit & Credit balances are subject to confirmation.





## SCHEDULES FORMING PART OF THE BALANCE SHEET

4. The Company has not received information from vendors regarding their status under Micro, Small & Medium enterprises development Act, 2006 and hence disclosure related to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.

5. Payment to Auditors (including service tax) : Amount – Rs.

Particulars	For the year Ended March 31, 2010
Audit Fee (including Service Tax)	20,000/-

6. Related Party Disclosure: Amount – Rs.

Name of the Party	Nature of Relationship	Nature of Transaction	For the year Ended March 31, 2010
Crew B.O.S Products Ltd.	Holding Company	Share Capital	10,00,000
		Sale	1,21,09,310
		Purchase	62,30,965
		Loan	79,79,572
		Reimbursement of Expenses	2,35,843

7. Additional information pursuant to paragraph 3, 4C & 4D of Part II of Schedule VI of the Companies Act, 1956.

A). Licensed and installed capacity and production (As Certified by the Management) -N A-

B). Raw Material Consumed.

Particulars	Products		Consumption	
	Unit	Qty	Amount (Rs)	
Leather	Sq. Ft.	183029	77,59,043	
Other			38,75,509	
TOTAL			1,16,34,552	

C). Composition of Raw Material consumed

Particulars	%	Amount (Rs)
Indigenous	100%	1,16,34,552

D). Statement of Opening Stock & Sales of Finished Goods of Manufacturing items

Items	Unit	Opening Stock		Turnover		Closing Stock	
		Qty	Amount	Qty	Amount	Qty	Amount
Finished Leather	Sq. Ft.	-	-	170277	1,19,19,450		

E). Expenditure and Earnings in Foreign Currency -N A-

There were no transactions in Foreign Currency during the financial year.

7. This is the first financial year of the company, therefore, corresponding amount for immediately preceding financial year has not been given.

As per our report of even date attached

For **Arora & Choudhary Associates**  
Chartered Accountants  
Firm Registration No. 3870N

For and on behalf of the Board  
**Villa B.O.S. Leathers Limited**

Sd/-  
**(Vijay K. Choudhary)**  
Partner  
Membership No. 081843

Sd/-  
**(Tarun Oberoi)**  
Director

Sd/-  
**(Robin Bartholomew)**  
Director

Place : Gurgaon  
Date : 24th May, 2010

# ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART-IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Details

Registration No.	188303
State Code	55
Balance Sheet Date	31.03.2010

### II. Capital raised during the year

(Amt. in '000)  
(Rs.)

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL

### III. Position of Mobilization and Deployment of Funds

(Amt. in '000)  
(Rs.)

<b>Total Liabilities</b>	9,215
<b>Total Assets</b>	9,215
<b>Source of Funds</b>	
Paid-up Capital	1,000
Equity Warrants Subscribed	NIL
Reserves & Surplus	755
Secured Loans	NIL
Unsecured Loans	7,459
<b>Application of Funds</b>	
Net Fixed Assets	NIL
Investments	NIL
Net Current Assets	9,215
Pre-Operative Expenses	NIL
Deferred Revenue Expenditure	NIL
Accumulated Losses	NIL
Deferred Tax Asset	NIL

### IV. Performance of Company

(Amt. in '000)  
(Rs.)

Turnover	14,362
Total Expenditure	13,266
Profit/(Loss) before tax	1,096
Profit/(Loss) after tax	755
Earning per Share (Basic) in Rs.	NIL
Earning Per Share (Diluted) in Rs.	NIL
Dividend rate %	NIL

### V. Generic Names of Principal Products/Services of Company

Item Code No. (ITC Code)	Product Description
420300	Articles of apparel and clothing accessories, of leather or of leather composition.
420310	Article of apparel, of leather or of leather composition

As per our report of even date attached

For **Arora & Choudhary Associates**  
Chartered Accountants  
Firm Registration No. 3870N

For and on behalf of the Board  
**Villa B.O.S. Leathers Limited**

Sd/-  
**(Vijay K. Choudhary)**  
Partner  
Membership No. 081843

Sd/-  
**(Tarun Oberoi)**  
Director

Sd/-  
**(Robin Bartholomew)**  
Director

Place : Gurgaon  
Date : 24th May, 2010



## DIRECTORS REPORT

### Dear Members

#### Crew B.O.S. Enterprises Limited

Your Directors have pleasure in presenting First Annual Report of the Company together with the Audited Accounts and Auditors' Report thereon for the period ended 31st March 2010.

#### Operational & Financial Review

Since this is the 1st year of incorporation, hence no operation has taken place. The Company has reviewed the situation and accordingly planned the future growth. The main business of the Company is to manufacture Articles of apparel and clothing accessories, of leather or of composition leather and imitation jewellery of Gold, Silver and pearls.

#### Dividend

No Dividend has been recommended for the financial year ending on 31st March, 2010.

#### Directors

Mr. Robin Bartholomew, Director retires by rotation and being eligible offers himself for reappointment.

#### Compliance Certificate

As per the Companies (Compliance Certificate) Rules, 2001, read with the provisions of sub section 1 of 383A of the Companies Act, 1956, the Company has obtained Compliance Certificate for the year 2009–10 from M/s Ajay Garg & Associates, a Practicing Company Secretary.

#### Directors Responsibility Statement

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956 it is hereby stated and confirmed that:

1. In the preparation of the Annual Accounts for the financial year ended 31st March 2010 all applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. The appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs as at 31st March 2010 and of the profit of the Company for the period ended 31st March 2010;
3. The proper and sufficient care has been taken for 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;
4. The annual accounts for the year ended 31st March 2010 have been prepared on a going concern basis.

#### Auditors

M/s Arora & Choudhary Associates, Chartered Accountants, New Delhi, the retiring Auditor and being eligible, offered themselves for re-appointment. The Director recommended their re-appointment. They have furnished a certificate that their appointment, if made shall be within the statutory limits specified u/s 224(1B) of the Companies Act, 1956.

The observations of the Auditor in the Auditors Report is explained wherever necessary in the appropriate notes to the accounts.

#### Public Deposits

The Company has not invited or accepted any Deposits from the public during the period under review.

#### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo under Section 217 (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

##### 1. Conservation of Energy

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.

##### 2. Technology Absorption

The Company is not engaged into any technology absorption transaction.

##### 3. Foreign Exchange Earnings and Outgo

There is no information to be provided under the captioned head as there is no Foreign Exchange Earnings and outgo during the period under review. The Company shall take appropriate initiatives and measures for the same.

#### Particulars of Employees

The Company has no employee in respect of whom the statement under section 217(2A) of the Companies Act, 1956 is required to be annexed.

#### Acknowledgement

Your Directors take this opportunity to convey their gratitude and sincere thanks for the unstinted co-operation & assistance, valuable guidance and the continued support of the Central Government, State Government, Customers, Bankers, and Suppliers/Vendors and other business partners.

Your Directors take note of sincere efforts of the dedicated employees at all levels who have been responsible for the growth of the Company.

For and on behalf of the Board  
Crew B.O.S. Enterprises Ltd.

Place: Gurgaon  
Date: 24-05-2010

Sd/-  
(Tarun Oberoi)  
Director

Sd/-  
(Robin Bartholomew)  
Director

# AUDITORS' REPORT

## AUDITORS' REPORT TO THE MEMBERS OF CREW B.O.S. ENTERPRISES LIMITED

We have audited the attached Balance Sheet of Crew BOS Enterprises Limited, as at 31st March, 2010 and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditors report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above :-
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account, as required by Law, have been kept by the Company so far as appears from our examination of the books.
  - c) The Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet and Cash Flow Statement dealt with by the Report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
  - e) On the basis of written representation received from the directors and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our knowledge and information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :-
    - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2010.
    - (ii) In the case of the Cash Flow Statement, on the cash flows for the year ended on that date.

For **ARORA AND CHOUDHARY ASSOCIATES**

Chartered Accountants  
F. Reg. No. 003870N

Sd/-  
**(Vijay K. Choudhary)**  
Partner  
M. No. 081843

Place: Gurgaon  
Date : 24/05/2010

## ANNEXURES REFERRED TO IN PARA 1 OF THE AUDITOR'S REPORT TO THE MEMBERS OF CREW B.O.S. ENTERPRISES LIMITED

1. Based on our scrutiny of the company's books of account and other records and according to the information and explanations received by us from the management, we are of the opinion that the question of commenting on maintenance of proper records of fixed assets, physical verification of fixed assets and any substantial sale thereof does not arise since the company had no fixed assets as on 31st March 2010 nor any time during the financial year ended 31st March 2010.
2. As the company has not purchased/ sold goods during the year, requirement of reporting on physical of stocks or maintenance of inventory records, in our opinion, does not arise.
3. The Company has taken advance from its holding company in the nature of interest free unsecured loan. The amount of transaction involved during the year is Rs. 31.39 lacs. The outstanding amounting at the end of the year is Rs. 89,100/-. The terms and conditions thereof are not prima facie prejudicial to the interest of the company. The company has not granted any loans secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act and therefore, paragraph 4(iii) of the order is not applicable.
4. According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and sale of goods. We have not observed any continuing failure to correct major weakness in internal control.
5. In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered in the register maintained under section 301 of the Companies, Act, 1956 and therefore, paragraph 4(v) of the said Order is not applicable.
6. In our opinion and according to the information and explanations given to us, as the Company has not accepted deposits from the public, paragraph 4(vi) of the Order is not applicable.
7. The average annual turnover of the Company is less than Rs. 5 Crore for a period of three consecutive financial years immediately preceding the financial year concerned and the paid up capital and reserves of the company are less than Rs. 50 lacs, hence paragraph 4(vii) of the Order is not applicable.
8. We have been informed by the management that no records have been prescribed under section 209(1)(d) of the Companies Act, 1956 in respect of products manufactured by the company.
9. In our opinion and according to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, employees' state insurance, income tax, wealth tax, service tax, sales tax, custom duty, excise duty, cess, and other statutory dues, as applicable to its activities, with appropriate authorities. There are no arrears of outstanding statutory dues as at 31st March, 2010 for a year of more than six months from the date they became payable. As explained to us, there are no disputed dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess that have not been deposited on account of any dispute.
10. The company was incorporated on 26/02/2009. Since a period of five years has not elapsed since the date of incorporation



as on the Balance Sheet date, we are of the opinion that no comment is required under clause (x) of para 4 of the Order regarding the erosion of 50% or more of the net worth and cash losses in the current.

11. The Company has not taken loan from any financial institution/ bank and therefore paragraph 4(xi) of the Order is not applicable.
12. 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. 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, debentures and other investments and therefore paragraph 4(xiv) of the Order is not applicable.
15. According to the information and explanations given to us, the company has given a Corporate Guarantee in respect of loans taken from bank by its holding company. The terms and conditions thereof are not prejudicial to the interest of the company.
16. The company has not availed any term loans from the bank during the year and there is no outstanding of such loans at the end of the year.
17. Based on examination of documents and records made available and on the basis of information and explanations given to us, the company has not used funds raised on short term basis for long term investments and vice versa.

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. The company has not raised any money by way of public issue during the year and therefore paragraph 4(xx) of the Order is not applicable.
21. During the course of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the company, noticed or reported during year nor we have been informed of such case by the Management.

For **Arora & Choudhary Associates**  
Chartered Accountants  
F. Reg. No. 003870N

**Sd/-**  
**(Vijay K. Choudhary)**  
Partner  
M. No.: 081843

Place: Gurgaon  
Date: 24/05/2010

# COMPLIANCE CERTIFICATE

Registration No. : 55-187974  
Nominal Capital : Rs. 1,000,000/-

To

The Members,  
**Crew B.O.S. Enterprises Limited,**  
624, Jaina Tower-1,  
District Centre, Janakpuri  
New Delhi-110058

We have examined the registers, records, books and papers of Crew B.O.S. Enterprises Limited (hereinafter referred as 'the Company') as required to be maintained under the Companies Act 1956, (hereinafter referred as 'Act') and rules made there under and also as per the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2010 (hereinafter referred as 'financial year'). In our opinion and best to our information and according to the examination carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The company being a public limited company, comments are not required.
4. The Board of Directors duly met Six (6) times respectively on 25/05/2009, 05/06/2009, 31/07/2009, 17/08/2009, 30/11/2009 and 08/02/2010, and. In respect of these meetings proper notices were given and proceedings were properly recorded and signed. No resolution was passed through circulation.
5. The company has not closed required to close its Register of Members during the financial year.
6. No Annual General Meeting was held during the financial year as company is incorporated on 26.02.2009.
7. No Extra-Ordinary General meeting was held during the financial year.
8. The Company has not advanced any loan to its director or persons or firm or companies referred to under section 295 of the Act. .
9. The company has not entered into any contracts falling within the provisions of section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members of the Central Government.
12. The company has not issued any duplicate share certificates during the financial year.
13. The company has/was:
  - (i) delivered all certificates on allotment of securities in accordance with the provisions of the act and there were no lodgment for transfer/ transmission or any other purpose.
  - (ii) not required to deposit any amount in a separate Bank Account as no dividend was declared during the financial year.
  - (iii) not required to post dividend warrants to any member of the company as no dividend was declared during the financial year.
  - (iv) not transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to investor Education and protection fund as there are no such funds eligible to be transferred.
  - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the year.
15. The Company has not appointed any Managing-Director/ Whole-Time Director/ Manager during the financial year.
16. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any share / debentures or other securities during the financial.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares/debentures during the financial year. (Company has no debentures/ preference shares.)
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including unsecured loans from its Holding company, falling within the purview of section 58A during the financial year.
24. The company has not made any borrowings during the financial year ended 31st March 2010.
25. The Company has not made any loans or advances or given guarantees or provided securities to other body corporate and consequently no entries have been made in the register kept for that purpose.
26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
27. The company has not altered the provisions of the





- Memorandum with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
  29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
  30. The Company has not altered its Articles of Association during the financial year.
  31. There was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
  32. The company has not received any money as security from its employees during the financial year.
  33. The company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under section 418 of the Act.

Place: Faridabad  
Date: 24.05.2010  
Signature:  
For AGB & Associates  
Partner  
Company Secretaries  
C.P. No. 8790

#### Annexure A

##### Register as maintained by the company

##### Statutory Registers

1. Register of Members u/s 150
2. File of Returns u/s 163
3. Minutes Book of Board of Director's Meeting
4. Minutes Book of Shareholder's Meeting.
5. Company has maintained all books of Account u/s 209
6. Register of Directors, Managing directors, Managers, Secretaries u/s 303.

**Note: Company has not maintained the following registers as it was informed that there were no entries/transactions to be recorded therein:**

1. Register of Deposits under rule 7
2. Register of Fixed Assets
3. Register of Transfer of Shares
4. Register of particulars of contracts in which directors are interested under section 301

5. Register of Investments or loan under section 372A
6. Register of securities bought back u/s 77A
7. Register of charges u/s 143
8. Register of debenture holders u/s 152
9. Register of foreign members
10. Register of renewed and duplicate certificate under rule 7 of companies (issue of share certificate rule) 1960.
11. Register of destruction of records / documents
12. Company is not required to maintain cost records.
13. Register of Directors shareholdings u/s 307.

Place: Faridabad  
Date: 24.05.2010  
Signature:  
For AGB & Associates

Partner  
Company Secretaries  
C.P. No. 8790

#### Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central government or other authorities during the financial year ending 31st March 2010.

S. NO	FORM NO./ RETURN	Filed under section/ Rule	For	Date of Filing	Whether filed within prescribed time (Yes/No)	If delay in filing whether requisite additional fee paid (Yes/No)
1	Form- 22	165	Statutory report	01/05/2009	Yes	No
2	Form-18	146	Change in Registered office	11/03/2010	Yes	No
3	Form-23AA	209(1)	Notice of Address of Keeping the books and account	24/03/2010	Yes	No
4	Form-23B	224(1A)	Notice by the auditor about acceptance	18/03/2009	Yes	No
5	Form-22B	192	Filing of form of registration of resolutions and agreements	01/05/2009	Yes	No

Place: Faridabad  
Date: 24.05.2010  
Signature:  
For AGB & Associates  
Partner  
Company Secretaries  
C.P. No. 8790

## BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	Amount (Rs.) March 31, 2010
<b>SOURCES OF FUNDS</b>		
<b>SHAREHOLDERS FUNDS</b>		
Share Capital	1	1,000,000
<b>LOAN FUNDS</b>		
Unsecured Loans	2	89,100
<b>TOTAL</b>		<b>1,089,100</b>
<b>APPLICATION OF FUNDS</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
Cash & Bank Balances	3	1,040,835
		<b>1,040,835</b>
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>		
Current Liabilities	4	10,000
		<b>10,000</b>
<b>NET CURRENT ASSETS</b>		<b>1,030,835</b>
Pre-Operative Expenses	5	58,265
<b>TOTAL</b>		<b>1,089,100</b>
Significant accounting Policies and Notes forming part of the Accounts	6	–
The Schedules referred to above form an integral part of the Balance Sheet. .		

For **Arora & Choudhary Associates**  
Chartered Accountants  
F. Reg. No. 003870N

Sd/-  
**(Vijay K. Choudhary)**  
Partner  
Membership No. 081843

Place : Gurgaon  
Date: 24th May, 2010

For and on behalf of the Board  
**Crew B.O.S. Enterprises Limited**

Sd/-  
**(Tarun Oberoi)**  
Director

Sd/-  
**(Robin Bartholomew)**  
Director





## CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31ST, 2010

	Amount (Rs.) March 31,2010
<b>A. Cash flow from operating activities:</b>	
Net (loss)/profit before tax but after exceptional/extraordinary items	–
<b>Operating profit before working capital changes</b>	–
<b>Adjustments for changes in working capital :</b>	
– (INCREASE)/DECREASE in Other Receivables	–
– INCREASE/(DECREASE) in Trade and Other Payables	–
<b>Cash generated from operations</b>	–
<b>Net cash from operating activities</b>	–
<b>B. Cash flow from Investing activities:</b>	
– Pre-Operative Expenditure	(58,265)
<b>Net cash used in investing activities</b>	(58,265)
<b>C. Cash flow from financing activities:</b>	
Proceeds form fresh issue of Share Capital (including Share Premium )	1,000,000
Proceeds from short term borrowings	89,100
<b>Net cash used in financing activities</b>	1,089,100
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	1,030,835
<b>Cash and cash equivalents as at 01.04.2009</b>	–
<b>Cash and cash equivalents as at 31.03.2010</b>	1,030,835
<b>Cash and cash equivalents comprise</b>	
Cash, Cheques & Drafts (in hand) and Remittances in Transit	1,000,000
Balance with Scheduled Banks	40,835
<b>Cash and cash equivalents as at 31.03.2010</b>	1,040,835
	(10,000)

### Notes :

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

For **Arora & Choudhary Associates**  
Chartered Accountants  
F. Reg. No. 003870N

For and on behalf of the Board  
**Crew B.O.S. Enterprises Limited**

Sd/-  
**(Vijay K. Choudhary)**  
Partner  
Membership No. 081843

Sd/-  
**(Tarun Oberoi)**  
Director

Sd/-  
**(Robin Bartholomew)**  
Director

Place : Gurgaon  
Date: 24th May, 2010

## SCHEDULES FORMING PART OF THE BALANCE SHEET

	Amount (Rs.) March 31,2010
<b>SCHEDULE : 1</b>	
<b>SHARE CAPITAL</b>	
<b>AUTHORISED SHARE CAPITAL</b>	
100000 Equity Shares of Rs. 10/– each	1,000,000
<b>TOTAL</b>	<b>1,000,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>	
100,000 Equity Shares of Rs. 10/– each fully paid up.	1,000,000
<b>TOTAL</b>	<b>1,000,000</b>
<b>SCHEDULE : 2</b>	
<b>UNSECURED LOAN</b>	
Crew BOS Products Limited	89,100
<b>TOTAL</b>	<b>89,100</b>
<b>SCHEDULE : 3</b>	
<b>CASH &amp; BANK BALANCES</b>	
Cash in Hand	–
Bank Balance with HDFC Bank	40,835
Cheque in Hand	1,000,000
<b>TOTAL</b>	<b>1,040,835</b>
<b>SCHEDULE : 4</b>	
<b>CURRENT LIABILITIES</b>	
Audit Fee Payable	10,000
<b>TOTAL</b>	<b>10,000</b>
<b>SCHEDULE : 5</b>	
<b>PRE-OPERATIVE EXPENSES</b>	
ROC Filling Fee	28,300
Professional Charges	7,316
Printing & Stationery	5,700
Bank Charges	6,949
Audit Fee	10,000
<b>TOTAL</b>	<b>58,265</b>



## SCHEDULES FORMING PART OF THE BALANCE SHEET

### SCHEDULE 6

#### SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

##### A. SIGNIFICANT ACCOUNTING POLICIES

###### 1 Basis of Accounting

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.

###### 2 Revenue Recognition

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

###### 3 Fixed Assets

Fixed Assets are stated at actual cost of acquisition inclusive of taxes, duties, freight and any directly attributable cost of bringing the assets to their working condition for intended use.

###### 4 Depreciation

Depreciation on fixed assets is provided on the WDV Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Depreciation is charged on fixed assets only in the year in which there is some commercial activity.

###### 5 Inventories

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

###### 6 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.

###### 7 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. Provision for liabilities in respect of gratuity & leave encashment benefit are made on accrual basis and charged to profit and loss account.

###### 8 Taxation

###### Current Tax

Provision for current tax is computed on the basis of tax payable on estimated taxable income 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.

###### 9 Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

##### B. NOTES TO THE ACCOUNTS.

1. The Company was incorporated on 26th Day of February, 2009, as per the Certificate of Incorporation issued by the Registrar of Companies of National Capital Territory of Delhi and Haryana in the name & style Crew B.O.S. Enterprises Limited.
2. In the opinion of the Board of Directors the current assets, loan and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities have been made.
3. The Company has not started any commercial operation during the year therefore all the expenses has been considered as Pre-Operative and has been Capitalized.

4. **Payment to Auditors (including service tax) :**

Amount–Rs.

Particulars	For the year Ended March 31, 2010
Audit Fee (Incl. Service Tax)	10,000/–

5. **Related Party Disclosure:**

Amount–Rs.

Name of the Party	Nature of Relationship	Nature of Transaction	For the year Ended March 31, 2010
Crew B.O.S Products Ltd.	Holding Company	Share Capital	10,00,000.00
		Loan Received	31,39,100.00
		Loan Repaid	30,50,000.00

6. Additional information pursuant to paragraph 3, 4C & 4D of Part II of Schedule VI of the Companies Act, 1956.

- A). Licensed and installed capacity and production (As Certified by the Management) –N A–
- B). Raw Material Consumed. –N A–
- C). Composition of Raw Material consumed –N A–
- D). Statement of Opening Stock & Sales of Semi Finished Goods of Manufacturing items –N A–
- E). Expenditure and Earnings in Foreign Currency –N A–

There were no transactions in Foreign Currency during the financial year.

7. This is the first financial year of the company, therefore, corresponding amount for immediately preceding financial year has not been given.

For **Arora & Choudhary Associates**

Chartered Accountants

F. Reg. No. 003870N

For and on behalf of the Board

**Crew B.O.S. Enterprises Limited**

Sd/-  
**(Vijay K. Choudhary)**  
Partner  
Membership No. 081843

Sd/-  
**(Tarun Oberoi)**  
Director

Sd/-  
**(Robin Bartholomew)**  
Director

Place : Gurgaon

Date: 24th May, 2010



## ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART-IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details		
Registration No.		187974
State Code		55
Balance Sheet Date		31.03.2010
II. Capital raised during the year		(Amt. in '000)
		(Rs.)
Public Issue		NIL
Rights Issue		NIL
Bonus Issue		NIL
III. Position of Mobilization and Deployment of Funds		(Amt. in '000)
		(Rs.)
Total Liabilities		1,089
Total Assets		1,089
Source of Funds		
Paid-up Capital		1,000
Equity Warrants Subscribed		NIL
Reserves & Surplus		NIL
Secured Loans		NIL
Unsecured Loans		89
Application of Funds		
Net Fixed Assets		NIL
Investments		NIL
Net Current Assets		1,031
Pre-Operative Expenses		58
Deferred Revenue Expenditure		NIL
Accumulated Losses		NIL
Deferred Tax Asset		NIL
IV. Performance of Company		(Amt. in '000)
		(Rs.)
Turnover		NIL
Total Expenditure		NIL
Profit/(Loss) before tax		NIL
Profit/(Loss) after tax		NIL
Earning per Share (Basic) in Rs.		NIL
Earning Per Share (Diluted) in Rs.		NIL
Dividend rate %		NIL
V. Generic Names of Principal Products/Services of Company		
Item Code No. (ITC Code)	Product Description	
420300	Articles of apparel and clothing accessories, of leather or of composition leather	
711719	Imitation jewellery of Gold, Silver and pearls	

For **Arora & Choudhary Associates**  
Chartered Accountants  
F. Reg. No. 003870N

For and on behalf of the Board  
**Crew B.O.S. Enterprises Limited**

**Sd/-**  
**(Vijay K. Choudhary)**  
Partner  
Membership No. 081843

**Sd/-**  
**(Tarun Oberoi)**  
Director

**Sd/-**  
**(Robin Bartholomew)**  
Director

Place : Gurgaon  
Date: 24th May, 2010

# DIRECTORS REPORT

## Dear Members

### Crew ROR Products Limited

Your Directors have pleasure in presenting First Annual Report of the Company together with the Audited Accounts and Auditors' Report thereon for the period ended 31st March 2010.

### Operational & Financial Review

During the period under review, your Company has achieved a turnover of Rs. 205.37 lacs. The main business of the Company is to manufacture Leather Footwear and other allied products of leathers. Since these are the initial years of commercial production, the Company has earned a profit of Rs. 0.06 lacs. The Company has prepared blue print to accelerate the growth momentum.

### Dividend

No Dividend has been recommended for the financial year ending on 31st March, 2010.

### Directors

Mr. Robin Bartholomew, Director retires by rotation and being eligible offers himself for reappointment.

In order to focus on upcoming challenges and growth of the Company the Board has decided to appoint Mr. Rakesh Diwan as the Whole-Time Director w.e.f. 1st April, 2010.

### Compliance Certificate

As per the Companies (Compliance Certificate) Rules, 2001, read with the provisions of sub section 1 of 383A of the Companies Act, 1956, the Company has obtained Compliance Certificate for the year 2009-10 from M/s Nityanand Singh & Co, a Practicing Company Secretary.

### Directors Responsibility Statement

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956 it is hereby stated and confirmed that:

1. In the preparation of the Annual Accounts for the financial year ended 31st March 2010 all applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. The appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs as at 31st March 2010 and of the profit of the Company for the period ended 31st March 2010;
3. The proper and sufficient care has been taken for 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;
4. The annual accounts for the year ended 31st March 2010 have been prepared on a going concern basis.

### Auditors

M/s Arora & Choudhary Associates, Chartered Accountants, New Delhi, the retiring Auditor and being eligible, offered themselves for re-appointment. The Director recommended their re-appointment. They have furnished a certificate that their appointment, if made shall be within the statutory limits specified u/s 224(1B) of the Companies Act, 1956.

The observations of the Auditor in the Auditors Report is explained wherever necessary in the appropriate notes to the accounts.

### Public Deposits

The Company has not invited or accepted any Deposits from the public during the period under review.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo under Section 217 (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

#### 1. Conservation of Energy

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.

#### 2. Technology Absorption

The Company is not engaged into any technology absorption transaction.

#### 3. Foreign Exchange Earnings and Outgo

As per Note No. 10 there is a Foreign Currency Outgo during the period under review.

### Particulars of Employees

The Company has no employee in respect of whom the statement under section 217(2A) of the Companies Act, 1956 is required to be annexed.

### Acknowledgement

Your Directors take this opportunity to convey their gratitude and sincere thanks for the unstinted co-operation & assistance, valuable guidance and the continued support of the Central Government, State Government, Customers, Bankers, and Suppliers/Vendors and other business partners.

Your Directors take note of sincere efforts of the dedicated employees at all levels who have been responsible for the growth of the Company.

For and on behalf of the Board  
**Crew ROR Products Ltd.**

Sd/-

**(Robin Bartholomew)**

Director

Place: Gurgaon

Date: 24-05-2010

Sd/-

**(Rakesh Diwan)**

Director



## AUDITORS' REPORT

### TO THE MEMBERS OF

#### CREW ROR PRODUCTS LIMITED

We have audited the attached Balance Sheet of Crew ROR Products Limited, as at 31st March, 2010 and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditors report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above :-
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account, as required by Law, have been kept by the Company so far as appears from our examination of the books.
  - c) The Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet and Cash Flow Statement dealt with by the Report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
  - e) On the basis of written representation received from the directors and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
  - (f) In our opinion and to the best of our knowledge and information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :-
    - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2010.
    - (ii) In the case of the Cash Flow Statement, on the cash flows for the year ended on that date.

For **ARORA AND CHOUDHARY ASSOCIATES**

Chartered Accountants

F. Reg. No. 003870N

Sd/-

**(Vijay K. Choudhary)**

Partner

M. No. 081843

Place: Gurgaon

Date : 24th May, 2010

#### ANNEXURES REFERRED TO IN PARA 1 OF THE AUDITOR'S REPORT TO THE MEMBERS OF CREW ROR PRODUCTS LIMITED

1. Based on our scrutiny of the company's books of account and other records and according to the information and explanations received by us from the management, we are of the opinion that the question of commenting on maintenance of proper records of fixed assets, physical verification of fixed assets and any substantial sale thereof does not arise since the company had no fixed assets as on 31st March 2010 nor any time during the financial year ended 31st March 2010.
2. (a) As explained to us, the inventory of the company, has been physically verified by the management during the year
  - (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. The Company has not taken or granted any loans secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act and therefore, paragraph 4(iii) of the order is not applicable.
4. According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and sale of goods. We have not observed any continuing failure to correct major weakness in internal control.
5. (a) Based on the audit procedure applied by us and according to the information and explanation provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 and exceeding the value of five lacs rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, as the Company has not accepted deposits from the public, paragraph 4(vi) of the Order is not applicable.
7. The average annual turnover of the Company is less than Rs. 5 Crore for a period of three consecutive financial years immediately preceding the financial year concerned and the paid up capital and reserves of the company are less than Rs. 50 lacs, hence paragraph 4(vii) of the Order is not applicable.
8. We have been informed by the management that no

records have been prescribed under section 209(1)(d) of the Companies Act, 1956 in respect of products manufactured by the company.

9. In our opinion and according to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, employees' state insurance, income tax, wealth tax, service tax, sales tax, custom duty, excise duty, cess, and other statutory dues, as applicable to its activities, with appropriate authorities. There are no arrears of outstanding statutory dues as at 31st March, 2010 for a year of more than six months from the date they became payable. As explained to us, there are no disputed dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess that have not been deposited on account of any dispute.
10. The company was incorporated on 29/06/2009. Since a period of five years has not elapsed since the date of incorporation as on the Balance Sheet date, we are of the opinion that no comment is required under clause (x) of para 4 of the Order regarding the erosion of 50% or more of the net worth and cash losses in the current.
11. The Company has not taken loan from any financial institution/ bank and therefore paragraph 4(xi) of the Order is not applicable.
12. 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. 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, debentures and other investments and therefore paragraph 4(xiv) of the Order is not applicable.
15. According to the information and explanations given to us, the company has given a Corporate Guarantee in respect of loans taken from bank by its holding company. The terms and

conditions thereof are not prejudicial to the interest of the company.

16. The company has not availed any term loans from the bank during the year and there is no outstanding of such loans at the end of the year.
17. Based on examination of documents and records made available and on the basis of information and explanations given to us, the company has not used funds raised on short term basis for long term investments and vice versa.
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. The company has not raised any money by way of public issue during the year and therefore paragraph 4(xx) of the Order is not applicable.
21. During the course of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the company, noticed or reported during year nor we have been informed of such case by the Management.

For **Arora & Choudhary Associates**  
Chartered Accountants  
F. Reg. No. 003870N

**Sd/-**  
**(Vijay K. Choudhary)**  
Partner  
M. No.: 081843

Place: Gurgaon  
Date: 24th May, 2010





## COMPLIANCE CERTIFICATE

Corporate Identity No. : U19114DL2009PLC191719  
 Nominal Capital : Rs. 50,00,000/-  
 Paid up Capital : Rs. 50,00,000/-

To,

The Members

**Crew ROR Products Limited,**  
 624, Jaina Tower-1,  
 District Centre, Janakpuri  
 New Delhi-110058.

We have examined the registers, records, books and papers of Crew ROR Products Limited (The Company) New Delhi as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of association of the Company for the period ended on 31st March, 2010 (hereinafter called the financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder, except form 2 , return of allotment made on 12.12.2009 which was filed belatedly on 04.05.2010.
3. The Company being a Public Limited Company, comments is not required.
4. The Board of Directors duly met nine times on 07.07.2009, 05.10.2009, 02.11.2009, 09.12.2009, 30.12.2009, 01.01.2010, 27.01.2010, 15.03.2010 and 25.03.2010 in respect of which meetings proper notices were given and proceedings were properly recorded and signed including the circular resolutions passed in the Minutes book maintained for the purpose.
5. Being the first year of incorporation the Company was not required to close its registers of members or Debenture holders during the year.
6. As the Company was newly incorporated it was not required to hold Annual General Meeting during the financial year.
7. One Extra Ordinary General Meeting was held on 12.12.2009 and Statutory Meeting of the Company was held on 27.01.2010 after giving due notice to the members of the company and the resolution passed thereat were duly recorded in the minutes book maintained for the purpose.
8. The Company has not advanced any Loans to its directors and / or Persons or Firms or Companies referred in Section 295 of the Companies Act, 1956.
9. The Company has duly complied with the provisions of Section 297 of the Act , in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act .
11. As there were no instances falling within the purview of the Section 314 of the Act, the Company has not obtained any approvals of the Board of Directors, Members or Central Government.
12. The Company has not issued duplicate Share certificates during the financial year.
13. The Company has:
  - i. Delivered the entire share certificates on allotment of securities in accordance with the provision of the Act.
  - ii. Not deposited any amount in a separate Bank account as no dividend was declared during the financial year.
  - iii. Not posted any warrants to any member of the Company as no dividend was declared during the financial year.
  - iv. Was not required to transfer any amounts to Investor Education and Protection Fund as there were no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
  - v. Duly complied with the requirements of the Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of directors, additional directors, alternative directors and directors to fill casual vacancy during the said financial year.
15. The Company has not appointed any Managing Director/ Manager/Whole time Director during the financial year.
16. The Company has not appointed any Sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and rules made thereunder.
19. The Company has issued 400000 equity shares of Rs. 10. Each during the financial year and complied with the provisions of the Act.
20. The Company has not bought back shares during the financial year.
21. Since the Company has not issued any Debentures or Preference share capital, there was no redemption of preference shares or Debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the right to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including

- any unsecured loans falling within the purview of Section 58A/ 58 AA during the financial year.
24. The Company has not made any borrowing during the financial year ended on 31st March, 2009 and hence provisions of Section 293(1) (d) of the Act do not apply.
25. The Company has not made any loans or advances or given guarantee or provided any securities to other bodies corporate.
26. The Company has not altered the provisions of Memorandum with respect to the situation of registered office from one state to another during the financial year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has altered the provisions of the Memorandum with respect to share capital of the Company during the financial year under scrutiny.
30. The Company has not altered its Articles of association during the financial year.
31. There was/ were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment imposed on the Company during the financial year, for the offences under the Act.
32. The Company has not received any money from its employees during the financial year.
33. The Company has not deducted and deposited Employee's and employer's contribution to the Provident Fund as Section 418 of the Act is not applicable to the Company.

For **NITYANAND SINGH & CO.**  
COMPANY SECRETARIES

Sd/-  
**NITYANAND SINGH**  
C.P. No. 2388

Place : New Delhi  
Date : 24.05.2010

#### Annexure A

Registers as maintained by the Company

- 1 Books of Accounts u/s 209.
- 2 Minutes Books u/s 193 for Board & Shareholders Meetings ( separately)
- 3 Register of Members u/s 150 and Index of Members u/s 151.
- 4 Register of Particulars of Contracts in which Directors are interested u/s 301.
- 5 Register of Directors, Managing Director, Manager and Secretary u/s 303.
- 6 Register of Directors' shareholding u/s 307.
- 7 Register of Share Transfer U/s 108
- 8 Register of Share Application and Allotment.

#### Annexure B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2010.

S. No.	Form No./return	Filed under Section	For	Date of filing	Whether filed within prescribed time	If delay in filing whether requisite additional fee paid
1	Form-20	149(2)(c)	Declaration of Compliance with the Provisions of Section 149(2)(b)	18.08.2009	Yes	N.A.
2	Form-22B	187C(4)	Declaration of beneficial interest to be Filed with Registrar	09.09.2009	No	Yes
3	Form-5	94	For Increase in Authorized Share Capital	25.03.2010	No	Yes



## BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	Amount (Rs.) March 31, 2010
<b>SOURCES OF FUNDS</b>		
<b>SHAREHOLDERS FUNDS</b>		
Share Capital	1	5,000,000
Reserves & Surplus	2	5,605
<b>TOTAL</b>		<b>5,005,605</b>
<b>APPLICATION OF FUNDS</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
Sundry Debtors	3	17,268,557
Cash & Bank Balances	4	119,379
Loans & Advances	5	1,415,301
		<b>18,803,237</b>
<b>LESS: CURRENT LIABILITIES PROVISIONS</b>		
Current Liabilities	6	17,431,954
Provisions	7	2,810
		<b>17,434,764</b>
<b>NET CURRENT ASSETS</b>		<b>1,368,473</b>
<b>MISCELLANEOUS EXPENDITURE</b>		
Pre-operative Expenses	8	3,637,132
<b>TOTAL</b>		<b>5,005,605</b>
Significant Accounting Policies and Notes forming part of the Accounts	12	
The Schedules referred to above form an integral part of the Balance Sheet		

For **Arora & Choudhary Associates.**  
Chartered Accountants  
F. Reg. No. 003870N

For and on behalf of the Directors  
Crew ROR Products Limited

Sd/-  
**(Vijay K. Choudhary)**  
Partner  
Membership No. 081843

Sd/-  
**(Tarun Oberoi)**  
Director

Sd/-  
**(Rakesh Diwan)**  
Director

Place : Gurgaon  
Date: 24th May, 2010

## PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 29.06.2009 TO 31.03.2010

	SCHEDULE	Amount(Rs.) March 31, 2010
<b>INCOME</b>		
Income from Operations	9	20,537,162
<b>TOTAL</b>		<b>20,537,162</b>
<b>EXPENDITURE</b>		
Material Manufacturing & Others	10	18,739,804
Personnel, Administration & Selling	11	1,786,360
Interest & Finance Charges		2,583
<b>TOTAL</b>		<b>20,528,747</b>
Profit Before Taxation		8,415
Less: Provision for Taxation		2,810
Less/(Add): Deferred Tax Liability		-
Profit After Taxation		5,605
Add : Balance brought forward from previous year		-
Balance Transferred to Balance Sheet		5,605
Significant Accounting Policies and Notes forming part of the Accounts	12	
The Schedules referred to above form an integral part of the Profit and Loss Account		

For **Arora & Choudhary Associates.**  
Chartered Accountants  
F. Reg. No. 003870N

For and on behalf of the Directors  
**Crew ROR Products Limited**

Sd/-  
**(Vijay K. Choudhary)**  
Partner  
Membership No. 081843

Sd/-  
**(Tarun Oberoi)**  
Director

Sd/-  
**(Rakesh Diwan)**  
Director

Place : Gurgaon  
Date: 24th May, 2010



## CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31ST, 2010

	Amount(Rs.) January 0, 1900
<b>A. Cash flow from operating activities:</b>	
Net (loss)/profit before tax but after exceptional/extraordinary items	8,415
<b>Adjustments for:</b>	
Depreciation	–
Interest Expense	2,583
Deferred revenue expenditure written off	–
<b>Operating profit before working capital changes</b>	<b>10,998</b>
<b>Adjustments for changes in working capital :</b>	
– (INCREASE)/DECREASE in Sundry Debtors	<b>(17,268,557)</b>
– (INCREASE)/DECREASE in Other Receivables	<b>(1,415,301)</b>
– (INCREASE)/DECREASE in Inventories	–
– INCREASE/(DECREASE) in Trade and Other Payables	<b>17,431,954</b>
<b>Cash generated from operations</b>	<b>(1,240,906)</b>
– Fringe Benefit Tax	–
<b>Net cash from operating activities</b>	<b>(1,240,906)</b>
<b>B. Cash flow from Investing activities:</b>	
Purchase of fixed assets	–
Pre Operative Expenses	<b>(3,637,132)</b>
<b>Net cash used in investing activities</b>	<b>(3,637,132)</b>
<b>C. Cash flow from financing activities:</b>	
Proceeds form fresh issue of Share Capital (including Share Premium )	<b>5,000,000</b>
Proceeds from long term borrowings	–
Proceeds from short term borrowings	–
Interest Paid	<b>(2,583)</b>
<b>Net cash used in financing activities</b>	<b>4,997,417</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>119,379</b>
<b>Cash and cash equivalents as at 01.04.2009</b>	–
<b>Cash and cash equivalents as at 31.03.2010</b>	<b>119,379</b>
<b>Cash and cash equivalents comprise</b>	–
Cash, Cheques & Drafts (in hand) and Remittances in Transit	–
Balance with Banks	<b>119,379</b>
<b>Cash and cash equivalents as at 31.03.2010</b>	<b>119,379</b>

### Notes :

- 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.
- Figures in brackets indicate cash outgo.

For **Arora & Choudhary Associates.**  
Chartered Accountants  
F. Reg. No. 003870N

For and on behalf of the Directors  
**Crew ROR Products Limited**

Sd/-  
**(Vijay K. Choudhary)**  
Partner  
Membership No. 081843

Sd/-  
**(Tarun Oberoi)**  
Director

Sd/-  
**(Rakesh Diwan)**  
Director

Place : Gurgaon  
Date: 24th May, 2010

## SCHEDULES FORMING PART OF THE BALANCE SHEET

	Amount (Rs.) March 31, 2010
<b>SCHEDULE : 1</b>	
<b>SHARE CAPITAL</b>	
<b>AUTHORISED SHARE CAPITAL</b>	
5,00,000 Equity Share of Rs.10/- each	5,000,000
<b>TOTAL</b>	<b>5,000,000</b>
<b>ISSUED, SUBSCRIBED AND PAIDUP</b>	
5,00,000 Equity Share of Rs. 10/- each – Fully Paidup	5,000,000
<b>TOTAL</b>	<b>5,000,000</b>
<b>SCHEDULE : 2</b>	
<b>RESERVE &amp; SURPLUS</b>	
Surplus in Profit & Loss Account	5,605
<b>TOTAL</b>	<b>5,605</b>
<b>SCHEDULE : 3</b>	
<b>SUNDRY DEBTORS</b>	
(Unsecured, Considered Good)	
Debts Outstanding for a period exceeding six months	–
Other Debts	17,268,557
<b>TOTAL</b>	<b>17,268,557</b>
<b>SCHEDULE : 4</b>	
<b>CASH &amp; BANK BALANCES</b>	
Bank Balances	
In Current account with Schedule Bank	119,379
<b>TOTAL</b>	<b>119,379</b>
<b>SCHEDULE : 5</b>	
<b>LOAN &amp; ADVANCES</b>	
(Unsecured, Considered good)	
Duty Drawback Receivable	1,415,301
<b>TOTAL</b>	<b>1,415,301</b>
<b>SCHEDULE : 6</b>	
<b>CURRENT LIABILITIES</b>	
Sundry Creditors	16,726,327
Other Liabilities	705,627
<b>TOTAL</b>	<b>17,431,954</b>
<b>SCHEDULE : 7</b>	
<b>PROVISIONS</b>	
Provision for Income Tax	2,810
<b>TOTAL</b>	<b>2,810</b>



## SCHEDULES FORMING PART OF THE BALANCE SHEET

	Amount (Rs.) March 31, 2010
<b>SCHEDULE : 8</b>	
<b>PRE-OPERATIVE EXPENSES</b>	
Business Promotion	1,180
Electricity, Power and Fuel	396,120
Guest House	63,000
Trial and Machine Setup Charges	313,127
Staff welfare	45,951
Preliminary Expenses	40,811
Rent	406,582
Repair and Maintenance	110,730
Salary	1,427,885
Sample Development Charges	206,620
security charges	49,183
Trial Run	447,096
ROC Filing Fees	128,847
<b>TOTAL</b>	<b>3,637,132</b>
<b>SCHEDULE : 9</b>	
<b>INCOME FROM OPERATIONS</b>	
Export Sales	14,881,532
Local Sales	4,240,329
Duty Drawback	1,415,301
<b>TOTAL</b>	<b>20,537,162</b>
<b>SCHEDULE : 10</b>	
<b>MATERIAL, MANUFACTURING &amp; OTHERS</b>	
Finished Goods Purchased	16,776,884
Leather Purchase	1,563,660
Power & Fuel	399,260
<b>TOTAL</b>	<b>18,739,804</b>
<b>SCHEDULE : 11</b>	
<b>PERSONNEL, ADMINISTRATION &amp; SELLING</b>	
Wages, Salary & Bonus	1,171,978
Rent	468,416
Exchange Fluctuation	123,906
Audit Fees	22,060
<b>TOTAL</b>	<b>1,786,360</b>

# SCHEDULES FORMING PART OF THE BALANCE SHEET

## SCHEDULE 16

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### 1 Basis of Accounting

The Financial Statement 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.

Being the first year of operation of the company, the previous year figures are not been given.

##### 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.

##### 3 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.

In case of Forward Exchange Contract, the cost of contract is amortized over the period of contract. Any profit or loss arising on the cancellation or renewal of a forward exchange contract is recognized as income or expense for the year, except in case of forward exchange contract relating to liabilities incurred for acquiring fixed assets from outside India, in which case, such profit or loss is adjusted in the cost of fixed assets.

##### 4 Taxation

###### Current Tax

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

##### 5 Export Benefits

Export benefits i.e. duty drawback is accounted for on accrual basis.

#### B. NOTES TO THE ACCOUNTS.

- The Company has started its business on 29.06.2009 & exporting the goods to overseas countries.
- The company fully issued and subscribed the Equity Share capital of Rs.50,00,000/-
- In the opinion of the board of directors the current assets, loan and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities have been made.
- The various Debit & Credit balances are subject to confirmation.
- There is no small scale undertaking to whom company owes and which is outstanding for more than 30 days as at March 31, 2010.
- The Company has not received information from vendors regarding their status under Micro, Small & Medium enterprises development Act, 2006 and hence disclosure related to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.
- The Company has received the machinery from its Holding Company M/s. Crew B.O.S. Products Limited for set up the project, The Value of the fixed assets located in Chennai is Rs. 142.41 Lacs
- The Company has not charged Depreciation on the above mentioned machinery.
- Audit Fees (including service tax) :

Amount—Rs.

Particulars	For the year Ended March 31, 2010
Audit Fee	20,000.00
Service Tax	2,060.00
<b>TOTAL</b>	<b>22,060.00</b>





## SCHEDULES FORMING PART OF THE BALANCE SHEET

### 10. Related Party Disclosures :

Related Party Disclosures, as required by AS - 18 "Related Party Disclosure" are given below

Related Party Disclosure :

(Amount in Lakhs)

Name of the Party	Nature of Relationship	Nature of Transaction	For the Year Ended March 31, 2010
Crew B.O.S. Products Ltd.,	Holding Company	Share Application Money	49.38
Crew MAG Exports Ltd.,	Associated Company	Purchase	183.40
		Reimbursement of Expenses	36.37

### B. Statement of Sales & Closing Stock of Finished Goods of Manufacturing items :

Items	Units	Opening Stock		Purchase		Turn Over		Closing Stock			
		Current Year		Current Year		Current Year		Current Year		Previous Year	
		Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
Nil											

### C. Statement of Sales & Closing Stock of Trading Items

Items	Units	Opening Stock		Purchase		Turn Over		Closing Stock			
		Current Year		Current Year		Current Year		Current Year		Previous Year	
		Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
Foot Wear	Pairs	0	0	23966	16776883	23966	17717655	0	0	0	0
Leather	Sq.ft	0	0	24108	1563661	24108	1404205				
Total		0	0		18340544		19121860	0	0	0	0

### D. Expenditure in Foreign Currency :

NIL

### E. Earning in Foreign Currency :

Earnings	2009-10
Export Sales (FOB)	1,48,81,532

11. This is the first financial year of the company, therefore, corresponding amount for immediately preceding financial year has not been given.

For Arora & Choudhary Associates.

Chartered Accountants

F. Reg. No. 003870N

For and on behalf of the Directors

Crew ROR Products Limited

Sd/-

(Vijay K. Choudhary)

Partner

Membership No. 081843

Sd/-

(Tarun Oberoi)

Director

Sd/-

(Rakesh Diwan)

Director

Place : Gurgaon

Date: 24th May, 2010

# ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART-IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

<b>I. Registration Details</b>		
Registration No.		191719
State Code		55
Balance Sheet Date		31.03.2010
<b>II. Capital raised during the year</b>		<b>(Amt. in '000)</b>
		(Rs.)
Public Issue		NIL
Rights Issue		NIL
Bonus Issue		NIL
<b>III. Position of Mobilization and Deployment of Funds</b>		<b>(Amt. in '000)</b>
		(Rs.)
Total Liabilities		5,006
Total Assets		5,006
Source of Funds		
Paid-up Capital		5000
Equity Warrants Subscribed		NIL
Reserves & Surplus		6
Secured Loans		NIL
Unsecured Loans		NIL
Application of Funds		
Net Fixed Assets		NIL
Investments		NIL
Net Current Assets		1,368
Pre-Operative Expenses		3,637
Deferred Revenue Expenditure		NIL
Accumulated Losses		NIL
Deferred Tax Asset		NIL
<b>IV. Performance of Company</b>		<b>(Amt. in '000)</b>
		(Rs.)
Turnover		20,537
Total Expenditure		20,529
Profit/(Loss) before tax		8
Profit/(Loss) after tax		6
Earning per Share (Basic) in Rs.		NIL
Earning Per Share (Diluted) in Rs.		NIL
Dividend rate %		NIL
<b>V. Generic Names of Two Principal Products/Services of Company</b>		
Item Code No. (ITC Code)	Product Description	
640320	Leather Footwear	
640359	Other Footwear	

For **Arora & Choudhary Associates.**  
Chartered Accountants  
F. Reg. No. 003870N

For and on behalf of the Directors  
**Crew ROR Products Limited**

Sd/-  
**(Vijay K. Choudhary)**  
Partner  
Membership No. 081843

Sd/-  
**(Tarun Oberoi)**  
Director

Sd/-  
**(Rakesh Diwan)**  
Director

Place : Gurgaon  
Date: 24th May, 2010



## DIRECTORS REPORT

### Dear Members

#### Emporio B.O.S. Designs Limited

Your Directors have pleasure in presenting First Annual Report of the Company together with the Audited Accounts and Auditors' Report thereon for the period ended 31st March 2010.

#### Operational & Financial Review

The main business of the Company is to manufacture articles of apparel and clothing accessories, of leather or of composition leather, Imitation jewellery of Gold, Silver and pearls and Import & Export of manufacture shoes, sleepers, sandals and allied articles. Since this is the 1st year of incorporation, hence no operation has taken place. The Company has reviewed the situation and accordingly planned the future growth.

#### Dividend

No Dividend has been recommended for the financial year ending on 31st March, 2010.

#### Directors

Mr. Robin Bartholomew, Director retires by rotation and being eligible offers himself for re-appointment.

#### Compliance Certificate

As per the Companies (Compliance Certificate) Rules, 2001, read with the provisions of sub section 1 of 383A of the Companies Act, 1956, the Company has obtained Compliance Certificate for the year 2009-10 from M/s NKS & Company, a Practicing Company Secretary.

#### Directors Responsibility Statement

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956 it is hereby stated and confirmed that:

1. In the preparation of the Annual Accounts for the financial year ended 31st March 2010 all applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. The appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs as at 31st March 2010 and of the profit of the Company for the period ended 31st March 2010;
3. The proper and sufficient care has been taken for 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;
4. The annual accounts for the year ended 31st March 2010 have been prepared on a going concern basis.

#### Auditors

M/s Arora & Choudhary Associates., Chartered Accountants, New Delhi, the retiring Auditor and being eligible, offered themselves for re-appointment. The Director recommended their re-appointment. They have furnished a certificate that their appointment, if made shall be within the statutory limits specified u/s 224(1B) of the Companies Act, 1956.

The observations of the Auditor in the Auditors Report is explained wherever necessary in the appropriate notes to the accounts.

#### Public Deposits

The Company has not invited or accepted any Deposits from the public during the period under review.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo under Section 217 (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

#### 1. Conservation of Energy

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.

#### 2. Technology Absorption

The Company is not engaged into any technology absorption transaction.

#### 3. Foreign Exchange Earnings and Outgo

There is no information to be provided under the captioned head as there is no Foreign Exchange Earnings and outgo during the period under review. The Company shall take appropriate initiatives and measures for the same.

#### Particulars of Employees

The Company has no employee in respect of whom the statement under section 217(2A) of the Companies Act, 1956 is required to be annexed.

#### Acknowledgement

Your Directors take this opportunity to convey their gratitude and sincere thanks for the unstinted co-operation & assistance, valuable guidance and the continued support of the Central Government, State Government, Customers, Bankers, and Suppliers/Vendors and other business partners.

Your Directors take note of sincere efforts of the dedicated employees at all levels who have been responsible for the growth of the Company.

For and on behalf of the Board  
Emporio B.O.S. Designs Ltd.

Place: Gurgaon  
Date: 24-05-2010

Sd/-  
(Robin Bartholomew)  
Director

Sd/-  
(Rakesh Diwan)  
Director

# AUDITORS' REPORT

## TO THE MEMBERS OF

### EMPORIO B.O.S. DESIGNS LIMITED

We have audited the attached Balance Sheet of Emporio B.O.S. Designs Limited, as at 31st March, 2010 and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditors report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above :-
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account, as required by Law, have been kept by the Company so far as appears from our examination of the books.
  - c) The Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet and Cash Flow Statement dealt with by the Report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
  - e) On the basis of written representation received from the directors and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
  - (f) In our opinion and to the best of our knowledge and information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :-
    - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2010.
    - (ii) In the case of the Cash Flow Statement, on the cash flows for the year ended on that date.

For **ARORA AND CHOUDHARY ASSOCIATES**

Chartered Accountants

F. Reg. No. 003870N

Sd/-

**(Vijay K. Choudhary)**

Partner

M. No. 081843

Place: Gurgaon

Date : 24/05/2010

**ANNEXURES REFERRED TO IN PARA 1 OF THE AUDITOR'S REPORT**

## TO THE MEMBERS OF EMPORIO B.O.S. DESIGNS LIMITED

1. Based on our scrutiny of the company's books of account and other records and according to the information and explanations received by us from the management, we are of the opinion that the question of commenting on maintenance of proper records of fixed assets, physical verification of fixed assets and any substantial sale thereof does not arise since the company had no fixed assets as on 31st March 2010 nor any time during the financial year ended 31st March 2010.
2. As the company has not purchased/ sold goods during the year, requirement of reporting on physical of stocks or maintenance of inventory records, in our opinion, does not arise.
3. The Company has taken advance from its holding company in the nature of interest free unsecured loan. The amount of transaction involved during the year is Rs. 81.39 Lacs. The outstanding amounting at the end of the year is Rs. 1,19,549/-. The terms and conditions thereof are not prima facie prejudicial to the interest of the company. The company has not granted any loans secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act and therefore, paragraph 4(iii) of the order is not applicable.
4. According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and sale of goods. We have not observed any continuing failure to correct major weakness in internal control.
5. In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 and therefore, paragraph 4(v) of the said Order is not applicable.
6. In our opinion and according to the information and explanations given to us, as the Company has not accepted deposits from the public, paragraph 4(vi) of the Order is not applicable.
7. The average annual turnover of the Company is less than Rs. 5 Crore for a period of three consecutive financial years immediately preceding the financial year concerned and the paid up capital and reserves of the company are less than Rs. 50 lacs, hence paragraph 4(vii) of the Order is not applicable.
8. We have been informed by the management that no records have been prescribed under section 209(1)(d) of the Companies Act, 1956 in respect of products manufactured by the company.
9. In our opinion and according to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, employees' state insurance, income tax, wealth tax, service tax, sales tax, custom duty, excise duty, cess, and other statutory dues, as applicable to its activities, with appropriate authorities. There are no arrears of outstanding statutory dues as at 31st March, 2010 for a year of more than six months from the date they became payable. As explained to us, there are no disputed dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess that have not been deposited on account of any dispute.
10. The company was incorporated on 06/03/2009. Since a period



of five years has not elapsed since the date of incorporation as on the Balance Sheet date, we are of the opinion that no comment is required under clause (x) of para 4 of the Order regarding the erosion of 50% or more of the net worth and cash losses in the current.

11. The Company has not taken loan from any financial institution/ bank and therefore paragraph 4(xi) of the Order is not applicable.
12. 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. 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, debentures and other investments and therefore paragraph 4(xiv) of the Order is not applicable.
15. According to the information and explanations given to us, the company has given a Corporate Guarantee in respect of loans taken from bank by its holding company. The terms and conditions thereof are not prejudicial to the interest of the company.
16. The company has not availed any term loans from the bank during the year and there is no outstanding of such loans at the end of the year.
17. Based on examination of documents and records made available and on the basis of information and explanations given to us, the company has not used funds raised on short

term basis for long term investments and vice versa.

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. The company has not raised any money by way of public issue during the year and therefore paragraph 4(xx) of the Order is not applicable.
21. During the course of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the company, noticed or reported during year nor we have been informed of such case by the Management.

**For Arora & Choudhary Associates**  
Chartered Accountants  
F. Reg. No. 003870N

**Sd/-**  
**(Vijay K. Choudhary)**  
Partner  
M. No.: 081843

Place: Gurgaon  
Date: 24/05/2010

# COMPLIANCE CERTIFICATE

CIN No. : U19115DL2009PLC188288

Nominal Capital : Rs. 10,00,000/-

The Members of  
M/s EMPORIO B.O.S. DESIGNS LIMITED  
624,Jaina Tower-1, District Centre, J  
anakpuri, New Delhi-110058

We have examined the registers, records, books and papers of M/s EMPORIO B.O.S. DESIGNS LIMITED (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under, the provisions contained in the Memorandum & Articles of Association of the Company for the financial year ended on 31st March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the financial year ended on 31st March, 2010:

1. The Company has kept and maintained registers as stated in "Annexure: A" to this Certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in "Annexure: B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under save as mentioned in the aforesaid "Annexure: B".
3. The Company is a public limited company.
4. The Board of Directors duly met 8 [Eight] times respectively on 25.05.2009, 05.06.2009, 31.07.2009, 18.08.2009, 29.10.2009, 16-01-2010, 05-03-2010 and 19.03.2010 respectively in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members, as it was not required to do so. The Company did not have any debentures.
6. The Company was incorporated on 6th March, 2009 hence no annual general meeting was held.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its directors and/or persons or firms or companies referred to in section 295 of the Act.
9. The Company has not entered into any contract falling under section 297 of the Act.
10. The Company has made necessary entries in the register(s) maintained under section 301 of the Act.
11. There was no case falling under section 314 of the Act.
12. The Company has not issued any duplicate share certificate.
13. a. The Company has not allotted any shares and there is no lodgment of Certificate(s) for transfer/transmission during the financial year.  
b. The Company has not declared any dividend during the financial year.  
c. Since the Company has not declared any dividend during the financial year, postage of dividend warrants, etc., was not applicable. The Company was not required to transfer any unclaimed/unpaid dividend to Unpaid Dividend Account with the Bank.  
d. The Company was not required to transfer any amount on account of un-paid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained un-claimed or un-paid for a period of seven years to the Investor Education and Protection Fund.  
e. The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted.
15. The Company has not appointed any managing director, whole time director or manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. As per the information given to us, the company not has obtained any approvals from the Regional Director, Registrar of Companies and /or such other authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares/debentures during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any Preference shares or debentures; hence there was no need of redemption thereof during the financial year.



22. The Company was not required to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares, as there was no such offering from the Company during the financial year.
23. The Company has not invited or accepted any public deposits including un-secured loans taken, falling under section 58A of the Act during the financial year.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others was within the borrowing limits of the Company.
25. The Company has complied with applicable provisions of the Act in making loans and investments or giving guarantees or providing securities to other bodies corporate and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Registered Office of the Company from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the Objects Clause of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the Name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the Authorized Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under review.
31. There was no prosecution initiated against or show cause notice received by the Company for alleged offenses under the Act. Similarly, no fines, penalties or punishment was imposed on the Company under the Act during the financial year.
32. The Company has not received any amount as security from its employees in terms of section 417(1) of the Act.
33. The Company has not deducted any contribution toward Provident Fund during the financial year as the same was not applicable.

Place: New Delhi  
Dated: 24.05.2010

Sd/-  
**(Nitesh Kumar Sinha)**  
Company Secretary  
CP No.7648

**M/s EMPORIO B.O.S. DESIGNS LIMITED**  
**(March 31, 2010)**

<b>Annexure: A</b>		
<b>Registers maintained by the Company</b>		
<b>Sl. No.</b>	<b>Particulars</b>	<b>Relevant Section</b>
1	Copies of Annual Returns	159
2	Register of Members	150
3	Register of Particulars of Directors, Managing Director, Manager and Secretary	303
4	Register of Directors' Share holding	307
5	Register(s) of contracts, companies and firms in which Directors are interested	301(3)
6	Register of investments or loan made, guarantee given or security provided	372A
7	Register of Charges and copies of instruments creating charge	143/136

<b>Annexure B</b>					
<b>Sr. No.</b>	<b>Form No.</b>	<b>For</b>	<b>Date of Filing</b>	<b>Whether filed within prescribed time</b>	<b>If delay in filing whether requisite additional fee paid</b>
1	Form-20	Certificate of Commencement	18/03/2009	Yes	NA
2	Form-22B	Form of Return	01/05/2009	Yes	NA
3	Form-22	Statutory Report	31/08/2009	No	Yes
4	Form-18	Change of Registered Office	11/03/2010	Yes	NA
5	Form-23AA	Shifting of Books of A/c	24/03/2010	Yes	NA



## BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	Amount (Rs.) March 31, 2010
<b>SOURCES OF FUNDS</b>		
<b>SHAREHOLDERS FUNDS</b>		
Share Capital	<b>1</b>	<b>1,000,000</b>
<b>LOAN FUNDS</b>		
Unsecured Loans	<b>2</b>	<b>119,549</b>
TOTAL		1,119,549
<b>APPLICATION OF FUNDS</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
Cash & Bank Balances	<b>3</b>	<b>1,074,933</b>
		<b>1,074,933</b>
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>		
Current Liabilities	<b>4</b>	<b>10,000</b>
		<b>10,000</b>
<b>NET CURRENT ASSETS</b>		
Pre-Operative Expenses	<b>5</b>	<b>54,616</b>
TOTAL		<b>1,119,549</b>
Significant accounting Policies and Notes forming part of the Accounts	<b>6</b>	-

The Schedules referred to above form an integral part of the Balance Sheet.

For Arora & Choudhary Associates  
Chartered Accountants  
F. Reg. No. 003870N

**For and on behalf of the Board**  
**Emporio B.O.S. Designs Limited**

**Sd/-**  
**(Vijay K. Choudhary)**  
Partner  
Membership No. 081843

**Sd/-**  
**(Tarun Oberoi)**  
Director

**Sd/-**  
**(Robin Bartholomew)**  
Director

Place : Gurgaon  
Date: 24th May, 2010





## CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31ST, 2010

	Amount (Rs.) March 31, 2010
<b>A. Cash flow from operating activities:</b>	
Net (loss)/profit before tax but after exceptional/extraordinary items	-
Operating profit before working capital changes	-
Adjustments for changes in working capital :	
- INCREASE/(DECREASE) in Trade and Other Payables	10,000
Cash generated from operations	10,000
Net cash from operating activities	10,000
<b>B. Cash flow from Investing activities:</b>	
- Pre-Operative Expenditure	(54,616)
Net cash used in investing activities	(54,616)
<b>C. Cash flow from financing activities:</b>	
Proceeds form fresh issue of Share Capital (including Share Premium )	1,000,000
Proceeds from short term borrowings	119,549
Net cash used in financing activities	1,119,549
Net Increase/(Decrease) in Cash & Cash Equivalents	1,074,933
Cash and cash equivalents as at 01.04.2009	-
Cash and cash equivalents as at 31.03.2010	1,074,933
Cash and cash equivalents comprise	
Cash, Cheques & Drafts (in hand) and Remittances in Transit	1,000,000
Balance with Scheduled Banks	74,933
Cash and cash equivalents as at 31.03.2010	1,074,933

### Notes :

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

For Arora & Choudhary Associates  
Chartered Accountants  
F. Reg. No. 003870N

For and on behalf of the Board  
Emporio B.O.S. Designs Limited

Sd/-  
(Vijay K. Choudhary)  
Partner  
Membership No. 081843

Sd/-  
(Tarun Oberoi)  
Director

Sd/-  
(Robin Bartholomew)  
Director

Place : Gurgaon  
Date: 24th May, 2010

## SCHEDULES FORMING PART OF THE BALANCE SHEET

	Amount(Rs.) March 31,2010
<b>SCHEDULE : 1</b>	
<b>SHARE CAPITAL</b>	
<b>AUTHORISED SHARE CAPITAL</b>	
100000 Equity Shares of Rs. 10/- each	1,000,000
<b>TOTAL</b>	<b>1,000,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>	
100,000 Equity Shares of Rs. 10/- each fully paid up.	1,000,000
<b>TOTAL</b>	<b>1,000,000</b>
<b>SCHEDULE : 2</b>	
<b>UNSECURED LOANS</b>	
Crew BOS Products Limited	119,549
<b>TOTAL</b>	<b>119,549</b>
<b>SCHEDULE : 3</b>	
<b>CASH &amp; BANK BALANCES</b>	
Cash in Hand	-
Bank Balance with HDFC Bank	74,933
Cheque in Hand	1,000,000
<b>TOTAL</b>	<b>1,074,933</b>
<b>SCHEDULE : 4</b>	
<b>CURRENT LIABILITIES</b>	
Audit Fee Payable	10,000
<b>TOTAL</b>	<b>10,000</b>
<b>SCHEDULE : 5</b>	
<b>PRE-OPERATIVE EXPENSES</b>	
ROC Filling Fee	28,600
Professional Charges	7,316
Printing & Stationery	5,700
Bank Charges	3,000
Audit Fee	10,000
<b>TOTAL</b>	<b>54,616</b>



## SCHEDULES FORMING PART OF THE BALANCE SHEET

### SCHEDULE 6

#### SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

##### A. SIGNIFICANT ACCOUNTING POLICIES

###### 1 Basis of Accounting

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.

###### 2 Revenue Recognition

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

###### 3 Fixed Assets

Fixed Assets are stated at actual cost of acquisition inclusive of taxes, duties, freight and any directly attributable cost of bringing the assets to their working condition for intended use.

###### 4 Depreciation

Depreciation on fixed assets is provided on the WDV Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Depreciation is charged on fixed assets only in the year in which there is some commercial activity.

###### 5 Inventories

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

###### 6 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.

###### 7 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. Provision for liabilities in respect of gratuity & leave encashment benefit are made on accrual basis and charged to profit and loss account.

###### 8 Taxation

###### Current Tax

Provision for current tax is computed on the basis of tax payable on estimated taxable income 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.

###### 9 Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

##### B. NOTES TO THE ACCOUNTS.

1. The Company was incorporated on 6<sup>th</sup> Day of March, 2009, as per the Certificate of Incorporation issued by the Registrar of Companies of National Capital Territory of Delhi and Haryana in the name & style Emporio B.O.S. Designs Limited.
2. In the opinion of the Board of Directors the current assets, loan and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities have been made.
3. The Company has not started any commercial operation during the year therefore all the expenses has been considered as Pre-Operative and has been capitalized.

4. Payment to Auditors (including service tax) :

Amount – Rs.

Particulars	For the year Ended March 31, 2010
Audit Fee (Incl. Service Tax)	10,000/-

5. Related Party Disclosure:

Amount – Rs.

Name of the Party	Nature of Relationship	Nature of Transaction	For the year Ended March 31, 2010
Crew B.O.S Products Ltd.	Holding Company	Share Capital	10,00,000.00
		Loan Received	81,39,300.00
		Loan Repaid	80,19,751.00

6. Additional information pursuant to paragraph 3, 4C & 4D of Part II of Schedule VI of the Companies Act, 1956.

- A) Licensed and installed capacity and production (As Certified by the Management) -N A-
- B) Raw Material Consumed. -N A-
- C) Composition of Raw Material consumed -N A-
- D) Statement of Opening Stock & Sales of Semi Finished Goods of Manufacturing items -N A-
- E) Expenditure and Earnings in Foreign Currency -N A-

There were no transactions in Foreign Currency during the financial year.

- 7. This is the first financial year of the company, therefore, corresponding amount for immediately preceding financial year has not been given.

For Arora & Choudhary Associates  
Chartered Accountants  
F. Reg. No. 003870N

For and on behalf of the Board  
Emporio B.O.S. Designs Limited

Sd/-  
**(Vijay K. Choudhary)**  
Partner  
Membership No. 081843

Sd/-  
**(Tarun Oberoi)**  
Director

Sd/-  
**(Robin Bartholomew)**  
Director

Place : Gurgaon  
Date: 24th May, 2010



## ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART-IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

#### I. Registration Details

Registration No.	188288
State Code	55
Balance Sheet Date	31.03.2010

#### II. Capital raised during the year (Amt. in '000)

	<b>(Rs.)</b>
Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL

#### III. Position of Mobilization and Deployment of Funds (Amt. in '000)

	<b>(Rs.)</b>
<b>Total Liabilities</b>	1,120
<b>Total Assets</b>	1,120
<b>Source of Funds</b>	
Paid-up Capital	1,000
Equity Warrants Subscribed	NIL
Reserves & Surplus	NIL
Secured Loans	NIL
Unsecured Loans	120
<b>Application of Funds</b>	
Net Fixed Assets	NIL
Investments	NIL
Net Current Assets	1,065
Pre-Operative Expenses	55
Deferred Revenue Expenditure	NIL
Accumulated Losses	NIL
Deferred Tax Asset	NIL

#### IV. Performance of Company

	<b>(Amt. in '000)</b>
	<b>(Rs.)</b>
Turnover	NIL
Total Expenditure	NIL
Profit/(Loss) before tax	NIL
Profit/(Loss) after tax	NIL
Earning per Share (Basic) in Rs.	NIL
Earning Per Share (Diluted) in Rs. NIL	
Dividend rate %	NIL

#### V. Generic Names of Principal Products/Services of Company

Item Code No. (ITC Code)	Product Description
420300	Articles of apparel and clothing accessories, of leather or of composition leather
711719	Imitation jewellery of Gold, Silver and pearls
640300	Manufacturing and Import, Export of shoes, sleepers, sandals and allied articles

For Arora & Choudhary Associates  
Chartered Accountants  
F. Reg. No. 003870N

**For and on behalf of the Board**  
**Emporio B.O.S. Designs Limited**

**Sd/-**  
**(Vijay K. Choudhary)**  
Partner  
Membership No. 081843

**Sd/-**  
**(Tarun Oberoi)**  
Director

**Sd/-**  
**(Robin Bartholomew)**  
Director

Place : Gurgaon  
Date: 24th May, 2010

## DIRECTORS REPORT

The directors have pleasure in presenting to shareholders their annual report and the audited financial statements for the year ended 31st March 2010.

The directors are not aware of any fact or circumstance emerging since the balance sheet date that would make the audited financial statements materially incorrect or misleading.

### PRINCIPAL ACTIVITY

The principal activity of the company during the year was trading of leather watch-strap.

### ACCOUNTS AND DIVIDEND

The result of the company for the year ended 31st March 2010 and the state of the company's affairs at that date are set out in the financial statements on pages 5 to 15.

The directors do not recommend the payment of a dividend in respect of the year ended 31st March 2010.

### DIRECTORS

The directors during the year and up to the date of this report were:-

<b>OBEROI</b>	<b>Tarun</b>
<b>BARTHOLOMEW</b>	<b>Robin</b>

In accordance with the Article 7 of the company's Articles of Association, all the directors shall retire at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

During the year, the company had a number of transactions with related parties. Further details of the transactions under taken in connection therewith are included in Note 12 to the financial statements.

Save as aforementioned, no other contracts of significance, to which the company was a party and in which a director of the company had a material interest, subsisted at the end of the year or at any time during the year.

At no time during the year was the company a party to any arrangements to enable the directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

### AUDITORS

The financial statements have been audited by David Yim & Co., who retire and, being eligible, offer themselves for re-appointment.

By order of the board

Sd/-

**Tarun Oberoi**

CHAIRMAN

Hong Kong, 5th May 2010



# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

(Incorporated in Hong Kong with Limited Liability)

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Crew B.O.S. Far East Limited set out on pages 5 to 15, which comprise the balance sheet as at 31st March 2010, and the income statement, statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and presentation of these financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In addition, section 141D of the Hong Kong Companies Ordinance requires that the balance sheet together with the notes thereon should be prepared in accordance with the requirements of the Eleventh Schedule to that Ordinance.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141D of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing and with reference to PN900 (Revised) "Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard" issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to 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 entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

(Incorporated in Hong Kong with Limited Liability)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### BASIS OF QUALIFIED OPINION

We have been unable to obtain instructions from the company to attend physical stock count. In consequence we were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the quantities and condition of inventories. There were no other satisfactory audit procedures that we could adopt to verify the existence, ownership, condition and valuation of the inventories of HK\$144,322 as stated in the Balance Sheet. Any adjustments to the figure may have a consequential significant effect on the result for the year and net assets at 31st March 2010.

### QUALIFIED OPINION ARISING FROM LIMITATION OF AUDIT SCOPE

Except for the effects of such adjustment, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to inventory, in our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the SME-FRS and the balance sheet together with the notes thereon is properly drawn up so as to exhibit a true and correct view of the state of the company's affairs as at 31st March 2010 according to the best of our information and explanations given to us, and as shown by the book of the company.

### REPORT ON OTHER MATTERS UNDER SECTION 141D OF THE HONG KONG COMPANIES ORDINANCE

We report that we have obtained all the information and explanations which we have required except for the matters refer above.

Sd/-

**David Yim & Co.,**  
Certified Public Accountants  
Hong Kong, 5th May 2010

## INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010 (Expressed in Hong Kong dollars)

	Notes	2010	2009
REVENUE	3	373,945	1,354,198
COST OF SALES		342,685	988,090
GROSS PROFIT		31,260	366,108
OTHER INCOME		32,666	8,120
		63,926	374,228
GENERAL AND ADMINISTRATIVE EXPENSES		105,666	336,395
FINANCE COSTS	4	430	469
		106,096	336,864
(LOSS)/PROFIT BEFORE TAX	5	(42,170)	37,364
TAX	7(a)	–	(436)
(LOSS)/PROFIT FOR THE YEAR		\$(42,170)	\$37,800

The annexed notes form an integral part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2010 (Expressed In Hong Kong Dollars)

	Share Capital	Retained Earnings	Total
<b>BALANCE AT 31ST MARCH 2008</b>			
As previously reported	7,750	72,320	80,070
Effect on adoption of SME-FRS			
Reversal of provision for deferred tax liability	–	503	503
As restated	7,750	72,823	80,573
PROFIT FOR THE YEAR	–	37,800	37,800
BALANCE AT 31ST MARCH 2009	7,750	110,623	118,373
LOSS FOR THE YEAR	–	(42,170)	(42,170)
BALANCE AT 31ST MARCH 2010	\$7,750	\$68,453	\$76,203





## BALANCE SHEET AS AT 31ST MARCH 2010 (Expressed In Hong Kong Dollars)

	Notes	2010	2009
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	8	99	1,715
<b>CURRENT ASSETS</b>			
Inventories	9	144,322	487,007
Trade Receivables		25,397	425,118
Utility Deposits Paid		–	23,800
Tax Prepaid	7(b)	6,436	2,203
Cash and Bank Balances		409,054	35,010
		<b>585,209</b>	<b>973,138</b>
<b>CURRENT LIABILITIES</b>			
Trade Payables		–	32,666
Accruals		12,500	20,000
Amount due to the Holding Company	10	496,605	803,814
		<b>509,105</b>	<b>856,480</b>
<b>NET CURRENT ASSETS</b>			
		<b>76,104</b>	<b>116,658</b>
<b>EQUITY</b>			
Share Capital	11	7,750	7,750
Retained Earnings		68,453	110,623
		<b>\$76,203</b>	<b>\$118,373</b>

The annexed notes form an integral part of these financial statements.

Approved by board of directors on 5th May 2010.

For **David Yim & Co.,**  
Chartered Public Accountants

For and on behalf of the Board  
**Crew B.O.S. Far East Limited**

Sd/-  
**(Tarun Oberoi)**  
Director

Sd/-  
**(Robin Bartholomew)**  
Director

Place : Hong Kong  
Date : May 5th, 2010

## NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 2010 (EXPRESSED IN HONG KONG DOLLARS)

### 1. GENERAL

The company is a private limited company incorporated in Hong Kong under the Hong Kong Companies Ordinance. It is a subsidiary of Crew B.O.S. Products Limited, incorporated in India. The company's registered office is located at Unit 9-10, 27/F., Seapower Tower, Concordia Plaza, 1 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong. The principal activity of the company during the year was trading of leather watch-strap.

### 2. PRINCIPAL ACCOUNTING POLICIES

The company qualifies under the Companies Ordinance to prepare and present its financial statements in accordance with Section 141D of that Ordinance. The company's shareholders have unanimously agreed in writing to apply section 141D with respect to the company's financial statements for the year ended 31st March 2010.

In the current year the company adopted, for the first time, the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are effective for accounting periods commencing on or after 1st January 2005. These financial statements have been prepared under the accrual basis and historical cost convention of accounting.

The adoption of SME-FRS did not result in substantial changes to the company's accounting policies except deferred tax has not been accounted for in the financial statements. In prior years, deferred tax has been provided for the financial statements using balance sheet liability method.

Effect of changes in accounting policies on the balance sheet as follows:

	2010	2009
Decrease in Non-Current Liabilities Deferred Tax	-	232
Increase in Equity Retained Earnings	-	503
Effects of adoption SME-FRS on the income statement are as follows:		
Decrease in profit for the year	-	271

### 2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted are as follows:

#### a) Property, Plant & Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after the asset has been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the asset, the expenditure is capitalised as an additional cost of the asset.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Where the recoverable amount of an asset has declined below its carrying amount, the carrying amount is reduced to reflect the impairment losses. In determining the recoverable amount of assets, expected future cash flows are discounted to their present values.

Depreciation is calculated to write off the cost of property, plant and equipment over their estimated useful lives and after taking into account their estimated residual values by the straight line method at the following annual rates:-

Computer Equipment	33.3%
Office Equipment	20%

A full year depreciation charge is provided in the month of acquisition and no depreciation is provided in the month of disposal.

#### b) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, costs of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the first-in-first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales.



## NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 2010 (EXPRESSED IN HONG KONG DOLLARS)

### c) Impairment of Assets

An assessment is made at each balance sheet date to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant & equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

### d) Revenue

Revenue is recognized when it is probable that the economic benefits will flow to the company and when the revenue can be measured reliably as follow:-

#### Sales of Goods

Sales of goods is recognized whenever the goods are delivered and titles have been passed to the customers.

### e) Taxation

Income tax expense represents the sum of the tax currently payable.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable and deductible.

Deferred tax is not provided for in the financial statements.

### f) Operating Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rental payable under operating leases are charged to the income statement on a straight line basis over the periods of the respective leases.

### g) Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control or exercise significant influence or jointly control over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

## 3. REVENUE

Revenue, which is also the company's turnover, represents the invoiced value of sales to customer less discount and return during the year.

## 4. FINANCE COSTS

	2010	2009
Bank Interest and Charges	430	469

## 5. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax is arrived at after charging:-

	2010	2009
Auditors' Remuneration	7,500	12,000
Staff Costs (excluding directors' remuneration (note 6))	-	195,392
Depreciation	1,616	1,766
Minimum Lease Payments Under Operating Leases of Land and Buildings	84,430	19,500
and after crediting:-		
Exchange Gain	-	3,618
Sundry Income	32,666	4,502

## NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 2010 (EXPRESSED IN HONG KONG DOLLARS)

### 6. DIRECTORS' REMUNERATION

No director received any fees or emoluments in respect of their services rendered to the company during the year (2009: \$Nil).

### 7. TAX

a) No provision for tax has been made as the company sustained a loss during the year for profits tax purposes.

Tax in the income statement represents:

	2010	2009
Provision for Hong Kong profits tax at 16.5% for the year	–	6,436
Tax Reduction	–	(6,872)
	–	(436)

b) Tax in the balance sheet represents:

Provision for Hong Kong profits tax at 16.5% for the year	–	6,436
Provisional profits tax paid	(6,436)	(8,639)
	(6,436)	(2,203)

### 8. PROPERTY, PLANT & EQUIPMENT

	Computer Equipment	Office Equipment	Total
Cost			
Bal. b/f and c/f	3,500	3,000	6,500
Accumulated Depreciation			
Bal. b/f	2,235	2,550	4,785
Charges for the year	1,166	450	1,616
Bal. c/f	3,401	3,000	6,401
Net Book Value			
@31.03.2010	99	–	99
@31.03.2009	1,265	450	1,715

### 9. INVENTORIES

	2010	2009
Inventories comprise:-		
Raw Materials	144,322	487,007

### 10. AMOUNT DUE TO THE HOLDING COMPANY

The Directors consider the holding company was interest free, unsecured and repayable on demand.

### 11. SHARE CAPITAL

	2010	2009
Authorized, Issued and Fully Paid:-		
1,000 Ordinary Shares of USD\$1 each	7,750	7,750

### 12. RELATED PARTY TRANSACTIONS

In addition to the transactions disclosed elsewhere in these financial statements, the company had the following material transactions with related parties during the year.

	Notes	2010	2009
Sales of Goods to the holding company	(i)	–	380,498
Purchases of Materials from the holding company	(ii)	–	92,308

Notes:

- (i) The sales of goods to the holding company, was made according to the published prices and conditions offered by the subsidiary company to their major customers.
- (ii) The purchase of materials from the holding company, was made according to the published prices and conditions offered by the subsidiary company to their major customers.

### 13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.



## DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

(EXPRESSED IN HONG KONG DOLLARS)

	2010	2009
<b>REVENUE</b>	<b>373,945</b>	1,354,198
<b>COST OF SALES</b>		
Opening Inventories @1.4.2009	487,007	840,181
Purchase	–	598,684
	<b>487,007</b>	1,438,865
Less: Closing Inventories @31.3.2010	<b>144,322</b>	487,007
	<b>342,685</b>	951,858
Freight and Transportation	–	36,232
	<b>342,685</b>	988,090
<b>GROSS PROFIT</b>	<b>31,260</b>	366,108
<b>OTHER INCOME</b>		
Exchange Gain	–	3,618
Sundry Income	<b>32,666</b>	4,502
	<b>32,666</b>	8,120
	<b>63,926</b>	374,228
Less:		
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>105,666</b>	336,395
<b>FINANCE COSTS</b>	<b>430</b>	469
	<b>106,096</b>	336,864
<b>(LOSS)/PROFIT BEFORE TAX</b>	<b>\$(42,170)</b>	\$37,364

## SCHEDULES OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED 31ST MARCH 2010

(EXPRESSED IN HONG KONG DOLLARS)

	2010	2009
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Accountancy Fee	5,000	15,000
Audit Fee	7,500	12,000
Business Registration Fee	450	–
Declaration	–	292
Courier and Postage	–	879
Depreciation	1,616	1,766
Equipment Rental	–	61,388
Exhibition and Promotion Expenses	–	20,972
Legal and Professional Fee	5,270	4,009
Local Travelling	–	1,836
Mandatory Provident Fund Contribution	–	6,249
Overseas Travelling	1,400	2,808
Printing and Stationery	–	80
Rent, Rates and Building Management Fee	84,430	19,500
Salaries and Allowances	–	189,143
Sundry Expenses	–	260
Telephone and Fax	–	213
	<b>105,666</b>	336,395
<b>FINANCE COSTS</b>		
Bank Interest and Charges	430	469

**PROFITS TAX COMPUTATION – 2009/10****Basis Period: Account for the year ended 31st March 2010.**

Loss per Account	(42,170)
Add: Item Not Claimed	1,616
Depreciation	(40,554)
Less: Item Claimed	
Depreciation Allowance	98
Adjusted Loss	(40,652)
STATEMENT OF LOSS	
Loss for the year & c/f	40,652

**SCHEDULES****1. DEPRECIATION ALLOWANCE**

	20% Pool	Total
W.D.V. b/f	492	
A.A.	98	98
W.D.V. c/f	394	98

**2. LEGAL AND PROFESSIONAL FEE**

Manuel S.F. Tjon & Co.	
- Preparing Employers Return for 2009	550
- Accounting Fee Handling Charges	215
Chan & Man Certified Public Accountants	1,000
- Audit Fee Disbursement for 2009	
Regent Secretarial and Tax Consultants Limited	3,505
- Secretarial Fee	
	<u>5,270</u>



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