

24th

Annual Report

2012 - 13



CREW B.O.S PRODUCTS LTD.



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CHAIRMAN'S AND MANAGING DIRECTOR'S LETTER

Dear Shareholders

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

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

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

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

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

Financial & Business review

Your Company's gross income for the year ended 31st March, 2013 stood at Rs. 28819.14 Lakhs, as against Rs. 43903.56 lakhs for the previous year. The net income from operations was Rs. 26794.99 lakhs during FY13, as against Rs. 43204.05 lakhs for the previous year.

However, an increase in the total expenditure (with increased interest costs, finance charges, higher depreciation and staff and other costs going up) affected net profits during the year under review. Your company is confident of increasing its business during the current fiscal and steps taken in the form of consolidations plans encompassing the high adherence to world class quality standards shall contribute in realizing its aspirations. The present year has had its share of misfortune in the international trade and your company suffered heavily due to non realization of debts from exports /domestic trades due to the economic downturn in the Global economy.

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

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



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

A WAY FORWARD

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

A word of thanks

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

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

Yours truly,
TARUN OBEROI
Chairman



CORPORATE INFORMATION

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



NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY-FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE CREW B.O.S. PRODUCTS LIMITED WILL BE HELD ON THURSDAY THE 7TH DAY OF NOVEMBER, 2013 AT 10.00 A.M AT SRI SATHYA SAI INTERNATIONAL CENTRE AUDITORIUM, INSTITUTIONAL AREA, PRAGATI VIHAR LODHI ROAD, NEW DELHI-110003 TO CONSIDER AND TRANSACT THE FOLLOWING BUSINESS(S):-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2013 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To reappoint a Director, who retires by rotation and, being eligible, offer him-self for re-appointment.
3. To appoint Mr. Atish Kumar Shaw, Chartered Accountant, in place of retiring auditors M/s Anil K. Goyal & Associates, Chartered Accountants, New Delhi as Statutory Auditor of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company and to fix is remuneration.

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

SPECIAL BUSINESS:

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

Place : Gurgaon
Date : 30/09/2013

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

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

Sd/-
(Ashish Goel)
Company Secretary



NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS (ENCLOSURE HEREWITH) DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY –EIGHT HOURS BEFORE THE SCHEDULED TIME OF COMMENCEMENT OF THE MEETING. THE SAME SHOULD BE DULY SIGNED AND STAMPED IN ORDER TO BE EFFECTIVE.**
2. The Statement pursuant to Section 173(2) of the Companies Act, 1956 and pursuant to section 102 of the Companies Act, 2013 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 28.10.2013 to 07.11.2013(both days inclusive).
4. Members, who hold shares in dematerialized form, are requested to bring their DP ID and Client ID for easier identification and recording of attendance at the meeting.
5. Members may please bring the Admission Slip with them duly filled in and hand over the same at the venue of the meeting. Entry to the Auditorium will be strictly against Entry slip available at the counters at the venue in exchange of Admission slip. No Brief case/ Bags/Eatable are allowed to be taken inside the Auditorium as per Auditorium rules.
6. Members desirous of asking any question or seeking any information in the Meeting are requested to write a letter to the Company Secretary so as to reach him at least 7 days before the date of the Meeting to enable the Management to keep the answers/information ready.
7. Members who hold shares in physical form are requested to intimate to RTA, M/s. Skyline Financial Services Private Limited, D-153/A, 1st Floor Okhla Industrial Area, Phase-1, New Delhi-110020 under the signature of the Sole/First holder, the following information to update its records
 - i. Name of the Sole / First holder and the Folio Number.
 - ii. Address of the Member Particulars of Bank Account, viz: name, branch and complete
 - iii. Address of the Bank, Bank account number and type of Accounts (Saving, Current etc)
8. The unpaid dividend for the following Financial Years shall become due for transfer to the Investor Education and Protection Fund (IEPF) established by the Central Government under Section 205C of the Companies Act, 1956 on the respective dates as mentioned below. The Shareholders who have not claimed their dividends for the year 2005-06 and onwards may claim their dividends. It is important to note that no claim shall lie against the Company or IEPF, once amount is transferred to IEPF.

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

9. As the measure of economy and convenience copy of Annual Reports will not be distributed at the venue of Annual General Meeting. Members are therefore requested to bring their own copies of the Annual report to the Meeting.
10. All the documents referred to in the accompanying Notice and Explanatory Statements are open for inspection at the Registered Office of the Company on all working days between 11:00 A.M. to 1:00 P.M. upto the date of Annual General Meeting.
11. In terms of Section 109 of the Companies Act, 1956, Members holding shares in physical form can avail the Nomination Facility by sending duly filled Form No. 2B (in duplicate) to the Company. In case of shares held in Demat Form, the nomination has to be lodged with your Depository Participant (DP).

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

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

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

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

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

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

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

Item No. 4

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

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

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

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

Your Directors recommend the Resolution for approval of the Members.

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

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

Item No. 5

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



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

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

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

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

Your Directors recommend the Resolution for approval of the Members.

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

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

Item No. 6.

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

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

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

The Board of Directors recommends this resolution for your approval.

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

Item No 7.

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