

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.

Contents

08	Chairman & Managing Director's letter	12	Corporate Information	13	Directors' Report
17	Corporate Governance	25	Management Discussion and Analysis	30	Auditors' Report
32	Financials				



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





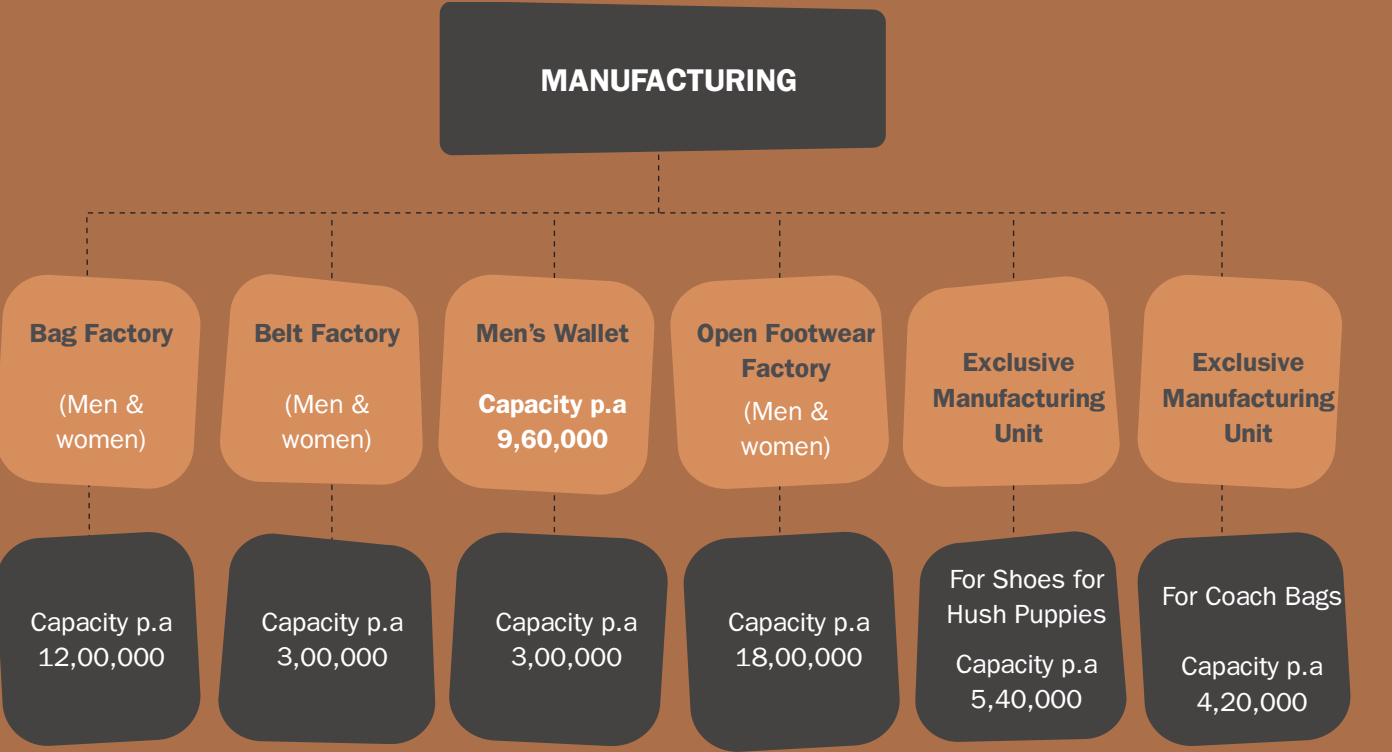
machinery to manufacture, finish and produce best-in-class international grade leather. The Company has also invested in robust, modern manufacturing units and certified quality processes in line with its total quality commitment.

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.

Scalabe, 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 mantle 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