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9th Annual Report  
2010-11



**FIRST WINNER**



## Message from Managing Director



I highly appreciate your faith and confidence in our organization. I am also glad to say that the year 2010-11 was good for the textile industry as a whole and it was also very good for your company. I am very happy to recommend dividend for financial year 2010-11.

As you are all aware about the global crisis for industrial growth, we have also experienced during the year the hike in prices of raw material, increase in cost of labour, cost of fuel and power. Our strict measures of cost control and increase in productivity have resulted in better result and better profits than last year.

It's my great pleasure to inform you that your company is ready to start their yarn dyeing project by end of September; 2011. Your confidence in this company gives the management an immense boost to achieve better results and faster growth & expansion.

**Thank You**

**Yours' Sincerely  
Rinku Patodia**

# First Winner Industries Limited

## Board of Directors

Shri M. K. Sinha  
Independent, Non Executive Chairman

Shri B. G. Agarwal  
Independent, Non Executive Director

Shri Anil Gupta  
Independent, Non Executive Director

Smt. Anita Patodia  
Executive Director

Shri Rinku Patodia  
Managing Director

## Company Secretary

Mrs. Shristi Padia

## Auditors

M/S Praful M. Joshi, Chartered Accountants, Mumbai

&

M/S Deshmukh & Associates, Chartered Accountants, Mumbai

## Bankers

State Bank of India

State Bank of Indore

## Registrar and Share Transfer Agent

Link Intime India Private Limited  
(Formerly Intime Spectrum Registry Limited)  
C-13 Pannalal Silk Mills Ltd., L B S Marg,  
Bhandup (West), Mumbai-400078

## Registered Office

605, Business Classic,  
Chincholi Bunder Road,  
Malad (W), Mumbai – 400064  
Tel: 91 22 2880 2255/99  
Fax: 91 22 2881 2288  
Email: info@firstwinnerind.com

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## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Ninth Annual General Meeting of the members of First Winner Industries Limited will be held on Wednesday, the 28th September, 2011 at Goregaon Sports Club, Link Road, Malad (West), Mumbai- 400064 at 11.00 a.m. to transact the following business:

### **AS ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011, the Profit & Loss Account and Cash Flow Statement for the year ended on that date along with the Schedules and the Reports of the Directors and Auditors thereon.
2. To declare a final dividend for the financial year ended March 31, 2011.
3. To appoint a director in place of Shri B. G. Agrawal, who retires by rotation and being eligible, seeks reappointment.
4. To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of Annual General Meeting and to fix their remuneration and to pass the following resolution thereof:

“Resolved that M/s Praful M. Joshi and M/s Deshmukh & Associates, Chartered Accountants be and are hereby reappointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors of the Company.”

### **AS SPECIAL BUSINESS:**

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

“RESOLVED THAT pursuant to the provisions of Section 94, 97 and other applicable provisions of the Companies Act, 1956, the authorized share capital of the company be increased from Rs. 35,00,00,000/- (Rupees Thirty Five Crore only) to Rs. 51,00,00,000/- (Rupees Fifty One Crore only) by creation and addition of 1,60,00,000 (One Crore Sixty Lac) equity shares of Rs. 10 (Rupees Ten only) each aggregating to Rs. 16,00,00,000/- (Rupees Sixteen Crore only), the new equity shares shall ranking pari passu with the existing equity shares for dividend and other purposes.

RESOLVED FURTHER THAT pursuant to Section 16 and other applicable provisions, if any, of the Companies Act, 1956, the existing clause No. V(A) of the Memorandum of Association of the Company, be and is hereby substituted by a new clause No. V(A) as under:

V(A) The Authorized Share Capital of the Company is 5,10,00,000/- (Five Crore Ten Lac only) Equity shares of Rs. 10/- each aggregating Rs. 51,00,00,000/- (Fifty One Crore only), with the power to increase, reduce, subdivide, consolidate, convert into equity shares in accordance with the provisions of the law from time to time.”
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 31 and other applicable provisions of the Companies Act, 1956, existing Clause 3 of the Articles of Association be and is hereby replaced by a new clause No. 3 as under:

  3. The Authorized Share Capital of the Company is 5,10,00,000/- (Five Crore Ten Lac only) Equity shares of Rs. 10/- each aggregating Rs. 51,00,00,000/- (Fifty One Crore only), with the power to increase, reduce, subdivide, consolidate, convert into equity shares in accordance with the provisions of the law from time to time.

The minimum paid up capital of the Company shall be Rs. 5,00,000/- (Rupees Five Lac only).

RESOLVED FURTHER THAT Mr. Rinku Patodia, Managing Director of the company be and is hereby authorized to sign all necessary documents and to take all necessary steps/actions as may be required in the above matter.”
7. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:
 

“RESOLVED THAT in accordance with the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and of Memorandum and Articles of Association of the Company and subject to consent(s), approval(s), permission(s) or sanction(s) including any conditions thereof or any modifications to the terms and conditions therein, if any, required of any authorities or financial institution(s) as may be necessary, consent of the shareholders be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which expression shall be deemed to include any Committee which the Board may constitute to exercise its powers) to issue, offer for subscription and allot up to 1,35,00,000 equity shares of Rs. 20/- each (including premium of Rs. 10/- each) to are being issued and allotted to promoter, promoter group or person acting in concern and the balance 1,15,00,000 equity shares of Rs.20/-

each (including premium of Rs. 10/- each) to domestic/foreign investors and/or bodies corporate (other than promoter and promoter group) on preferential basis at a price which shall not be less than higher of the following:-

- (a) The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date;

OR

- (b) The average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date.

“RESOLVED FURTHER THAT the “Relevant Date” in terms of the Guidelines for the purpose of determining the price of the equity shares shall be August 29, 2011, being the date 30 days prior to the date of this General Meeting”.

“RESOLVED FURTHER THAT the equity shares issued shall rank pari passu with the existing equity shares of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of the shares and to vary, modify, or alter any of the terms and conditions, including the size and price (in accordance with Guidelines) as it may deem expedient.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorized to agree to, make and accept such conditions, modifications and alterations as may be stipulated by the relevant authorities and to take such actions as may be necessary, desirable or expedient to effect such modifications and alterations and to resolve and settle all questions and difficulties that may arise in the proposed issue and allotment of shares and to do all acts, deeds, matters and things as it may at its discretion consider necessary or desirable without being required to seek any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

31<sup>st</sup> August, 2011

Registered Office:

605, Business Classic  
Chincholi Bunder Road,  
Malad (West),  
Mumbai- 400064

By Order of the Board

First Winner Industries Ltd

Sd/-  
Rinku Patodia  
Managing Director

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. (A copy of the proxy form is attached).
2. Proxies in order to be effective must be received by the Company at the registered office address not less than 48 hours before the commencement of the meeting.
3. Members are requested to notify any change in their address at the Registered Office of the Company immediately.
4. The Register of Members and Share Transfer Register shall remain closed with effect from Friday, the 23<sup>rd</sup> September, 2011 to Wednesday, the 28<sup>th</sup> September, 2011 (both days inclusive).
5. Those members attending the Annual General Meeting are requested to bring their Annual Reports, as copies of the Annual Report will not be distributed at the venue.
6. Members are requested to preferably send their queries to the Registered Office 7 days before the date of the Annual General Meeting.
7. Explanatory Statement with respect to Item No. 5 to 7 is annexed and forms part of the Notice.
8. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
9. As required by Clause 49 of the Listing Agreement, members are informed that Shri B. G. Agarwal does not hold any equity shares in the Company and the additional information in respect of the said Director recommended for re-election at the AGM is appearing in the Corporate Governance Report annexed to the Directors' Report.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

### ITEM NO. 5 & 6

The present Authorized Share Capital of the Company be increased from Rs. 35,00,00,000/- (Rupees Thirty Five Crore only) to Rs. 51,00,00,000/- (Rupees Fifty One Crore only) by creation and addition of 1,60,00,000 (One Crore Sixty Lac) equity shares of Rs. 10 (Rupees Ten only) each aggregating to Rs. 16,00,00,000/- (Rupees Sixteen Crore only). In order to meet the financial requirement due to expansion plan of the Company including capital expenditure for future growth of the Company, to meet long term working capital requirements and for general corporate purposes, the management has decided to arrange the funds by way of issue of convertible warrants and preference shares which may be beyond the existing Authorized Capital of the Company. The approval of the members is required by way of ordinary resolution to alter the memorandum of Association and special resolution to alter the Articles of Association of the Company to give effect to increase the Authorized Capital of the Company.

Article No. 3 of the Articles of Association of the Company confers power on the company to increase its authorized capital.

The capital clause (Clause V) in the Memorandum of Association is also required to be amended on account of increase in authorized capital of the company.

The Memorandum and Articles of Association of the company can be inspected at the registered office of the company at any time during the business hours.

None of the Director of the Company is in any way concerned or interested in this resolution except to the extent of their respective shareholding, if any, in the Company.

Your Directors recommend this resolution for approval of shareholders.

### ITEM NO. 7

Your company needs funds of Rs. 50 Crore for investment in its wholly owned subsidiary companies and for working capital. The management feels that it would be prudent for the company to raise the funds through issue of 2,50,00,000 equity shares at a price not less than as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2011.

Your company is proposing to offer and issue 2,50,00,000 equity shares, at Rs. 20 each (including premium of Rs. 10/- each) fully paid up to the Promoters and/or its associates and others.

The offer, issue and allotment of 2,50,00,000 equity shares, to the Person (s) / Entity shall be completed within the prescribed period of 15 days from the date of passing of the special resolution in accordance with the guidelines of the Securities & Exchange Board of India (SEBI) for Preferential Issues, being Chapter VII to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2011, or within such other time as may be permitted under the said guidelines. The said shares shall have such face value and shall be subject to such terms and conditions, as are stated in the special resolution mentioned above.

A copy of the certificate of the Auditors of the Company certifying the adherence to SEBI's guidelines for Preferential Issues, being Chapter VII to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2011 by the proposed issue shall be laid before the shareholders at their proposed Annual General Meeting.

The Disclosure as required under "SEBI Guidelines for Preferential Issue" under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2011 are as under:

a) **Objects of the issue:**

With a view to augment the future growth of the Company, to meet long term working capital requirements, for investment in wholly owned subsidiary companies and for general corporate purposes at the discretion of the Board.

b) **Pricing:**

The issue of equity shares on preferential basis shall be at a price of Rs. 20/- each (including premium of Rs. 10/- each). The price is determined in compliance with SEBI Guidelines for Preferential Issues.

The issue price shall not be less than higher of the following:-

- (a) The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date;

OR

- (b) The average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date.

The price of the equity shares shall be determined in compliance with SEBI Guidelines for Preferential Issues contained in Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2011, as amended upto date.

**c) Intention of Promoters/Directors/Key Management persons to subscribe to the offer:**

The Promoters/Directors / Key Management of the Company has expressed their intention to subscribe to the offer being proposed under special resolution of the Notice for shareholders' approval at this meeting.

**d) Relevant Date:**

The relevant date for the purpose of pricing of the securities shall be 29th August, 2011, the thirty (30) days prior to the date of this Meeting as per Regulation 71 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2011.

**e) Shareholding Pattern before and after Preferential Allotment**

The shareholding pattern of the company before and after the Preferential Allotment as under:

Shareholding Pattern	Before preferential allotment		After preferential allotment of shares	
	No. of Shares	% of Share Holding	No. of Shares	% of Share Holding
<b>A. PROMOTERS HOLDING</b>				
1. PROMOTERS				
* Indian Promoters/ Promoter Group	11347100	44.97	24847100	49.46
* Foreign Promoters	---	---	---	---
Sub-Total	11347100	44.97	24847100	49.46
<b>B. NON-PROMOTERS HOLDING</b>				
2. Institutional Investors				
a. Mutual Funds and UTI	--	--	--	--
b. Bank, Financial Institutions, Insurance Companies, (Central / Non-Government Institutions)	--	--	--	--
c. FIs	--	--	--	--
Sub-Total	--	--	--	--
3. OTHERS				
a. Private Corporate Bodies	11764914	46.63	20262203	40.34
b. Public	1807101	7.16	5123490	10.20
c. Any others (Foreign Companies & Clearing Members)	313678	1.24	--	--
Sub-Total				
<b>GRAND TOTAL</b>	<b>25232793</b>	<b>100.00</b>	<b>50232793</b>	<b>100.00</b>

**f) Proposed time within which allotment will be completed:**

The allotment of 2,50,00,000 equity shares as proposed under special resolution of the notice will be completed within 15 days period from the passing of the said resolution at this meeting, or such other time as may be prescribed under the SEBI's Guidelines on Preferential Issues.

**g) Identification of allottees with percentage of expanded capital to be held by them:**

The proposed allottees for 2,50,00,000 Equity Shares issued pursuant to special resolution of the notice and the percentage of expanded capital to be held by them after the proposed allotment of the said equity shares to them as per the said resolution are as under:

Sr. No.	Name of the Allottees	Category	Before Preferential Issue		After preferential issue	
			No. of Shares held	% of Share holding	No of Shares held	% of share holding
1)	First winner Textiles (India) Pvt. Ltd.	Promoter	1000000	3.96	3700000	7.37
2)	Bhagwat Textiles Pvt. Ltd.	Promoter	1100000	4.36	3800000	7.56
3)	Starwood Exports Pvt. Ltd.	Promoter	1012100	4.01	3712100	7.39
4)	Solitaire Texfeb & Traders Pvt. Ltd.	Promoter	1165865	4.62	3865865	7.70
5)	Rikosh Fashions Pvt. Ltd.	Promoter	1106500	6.78	3806500	7.58
6)	Saachi Sales Agency Pvt. Ltd.	Non-Promoter	Nil	Nil	2300000	4.58
7)	Angarika Multitrading Pvt. Ltd.	Non-Promoter	Nil	Nil	2300000	4.58
8)	Ehimaya Trading Pvt. Ltd.	Non-Promoter	Nil	Nil	2300000	4.58
9)	Naitik Multitrading Pvt. Ltd.	Non-Promoter	Nil	Nil	2300000	4.58
10)	Geetika Mercantiles Pvt. Ltd.	Non-Promoter	Nil	Nil	2300000	4.58

**h) Approval under the Companies Act, 1956**

Section 81 of the Companies Act, 1956 provides inter alias, that when it is proposed to increase the issued capital of a Company by allotment of further shares, etc., such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81 unless the shareholder in general meeting decide otherwise by passing a special resolution.

Hence, consent of the shareholder by way of a Special Resolution is being sought pursuant to the provisions of Section 81 and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the SEBI (Issue of capital and Disclosure Requirements) Regulations, 2011 and the listing agreements executed by the Company with the Stock Exchanges where the Company's shares are listed.

**i) Change in Management:**

The proposed preferential allotment of equity shares will not result in any change in the management and control of the company. Voting right shall change according to the change in shareholding pattern mentioned above.

**j) Auditor Certificate:**

A certificate, as required under SEBI Guidelines, certifying that the proposed issue is in accordance with the said Guidelines has been obtained from the Auditors of the Company.

**k) Lock-in:**

The Equity Shares to be allotted on preferential basis shall be subject to lock-in as per applicable SEBI Guidelines in this behalf.

The Board of Directors of your Company recommends the resolution for approval of the members.

Except Mr. Rinku Patodia and Mrs. Anita Patodia, none of the Directors of the Company are concerned or interested in the said resolution.

31<sup>st</sup> August, 2011

Registered Office:

605, Business Classic  
Chincholi Bunder Road,  
Malad (West),  
Mumbai- 400064

By Order of the Board  
First Winner Industries Ltd

sd/-  
Rinku Patodia  
Managing Director

## **DIRECTORS' REPORT**

**Dear Shareholders,**

The Directors have pleasure in presenting their Ninth Annual Report and Accounts for the year ended March 31, 2011.

### **FINANCIAL RESULTS**

	<b>2010-11 Rupees</b>	<b>2009-10 Rupees</b>
Profit before depreciation and tax	89955896	83533412
Less: Depreciation	29057353	27392289
Profit after depreciation but before tax	60898543	56141123
Less: Provision for tax	12916346	10270833
Deferred tax	20943432	13564194
Fringe Benefit tax	-	-
Less: Short provision for earlier year	45302	89570
Profit after tax	27084068	32216526
Add: Balance brought forward from previous year	143519048	111302522
Appropriation:		
Proposed Dividend	12616397	8866397
Tax on Proposed Dividend	2095426	1472598
Balance carried forward	155891293	133180053

### **DIVIDEND**

The Board of Directors of your Company has recommended a dividend of 5% per equity share of Rs. 10/- each.

### **DEPOSITS**

The Company has not accepted any deposits pursuant to section 58A of the Companies Act, 1956 and the Rules framed there under including Companies (Acceptance of Deposits) Rules, 1975.

### **AUDITORS' REPORT**

The Auditors' report to the shareholders does not contain any qualifications.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors of the Company confirms:

- i. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departure;
- ii. that the selected Accounting Policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the profit of the company for the year ended on that date;
- iii. that 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; and
- iv. that the annual accounts have been prepared on going concern basis.

### **DIRECTORS**

Mr. B. G. Agarwal is liable to retire by rotation at the ensuing annual general meeting and being eligible offer himself for re-appointment and your directors recommend the re-appointment in the interest of the Company.

**MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report, which gives a detailed account of operations of your company and the market in which it operates, including initiative taken by the company to further its business, forms part of this Annual Report.

**CORPORATE GOVERNANCE**

A report on Corporate Governance along with a certificate from the auditors of the Company regarding the compliance of conditions of corporate governance as stipulated under Clause 49 of the Listing Agreement is annexed to this report.

**AUDITORS**

The Joint Auditors M/s Deshmukh & Associates and M/s Praful M. Joshi, Chartered Accountants, hold office until the conclusion of the forthcoming Annual General Meeting and are recommended for re-appointment and authorize Board to fix their remuneration.

**SUBSIDIARIES**

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company. The Consolidated Financial Statements present by the Company including the financial results of its subsidiary companies.

Your company has three wholly owned subsidiaries, viz. First Winner Lifestyle Limited, Ramshyam Textile Industries Limited and Pal Trading Co. Pvt. Ltd. All companies are in the Textiles Business and having same business line as of ours and beneficial to all the Four companies to work together to reflect better turnover and profitability.

In the interest of our share holder the company has decided to up load the annual account of its subsidiaries companies with the annual report on its web site.

**FUTURE OUTLOOK**

Your directors are happy to inform you that this year was good for textile business as a whole and in particular it was very good for your company. As our special field of fine variety woven coloured checks we could have made much higher profits if the cost of raw material, fuel and labour would not have increased significantly.

We are pleased to inform you that the yarn dyeing project is ready for bulk production. Initial trials are already organized and now we are confident to have very good output as all our customers, those who are getting their fabric woven from us, are very much interested to load us with their requirements.

As you are aware that our garment division is supplying to the market, full range of men's clothing and apparels like casual shirts, party shirts, formal shirts, denim jeans and formal trousers under the brand names of "Vencedor" and "Seiger", in addition, I am delighted to inform you that we have also started marketing and export of fabrics. We have received very good response from the market for our products.

The present textile business and response to your company for textile marketing has been very encouraging. It gives us the motivation for further expansion in the form of fabric processing division. In the near future, we propose to come out with our processing unit.

**DISCLOSURE OF PARTICULARS**

Information as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are given in Annexure forming part of this Report.

**PARTICULARS OF EMPLOYEES**

None of the Employee is in receipt of remuneration up to the limits prescribed under Section 217(2A) of the Companies Act, 1956 and the Rules made there under.

**PERSONNEL**

The Board of Directors wishes to express its appreciation for the outstanding contribution made by employees to the operations of the Company during the year.

**ACKNOWLEDGEMENT**

The Board of Directors thanks the Banks, Central and State Government authorities and all the stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board  
First Winner Industries Limited

Sd/-  
Rinku Patodia  
Chairman

Mumbai, August 30, 2011.

Registered Office:

605, Business Classic,  
Chincholi Bunder Road,  
Malad (West),  
Mumbai-400 064.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Overall review of the economy**

Notwithstanding signs of recovery from the previous financial crisis, the textile and apparel industry went through a tough year struggling with the surging and fluctuating prices of raw materials. In 2011, emerging Asian countries, namely Bangladesh, India, Veitnam, Cambodia, and Pakistan, are believed to steal the spotlight of the global textile industry. According to the Clothing Industry Training Authority (CITA), these countries will be playing more significant part in the industry in 2011.

### **Industry Structure and Developments**

The textile industry occupies a unique place in our country. It accounts for 14 percent of the total industrial production to nearly 30 percent of the total exports and is the second largest employment generator after agriculture. India's market share in garment exports is an enviable 2.99%, it is the 6<sup>th</sup> largest exporter of readymade garments with a 2.6% world market share. The industry supports 7 million people as part of its work force, and aims to double this figure by 2011-12. The apparel sector alone contributes to 8% of India's total exports with exports recording a 1% growth over last year. By the year 2011-12, India expects to record a 15% growth in quantity and 20% growth in values.

### **Opportunities and Threats**

The company mainly deals in trading and manufacturing of Textile Fabric. The company uses its consolidated resources for committing capital for its future business activities. Increasing operational efficiency and improvement in asset resolution has been the company's objective. The company will continue to search and pursue all new opportunities of growth. Improvement in capital adequacy and debt equity ratios, also raising new financial resources at competitive cost on a regular basis is extremely important for the company to be able to fully utilize the opportunities which come in future. Although, risk is an inevitable part of any business, your company's efforts are always directed towards earning maximum returns with minimum possible risk involved.

#### **Opportunities:-**

- Indian companies need to focus on Product Development.
- Increased use of CAD to develop designing capabilities.
- Government policy is favorable for textile Industries.
- The branded companies of the overseas market have entered Indian market.
- Investing in Trend forecasting to enable the growth of industry.

#### **Threats:-**

- Competition in the Domestic Market.
- Need to revamp consumer consciousness.
- Natural calamities beyond control.
- Under the new patent regime Indian Companies cannot duplicate the MNCs processes and procedures.
- General market competition especially from established Indian Companies and MNCs.
- Tackle Chinese Aggression over the International Market.

### **Segment wise Performance**

Trading and manufacturing of Textile Fabric is the main business activity of your Company. Segment reporting as required under Accounting Standards-17 is not applicable as all the revenue income comes from a single segment.

### **Internal Control**

The Company maintains a system of internal control, including suitable monitoring procedures and the adequacy of the same has been reported by its auditors in their report as required under the Companies (Auditor's Report) Order, 2003. The Internal Audit Department regularly conducts a review to assess the financial and operating controls of the Company. Any significant issue is required to be brought to the attention of the audit Committee of the board. The statutory Auditors and the Head of Internal Audit are invited to attend the Audit Committee meetings.

**Human Resources/ Industrial Relations Front**

The Company continues to have the cordial and harmonious relations with its employees and there has been no material development on the Human Resource/ Industrial Relations front during the year. The Company considers the quality of its human resources to be most important asset and constantly endeavors to attract and recruit best possible talent.

**Cautionary Statement**

Statements in the Management Discussion Analysis Report describing the Company's objectives and predictions may be forward looking within the meaning of applicable rules and regulations. Actual results may differ materially from those either expressed or implied in the statement depending on circumstances.

## **ANNEXURE TO THE DIRECTORS' REPORT**

Statement pursuant to Section 217(1) (e) of the Companies Act, 1956 and Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988

### **FORM A**

#### **Form for disclosure of particulars with respect to Conservation of Energy**

##### **(A) Power and Fuel Consumption:-**

		<b>2010-11</b>	<b>2009-10</b>
1.	<b>Electricity</b>		
	a. Purchased Units (KWH)	4267995	4073606
	Total Amount (Rs.)	14607012	13014688
	Average Rate/Unit (Rs.)	3.42	3.19
	b. Own Generation		
	i) Through diesel generator	N.A.	N.A.
	Units (KWH)		
	Units/Lt. of Diesel		
	Cost/ Unit (Rs.)		
	ii) Through Steam Turbine/ Generator	N.A.	N.A.
2.	<b>Diesel*</b>		
	Quantity (ltr.)	16800	18805
	Total Amount	683507	760662
	Average Rate	40.68	40.45
3.	<b>Furnace Oil **</b>		
	Quantity (kg.)	234592	167197
	Total Cost	7984690	4852893
	Rate/ Unit	34.036	29.025
4.	Others/ Internal Generation	N.A.	N.A.

\* Diesel is used to run the generators and the power generated from the diesel generator is used for machine cleaning and lightening on holidays and not for production.

\*\* Furnace Oil is consumed for working the boiler and the steam from the boiler is used to run sizing machine not for power generator.

##### **(B) Consumption per unit production**

	<b>2010-2011</b>	<b>2009-10</b>
Fabric (in mtrs.)	14281000	11888000
Electricity	0.30	0.34
Diesel*	N.A.	N.A.
Furnace Oil*	N.A.	N.A.
Others	N.A.	N.A.

**\*Note: Diesel and Furnace oil are not used for production purposes.**



## **STATEMENT REGARDING SUBSIDIARIES**

Particulars required under Section 212 of the Companies Act, 1956

<b>Name of the Subsidiary company</b>		<b>Ramshyam Textile Industries Limited</b>	<b>First Winner Lifestyle Private Limited</b>	<b>Pal Trading Co. Private Limited</b>
1	Financial Year of the Subsidiary Ended on	March 31, 2011	March 31, 2011	March 31, 2011
2	(a) Issued, subscribed and paid up Capital of Subsidiary	Rs. 89,53,500	Rs. 2,47,50,000	Rs. 92,50,000
	(b) Extent of interest of FWIL in Capital of Subsidiary	8,95,350 equity Shares of Rs.10 each (99.99%)	24,74,980 equity shares of Rs.10 each (99.99%)	9,25,000 equity Shares of Rs. 10 Each (99.99%)
3	Net aggregate amount of profits of the Subsidiary so far as it concerns the members of FWIL and is not dealt within the accounts of FWILs			
	(a) Current financial year ended on March 31, 2011	Rs. 8,618,411	Rs. 2,39,45,858	Rs. 11,94,635
	(b) Previous financial years of the Subsidiary since it became Subsidiary of FWIL	Rs. 25,67,501	Rs. 5,60,55,734	Rs. 6,30,752
4	Net aggregate amount of Profits of the Subsidiary so far as it dealt with or provisions made for those losses in the Accounts of FWIL			
	(a) Current financial year Ended on March 31, 2011	Nil	Nil	Nil
	(b) Previous financial years of the Subsidiary since it became Subsidiary of FWIL	Nil	Nil	Nil
5	No material changes have occurred between the end of the preceding financial year of the Subsidiary and the end of the Holding Company's financial year, in respect of the Subsidiary.	<ul style="list-style-type: none"> <li>• Fixed Assets;</li> <li>• Investments;</li> <li>• Money lent by it;</li> <li>• Moneys borrowed by it for any purpose other than of meeting Current liabilities.</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed Assets;</li> <li>• Investments;</li> <li>• Money lent by it;</li> <li>• Moneys borrowed by it for any purpose other than of meeting</li> <li>• Current liabilities.</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed Assets;</li> <li>• Investments;</li> <li>• Money lent by it;</li> <li>• Moneys borrowed by it for any purpose other than of meeting</li> <li>• Current liabilities.</li> </ul>

No material changes have occurred between the end of the preceding financial year of the Subsidiary and the end of the Holding Company's financial year, in respect of the Subsidiary.

By Order of the Board of Directors  
First Winner Industries Limited

Rinku I. Patodia  
Managing Director

Anita R. Patodia  
Executive Director

Shristi Padia  
Company Secretary

## **CORPORATE GOVERNANCE REPORT**

### **Company's philosophy on Code of Governance**

Good governance facilitates effective management and control of business, maintaining a high level of business ethics and optimizing the value for all its stakeholders. The ultimate objective of the Corporate Governance at First Winner Industries Limited is to enhance Shareholders' value in the long term. A good governance process aims to achieve this by providing long-term visibility of its businesses, ensuring effective relationship with stakeholders, establishing systems that help the Board in understanding risk appetite and monitoring risk at every stage of the corporate evolution process.

### **Board Composition and particulars of Directors**

#### **Board Composition**

The Company's policy is to maintain optimum combination of Executive and Non- Executive Directors. The Board consists of five Directors, out of which three are independent Directors including Non-Executive Chairman. The Board believes that its current composition is appropriate. Composition of the Board and category of Directors are as follows:

Director	Category	No. of Board Meetings attended	Attendance at previous AGM on 27/09/2010	No. of Outside directorship held *	No. of Membership/ chairmanship in Committees
Mr. M. K. Sinha	Non- Executive, Independent	2	Present	5	5
Mr. B. G. Agarwal	Non- Executive, Independent	4	Present	-	Nil
Mr. Anil Gupta	Non- Executive, Independent	4	Present	3	Nil
Mr. Rinku Patodia	Executive	12	Present	2	Nil
Mrs. Anita Patodia	Executive	13	Present	2	Nil

\* Directorship of Companies registered under the Companies Act, 1956 but excluding private companies and alternate directorship.

#### **BOARD MEETING HELD DURING THE YEAR:**

During the year 2010-2011, 13 Board Meetings were held on 14.04.2010, 14.05.2010, 01.07.2010, 10.07.2010, 26.07.2010, 03.08.2010, 14.08.2010, 04.11.2010, 14.11.2010, 03.12.2010, 23.12.2010, 14.02.2011 and 25.02.2011.

#### **DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT**

Shri B.G. Agarwal is liable to retire by rotation and being eligible offer himself for reappointment.

**Mr. Brijgopal Agarwal**, aged 63 years, completed his Masters degree in Arts from Lucknow University in the year 1966 in Statistical Mathematics. Mr. Agarwal worked as Lecturer of Statistics at Banaras Hindu University & Lucknow University from 1967 to 1970. He cleared all India Administration and allied services examination in the year 1970 organized by Union Public Commission and joined Indian Revenue Services (Income Tax) as Income Tax Officer in the year 1970. He served in the capacity of Assistant Commissioner, Deputy Commissioner, Joint Commissioner, Commissioner and retired as Chief Commissioner of Income Tax, Calcutta in the year 2005. He was awarded Gold Medal in 1972 from the Chairman, Central Board of Direct Taxes. He was also awarded Master of Philosophy from Punjab University in the year 1988 for his work on "Zero based budgeting." He has very wide experience in Taxation.

#### **CODE OF CONDUCT**

The company has laid down the Code of Conduct for Directors and senior personnel, annual affirmation from each of the Directors with regard to the adherence to the said Code of Conduct drawn are being received on a yearly basis and placed before the Board.

#### **BOARD COMMITTEES**

##### **AUDIT COMMITTEE**

The Audit Committee consists of three independent Non-executive Directors. The Members of the Committee are well versed in finance matters, accounts, company law and general business practices.

The composition of the Audit Committee is as under:

Dr. M.K. Sinha	Chairman	Non-Executive Independent Director
Mr. B.G. Agarwal	Member	Non-Executive Independent Director
Mr. Anil Gupta	Member	Non-Executive Independent Director

The terms of reference of the Audit Committee include:

- a) To review financial statements and pre-publication announcements before submission to the Board.
- b) To ensure compliance of internal control systems and action taken on internal audit reports.
- c) To apprise the Board on the impact of accounting policies, accounting standards and legislation.
- d) To hold periodical discussions with statutory auditors on the scope and content of the audit.
- e) To review the Company's financial and risk management policies.

During the financial year 2010-2011, Four Audit Committee Meetings were held on 14.05.2010, 14.08.2010, 14.11.2010 and 14.02.2011.

Name of Director	No. of committee Meetings held	No. of committee Meetings attended
Dr. M.K. Sinha	4	2
Mr. B.G. Agarwal	4	4
Mr. Anil Gupta	4	4

### REMUNERATION COMMITTEE

The Remuneration Committee consists of three independent, Non-executive Directors.

The composition of the Remuneration Committee is as under:

Name of Director	Status in Committee	Nature of Directorship
Mr. B.G. Agarwal	Chairman	Non-Executive Independent Director
Mr. Anil Gupta	Member	Non-Executive Independent Director
Dr. M.K. Sinha	Member	Non-Executive Independent Director

The Remuneration Committee has been constituted to recommend/ review the remuneration package of the Managing/ whole time Directors, based on performance and defined criteria.

The remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing Industry practice.

During the year on 14/08/2010, meeting of the remuneration committee was held. The sitting fee is being paid to Non-executive Directors and remuneration is paid to Managing Director and Executive Director during the year ended March 31, 2011.

Name of Director	No. of committee Meetings held	No. of committee Meetings attended
Mr. B.G. Agarwal	1	1
Mr. Anil Gupta	1	1
Dr. M.K. Sinha	1	1

### SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

Shareholders/ Inventors Grievance Committee is headed by Shri Anil Gupta, a Non Executive Independent Director with Shri M. K. Sinha and Shri B. G. Agarwal the other two members. Mrs. Shristi Padia, Company Secretary is the Compliance Officer. The Company appointed "Link Intime India Pvt. Ltd." (Formerly known as Intime Spectrum Registry Limited) as its Registrar and Share Transfer Agent for the redressal of investor's grievance and share transfer process. The RTA has acted upon all valid share transfers received during the year 2010-2011. All complaints received by the company were resolved during the year. There are no pending complaints at the end of the year.

The composition of Shareholders'/ Investor Grievance Committee is as under:

Name of Director	Status in Committee	Nature of Directorship
Mr. Anil Gupta	Chairman	Non-Executive Independent Director
Dr. M.K. Sinha	Member	Non-Executive Independent Director
Mr. B.G. Agarwal	Member	Non-Executive Independent Director

The Shareholders and Investors Grievances Committee is responsible for remedying of all investor and shareholder grievances. This Committee will also oversee the performance of the Registrars, Transfer Agents and the depository related services.

This Committee will also undertake all such acts, deeds and things related to share transfer, transmission, splitting of share certificates, issuance of duplicate shares certificates and other related matters as may be considered necessary in this behalf. The Committee also oversees the implementation and compliance of the Code of Conduct adopted by our Company for Prevention of Insider Trading for Listed Companies as specified in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended on February 20, 2002.

Our Company also undertakes to comply with the other requirements of Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges.

Our Company also undertakes to comply with the other requirements of Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges.

During the year, the meetings of Shareholders' Investor Grievance Committee were held on 14.08.2010 and 14.02.2011.

Name of Director	No of Committee Meetings held	No. of Committee Meetings attended
Mr. Anil Gupta	2	2
Dr. M. K. Sinha	2	1
Mr. B. G. Agarwal	2	2

### GENERAL BODY MEETING

Location and time where last three Annual General Meetings were held are given below:

Financial Year	Date	Location of the Meeting	Time
2009-2010	27.09.2010	Goregaon Sports Club, Link Road, Malad (West), Mumbai	11.00 A.M.
2008-2009	24.09.2009	Goregaon Sports Club, Link Road, Malad (West), Mumbai	11.30 A.M.
2007-2008	25.06.2008	605, Business Classic, Chincholi Bunder Road, Malad (West), Mumbai	3.00 P.M.

### DISCLOSURES

There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large.

The Company has complied with the requirements of regulatory authorities on capital markets and no penalty/stricture was imposed on the Company during the last three years.

### MEANS OF COMMUNICATION

The Quarterly, Half-yearly and Annual Results will be generally published by the Company in English (Free press) and Vernacular (Navshakti) dailies. The results are duly posted on Company's website [www.firstwinnerind.com](http://www.firstwinnerind.com) Official news releases and notices etc. are sent to the BSE and NSE where the equity shares of the company are listed.

The Management Discussion and Analysis Report form part of the Directors' Report.

### GENERAL SHAREHOLDER INFORMATION

Annual General Meeting:

DATE: 28<sup>th</sup> September, 2011.

TIME: 11.00 A.M.

VENUE: Goregaon Sports Club, Link Road, Malad (West), Mumbai- 400064.

List of shares held in Suspense Account

S. No.	Name	DP Client ID	Application No.	No. of shares	Reason for shares held in suspense account
1	Mr. Darshan Sharadahai Mehta	IN30246110265280	11360746	50	Demat account details mismatched with the one available with the Depository
				<b>50</b>	

The above person can contact either to the company or to the Registrar viz. Link Intime India Private Limited for the process of crediting the shares in their account.

### Financial Calendar

The Company follows April-March as its financial year. The result for every quarter beginning from April is declared in the month following the quarter.

**Dates of Book Closure:** 23.09.2011 to 28.09.2011 (both days inclusive)

**Dividend payment date:** Within 30 days after declaration.

Listing on Stock Exchanges and Stock Codes

Shares of the Company are listed at the Bombay Stock Exchange Limited (BSE) [Scrip Code: 532996] and National Stock Exchange of India Limited (NSE).[NSE Symbol- FIRSTWIN]

The Company has duly paid the listing fee to both the aforesaid Stock Exchanges for the financial year 2011-12.

Market Price Data

Share price during the financial year 2010-11 at BSE & NSE for one equity shares of Rs. 10 each were as under:

Month	BSE: Share Price (Rs.)		NSE: Share Price (Rs.)	
	High	Low	High	Low
April, 2010	26.90	23.00	26.50	23.00
May, 2010	25.35	20.25	25.50	19.45
June, 2010	24.30	19.30	24.35	19.25
July, 2010	50.30	23.10	50.30	23.15
August, 2010	41.95	34.50	42.50	34.00
September, 2010	39.75	35.15	40.60	34.30
October, 2010	38.40	28.75	38.80	28.90
November, 2010	35.85	26.35	35.00	26.10
December, 2010	31.65	22.50	31.65	23.50
January, 2011	27.00	21.15	26.30	21.05
February, 2011	23.85	19.00	24.25	19.00
March, 2011	26.00	16.50	26.55	19.55

Stock Performance:

The performance of the company's shares in comparison to BSE sensex is given in the Chart below:

Dematerialization of Shares and liquidity: ISIN for Dematerialization is INE315JO1015.

Name of Depository	Position as on 31.03.11 (No. of shares)	% of Total Issued Capital
NSDL	22995864	91.16%
CDSL	2229926	8.84%
Physical	NIL	NIL
Total No. of shares	25225790	100.00%

### Share Transfer System & Registrars and Transfer Agents (RTA)

The Company has appointed Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400078 as the RTA for both physical and dematerialized share maintenance. Share transfers are generally effected within 15 days of lodgment or such period as may be permissible by law/regulatory authority.

**Distribution of Shareholding as on 31<sup>st</sup> March, 2011**

Range of shares	Number of shares	No. of shareholders	% to total shares
1 to 500	264936	2003	1.0500
501 to 1000	149469	184	0.5924
1001 to 2000	151785	101	0.6015
2001 to 3000	100173	39	0.3970
3001 to 4000	85044	24	0.3370
4001 to 5000	93875	20	0.3720
5001 to 10000	153290	21	0.6075
10001 and above	24234221	72	96.0426
<b>Total</b>	<b>25232793</b>	<b>2464</b>	<b>100.0000</b>

**Shareholding Pattern:**

S. No.	Category	No. of Shares held	% of Share Holding
1.	Promoters	5962635	23.6305
2.	Corporate Bodies (Promoter Co.)	5384465	21.3392
3.	Public	1817296	7.2021
4.	Clearing Member	68754	0.2725
5.	Other Bodies Corporate	11891537	47.1273
6.	Foreign Inst. Investor	--	--
7.	Non Resident Indians	70390	0.2790
8.	Non Resident (Non Repatriable)	594	0.0024
9.	Office Bearers	37122	0.1471
	<b>TOTAL</b>	<b>25232793</b>	<b>100.00</b>

**Subsidiary Companies**

The company has three wholly owned subsidiaries viz. First Winner Lifestyle Limited, Ramshyam Textile Industries Limited and Pal Trading Co. Pvt. Ltd. The requirements of Clause 49 with regard to subsidiary company have been complied with.

**Manufacturing Facilities**

The company has two manufacturing facilities situated at

1. **C-9/1, M.I.D.C., Tarapur, Boisar, Dist. Thane- 401506**
2. **N-66, M.I.D.C., Tarapur, Boisar, Dist. Thane- 401506**

**Address for Correspondence**

The Shareholders may address their communications, suggestions, grievances and queries to:

1. The Company Secretary  
First Winner Industries Limited  
605, Business Classic,  
Chincholi Bunder Road, Malad (West), Mumbai- 400064  
Ph: 022- 2880- 2255/99, Fax: 022- 2881 2288  
Email: cs@firstwinnerind.com
2. Link Intime India Private Limited,  
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West),  
Mumbai 400078  
Ph. 022- 25963838

For and on behalf of the Board

**Rinku Patodia**  
Managing Director

Mumbai, 30<sup>th</sup> August, 2011  
605, Business Classic,  
Chincholi Bunder Road, Malad (West),  
Mumbai-400064

## CHIEF EXECUTIVE OFFICER/ CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The Board of Directors  
First Winner Industries Limited

Dear Sirs,

We have reviewed the financial statements read with the cash flow statement of First Winner Industries Limited for the year ended on 31<sup>st</sup> day of March 2011 and to the best of our knowledge and belief, we state that:

- a) These statements do not contain any materially untrue statement or omit any material fact or contain statements, that might be misleading;
- b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- c) 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;
- d) 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 steps taken or proposed to be taken for rectifying these deficiencies;
- e) We have indicated to the auditors and the Audit Committee:
  - i) Significant changes in internal control during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
  - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Yours Sincerely

**Rinku Patodia**  
Managing Director

Mumbai, 30<sup>th</sup> August, 2011

## AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT:

To the Members of First Winner Industries Limited,

We have examined the compliance of conditions of Corporate Governance by First Winner Industries Limited (the Company) for the year ended 31st March 2011 as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange(s) in India.

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 our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

On the basis of the records maintained by the Company we state that as at 31st March 2011, there were no investor grievances pending with the Company.

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 Deshmukh & Associates  
Chartered Accountants  
[Deepen Kapadia – Partner ]  
Membership No. 112565

Place : Mumbai  
Dated : 30.08.2011

For Praful M. Joshi  
Chartered Accountants  
[ Praful M. Joshi- Proprietor]  
Membership No. 30276

## AUDITORS' REPORT

To

The Members of  
Firstwinner Industries Ltd.

We have audited the attached Balance Sheet of Firstwinner Industries Ltd. as at 31<sup>st</sup> March 2011, the Profit & Loss Account 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 have conducted our audit in accordance with the 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 from 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.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report)(Amendment) Order 2004 issued by Central Government of India, in terms of section 227(4A) of the Companies Act,1956, we enclose in the Annexure hereto a statement on the matters specified in the paragraphs 4 and 5 of the said order, to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in paragraph (1) above, we report that:
  - 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 those books;
  - c. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
  - d. In our opinion the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the mandatory 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, as on 31<sup>st</sup> March 2011 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31<sup>st</sup> March 2010 from being appointed as a Director in terms of section 274(1)(g) of the companies Act, 1956.
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, 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:
    - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2011;
    - ii) In the case of Profit & Loss Account, of the profit for the year ended on that date and
    - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Deshmukh & Associates  
Chartered Accountants

For Praful M. Joshi  
Chartered Accountants

[Deepen Kapadia – Partner ]  
Membership No. 112565

[ Praful M. Joshi- Proprietor]  
Membership No. 30276

Place : Mumbai

Dated : 30.08.2011

**ANNEXURE TO THE AUDITORS REPORT FOR YEAR END 31.03.2011**

(Referred to in paragraph 1 of our report of even date)

- 1 a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us the management has physically verified the fixed assets during the year and no material discrepancies were noticed on such verification.
- c) In our opinion and as per the information and explanations given to us, the Company has not disposed off any substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- 2 a) As explained to us, inventories have been physically verified by the management at reasonable intervals.
- b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management is 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 inventory records, we are of the opinion that the company is maintaining proper records of inventory. As explained to us, no material discrepancies have been noticed on physical verification of inventories as compared to book records.
- 3 a) The Company has not taken any loans, secured or unsecured from companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b) The Company has not given any loans, secured or unsecured from companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us during the course of audit, there are adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory & fixed assets and for the sale of Goods. Further on basis of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India, we neither come across nor have we have been informed of any instance of major weakness in the aforesaid internal control systems.
5. a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contract or arrangements, that needed to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered in the register required to be maintained under that section.
- b) In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and material and sale of goods, material and services made in pursuance of contract or arrangement entered in the register maintained under section 301 and aggregating during the year to Rs. 5,00,000 (Rs. Five Lacs Only) or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time for such goods, material and services have been made with other parties.
6. The Company has not accepted any deposits from the public, with in meaning of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 including the Companies (Acceptance of Deposit) Rules 1975.
7. In our opinion the company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the Cost Accounting records, maintained by the Company pursuant to the Rules prescribed by the Central Government for the maintenance of the cost records under the clause (d) of the sub-section (1) of section 209 of the Act, and are of the opinion that, prima facie, the prescribed records have been maintained. We are, however, not required to make a detailed examination of such books and records.
9. a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March 2011 for a period of more than six months from the date of becoming payable.
- b) According to the information and explanations given to us and as per books and record examined by us, there are no such statutory dues, which have not been deposited on account of any dispute.

10. The company has positive net worth at the end of the financial year. The company has no accumulated losses and has not incurred any cash losses during the current financial year and immediately preceding financial year.
11. According to the information and explanation given to us and as per the books and records examined by us, the Company has not defaulted in repayment of dues to any financial institutions or banks. The company has not issued any debentures.
12. According to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company does not fall within the category of Chit Fund / Nidhi / Mutual Benefit Fund/ Society and hence the related reporting requirements of the Orders are not applicable.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments and hence the related reporting requirements of the Order are not applicable.
15. The Company has given a guarantee jointly with other company to financial institution and bank for loan taken by others from the financial institution and bank, the terms and conditions of which are not prima facie, prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us, the term raised from during the year by the Company have been applied for the purpose for which the said loans were obtained, where such end use has been stipulated by the lender. .
17. According to the information and explanations given to us and as per the books and records examined by us, as on the date of the Balance Sheet, the funds raised by the Company on short term basis not been applied for long term investment.
18. The Company has made preferential allotment of shares during the year, to companies and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company did not have any outstanding debentures during the year.
20. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practice in India, we have neither come across any instance of fraud on or by the Company, noticed and reported during the year, nor have we been informed of such case by the management.

For Deshmukh & Associates  
Chartered Accountants

For Praful M. Joshi  
Chartered Accountants

[Deepen Kapadia – Partner ]  
Membership No. 112565

[ Praful M. Joshi- Proprietor]  
Membership No. 30276

Place : Mumbai

Dated : 30.08.2011

**BALANCE SHEET AS AT 31ST MARCH 2011**

Particulars	Schedule	As at 31.03.2011 Amt. in Rs.	As at 31.03.2010 Amt. in Rs.
<b><u>SOURCES OF FUNDS</u></b>			
<b>Shareholder Funds</b>			
Share Capital	1	252,327,930	177,327,930
Reserves & Surplus	2	1,059,805,721	822,433,476
		<u>1,312,133,651</u>	<u>999,761,406</u>
<b>Borrowed Fund</b>			
Secured Loan	3	605,477,456	207,653,575
		<u>605,477,456</u>	<u>207,653,575</u>
<b>DEFERRED TAX</b>			
	4	70,346,714	49,403,282
		<u>70,346,714</u>	<u>49,403,282</u>
	<b>TOTAL</b>	<u>1,987,957,821</u>	<u>1,256,818,264</u>
<b><u>APPLICATION OF FUNDS</u></b>			
<b>Fixed Assets</b>			
Gross Block	5	865,284,399	632,081,066
Less:- Accumulated Depreciation		87,265,585	58,208,232
	<b>Net Block</b>	<u>778,018,814</u>	<u>573,872,834</u>
<b>Investments</b>			
	6	459,847,300	294,347,300
<b><u>Current Assets, Loans &amp; Advances</u></b>			
	7		
Inventories		122,296,339	26,591,263
Sundry Debtors		613,957,552	582,725,539
Cash & Bank Balances		1,302,448	683,406
Loan & Advances		326,885,113	93,962,415
	<b>Sub Total</b>	<u>1,064,441,452</u>	<u>703,962,623</u>
<b><u>Less :-Current Liabilities And Provisions</u></b>			
Current Liabilities	8	244,451,411	262,276,686
Provisions	9	70,688,783	53,399,608
		<u>315,140,194</u>	<u>315,676,294</u>
	<b>Net Current Assets</b>	<u>749,301,258</u>	<u>388,286,329</u>
<b><u>Miscellaneous Expenditure</u></b>			
(To the extend not written off or adjusted)	10	790,449	311,801
	<b>TOTAL</b>	<u>1,987,957,821</u>	<u>1,256,818,264</u>
Significant Accounting Policies			
Notes & Schedules 1 TO 17 Forming part of Accounts			
	11		

As per our report of even date attached

**For Deshmukh & Associates**  
Chartered Accountants

**For Praful M. Joshi**  
Chartered Accountants

**For FIRST WINNER INDUSTRIES LIMITED**

**[Deepen Kapadia - Partner]**  
Membership No. 112565

**[Praful Joshi - Proprietor]**  
Membership No. 30276

**Rinku Patodia**  
Director

**Anita Patodia**  
Director

Place : Mumbai

Dated : 30.08.2011

**Shristi Padia**  
Company Secretary

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**

Particulars	Schedule	Year Ended 31.03.2011 Amt. in Rs.	Year Ended 31.03.2010 Amt. in Rs.
<b>INCOME</b>			
Sales & Income from Operations	12	3,098,262,400	2,682,232,323
Other Income	13	2,150,128	1,782,994
		<u>3,100,412,527</u>	<u>2,684,015,317</u>
<b>EXPENDITURE</b>			
Cost Of Material Consumed & sold	14	2,799,787,971	2,445,220,829
Other Direct Expenses	15	89,650,584	75,712,392
Administrative And General Expenses	16	73,062,482	50,056,576
Finance Charges	17	47,955,593	29,492,109
Depreciation		29,057,353	27,392,289
		<u>3,039,513,984</u>	<u>2,627,874,194</u>
<b>PROFIT BEFORE TAX</b>		<b>60,898,543</b>	56,141,123
<b>Provision For Taxation</b>			
Current Tax		12,916,346	10,270,833
Deferred Tax		20,943,432	13,564,194
Add : Excess Provision For Earlier Years		45,302	89,570
<b>PROFIT AFTER TAX</b>		<b>27,084,068</b>	32,216,526
Balance brought forward From Previous Year		143,519,048	111,302,522
<b>AVAILABLE FOR APPROPRIATION</b>		<b>170,603,115</b>	143,519,048
<b>Appropriation:</b>			
Proposed Dividend		12,616,397	8,866,397
Tax on Proposed Dividend		2,095,426	1,472,598
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>155,891,293</b>	<b>133,180,053</b>
Basic / Diluted Earning per share (Rest.)		1.30	1.82
Significant Accounting Policies			
Notes & Schedules 1 TO 17 Forming part of Accounts			
	11		

As per our report of even date attached

**For Deshmukh & Associates**  
Chartered Accountants

**For Praful M. Joshi**  
Chartered Accountants

**For FIRST WINNER INDUSTRIES LIMITED**

**Rinku Patodia**  
Director

**Anita Patodia**  
Director

**[Deepen Kapadia - Partner]**  
Membership No. 112565

**[Praful Joshi - Proprietor]**  
Membership No. 30276

**Shristi Padia**  
Company Secretary

Place : Mumbai  
Dated : 30.08.2011

**CASH FLOW STATEMENT AS ON 31ST MARCH 2011**

(Amount in Rs.)

Particulars	As at 31.03.2011	As at 31.03.2010
<b>Cash Flow from Operating Activities</b>		
Net Profit before Taxes	60,898,543	56,141,123
Adjustments for		
Depreciation	29,057,353	27,392,289
Interest Income	(990,486)	(828,392)
Dividend Income	-	(173,298)
Preliminary Expenses W/off	571,352	256,352
Interest Expenses	47,955,593	29,492,109
Profit on sale of Plot	(3,120)	-
Operating Profit Before Working Capital Changes	137,489,235	112,280,183
(Increase) / Decrease in Inventories	(95,705,076)	17,705,274
(Increase) / Decrease in Sundry Debtors	(31,232,013)	(388,460,006)
(Increase) / Decrease in Loans & Advances	(218,229,334)	6,755,619
Increase / (Decrease) in Sundry Creditors	(17,825,275)	155,952,738
Cash generated from Operations	(225,502,462)	(95,766,193)
Income Tax Paid	(14,648,062)	(5,171,356)
<b>Net Cash from Operating Activities</b>	<b>(240,150,524)</b>	<b>(100,937,549)</b>
<b>Cash flows from Investing Activities</b>		
Purchases/Additions of Fixed Assets	(233,596,213)	(20,382,565)
Sale proceeds of Assets Sold	396,000	-
(Purchase) / Sales of Investments	(165,500,000)	61,115,025
Preliminary Expenses Incurred	(1,050,000)	-
Dividend Earned	-	173,298
Interest Income Earned	990,486	828,392
<b>Net cash used in Investing Activities</b>	<b>(398,759,727)</b>	<b>41,734,149</b>
<b>Cash flows from Financing Activities</b>		
Proceeds from Issuance of Share Capital	300,000,000	-
Receipts of Share Application Money	-	-
Proceeds from Long Term Borrowings	397,823,881	87,304,891
Dividend Paid	(10,338,994)	-
Interest Paid	(47,955,593)	(29,492,109)
<b>Net Cash from Financing Activities</b>	<b>639,529,294</b>	<b>57,812,782</b>
Net Increase / (Decrease in Cash & equivalents	619,043	(1,390,618)
Cash & Equivalents at the beginning of the year	683,406	2,074,024
Cash & equivalents at the end of the year	1,302,448	683,406

Note :

- The above cash flow has been prepared as set out in the accounting standard on Cash Flow Statements (AS-3) issued by the Institute of Chartered Accountants of India.
- Previous year's figures have been rearranged / regrouped wherever necessary.

As per our report of even date attached

**For Deshmukh & Associates**  
Chartered Accountants

**For Praful M. Joshi**  
Chartered Accountants

**For FIRST WINNER INDUSTRIES LIMITED**

**[Deepen Kapadia - Partner]**

**[Praful Joshi - Proprietor]**

**Rinku Patodia**

**Anita Patodia**

Membership No. 112565

Membership No. 30276

Director

Director

Place : Mumbai

Dated : 30.08.2011

**Shristi Padia**

Company Secretary

**Schedule Annexed To and Forming Part Of Balance Sheet as at 31st March 2011**

PARTICULARS	As at 31.03.2011 Amt. in Rs.	As at 31.03.2010 Amt. in Rs.
<b><u>SCHEDULE : 1 : CAPITAL</u></b>		
<b><u>AUTHORISED SHARE CAPITAL</u></b>		
3,50,00,000 (2,00,00,000) Equity Share of Rs.10/- each	<b>350,000,000</b>	<b>200,000,000</b>
	<b>350,000,000</b>	<b>200,000,000</b>
<b><u>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL</u></b>		
2,52,32,793 (1,77,32,793) Equity Share of Rs.10/- each	<b>252,327,930</b>	177,327,930
<b>TOTAL :</b>	<b>252,327,930</b>	<b>177,327,930</b>
 <b><u>SCHEDULE : 2 : RESERVE &amp; SURPLUS</u></b>		
<b><u>RESERVE AND SURPLUS</u></b>		
<b>a) Securities Premium Account</b>		
As per last Balance Sheet	<b>689,253,423</b>	689,253,423
Add:- Addition During The Year	<b>225,000,000</b>	-
<b>SUB TOTAL [ a ]</b>	<b>914,253,423</b>	<b>689,253,423</b>
 <b>b) Profit &amp; Loss Account</b>		
Opening balance	<b>133,180,053</b>	111,302,522
Add:- Transfer from Profit & Loss A/c.after appropriations	<b>12,372,245</b>	<b>21,877,531</b>
<b>SUB TOTAL [ b ]</b>	<b>145,552,298</b>	<b>133,180,053</b>
<b>TOTAL [ a+b ]</b>		

**Schedule Annexed To and Forming Part Of Balance Sheet as at 31st March 2011**

PARTICULARS	As at 31.03.2011 Amt. in Rs.	As at 31.03.2010 Amt. in Rs.
<b><u>SCHEDULE : 3 : SECURED LOAN</u></b>		
Bank Overdraft from SBI (Secured by Stocks & Debtors & Other Fixed and Current assets)	<b>266,520,620</b>	(45,712,396)
SLOC - SBI (Secured by Stocks & Debtors & Other Fixed and Current assets)	-	9,103,429
Bank of India C C A/c. (Secured by Stocks & Debtors & Other Fixed and Current assets)	-	60,818,304
Union Bank of India C C A/c. (Secured by Stocks & Debtors & Other Fixed and Current assets)	-	63,540,345
Term Loan from SBI [Secured with Factory Building and Plant & Machinery] [Due within 1 Year Rs.7,56,48,000/- (Previous Year Rs.1,89,48,000)]	<b>308,177,298</b>	79,566,318
Term Loan from SB Indore [Secured with Factory Building and Plant & Machinery Pari Passu charged with SBI] [Due within 1 Year Rs. 94,74,000/- (Previous Year Rs.94,74,000)] [The credit facilities from SBI & SBINDORE is personally guaranteed by the Rinku Patodia, Managing Director Anita Patodia director of the company]	<b>29,521,952</b>	38,549,989
Term Loan - Car from ICICI Bank	-	187,770
Term Loan - Car from HDFC Bank	<b>180,156</b>	354,222
Term Loan - Car from Kotak Mahindra Prime Ltd. [ Secured with Hypothecation of Vehicle ] [Due within 1 Year Rs. 12,57,786/- (Previous Year Rs.8,35,153/-)]	<b>1,077,430</b>	1,245,594
<b>TOTAL</b>	<b><u>605,477,456</u></b>	<u>207,653,575</u>
<b><u>SCHEDULE : 4 : DEFFERED TAX</u></b>		
Opening Balance	<b>49,403,282</b>	35,839,088
Add: Addition During The Year	<b>20,943,432</b>	13,564,194
<b>TOTAL</b>	<b><u>70,346,714</u></b>	<u>49,403,282</u>

### Schedule Annexed To and Forming Part Of Balance Sheet as at 31.03.2011

\_SCHEDULE : 5 : FIXED ASSETS ( AT COST LESS DEPRECIATION ) as on 31st March 2011

Description of Assets	(Amt. in Rs.)											
	Gross Block					Depreciation					Net Block	
	As at 01.04.2010	Additions during the year	Deductions during the year	As at 31.03.2011	Up to 31.03.2010	Adjustments	Provided for the period ended 31.03.2011	Total Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010		
Factory Building	57,497,794	338,317	-	57,836,111	5,589,763	-	1,925,996	7,515,759	50,320,352	51,908,031		
Factory Building Unit 2 (N-66)	111,199,861	-	-	111,199,861	4,119,832	-	3,714,075	7,833,907	103,365,954	107,080,029		
Godowns	3,530,560	-	-	3,530,560	346,140	-	57,548	403,688	3,126,872	3,184,420		
Office Premises	3,325,000	-	-	3,325,000	359,983	-	54,198	414,181	2,910,820	2,965,018		
Staff Quarters	649,200	-	-	649,200	23,925	-	10,582	34,507	614,693	625,275		
Plot at Palghar	392,880	-	392,880	-	-	-	-	-	-	392,880		
Plant & Machinery	253,965,462	927,865	-	254,893,327	34,619,746	-	12,081,999	46,701,745	208,191,582	219,345,716		
Plant & Machinery Expansion (Unit 2)	181,081,176	-	-	181,081,176	9,526,881	-	8,601,356	18,128,237	162,952,939	171,554,295		
Plant & Machinery Expansion 2 (Unit 2)	-	192,318,179	-	192,318,179	-	-	775,859	775,859	191,542,320	-		
Electrical Installations	6,030,727	314,091	-	6,344,818	1,073,045	-	383,229	1,456,274	4,888,544	4,957,682		
Electrical Installation Unit 2	2,075,227	-	-	2,075,227	96,432	-	98,573	195,005	1,880,222	1,978,796		
Vehicle	5,483,897	704,688	33,975	6,154,610	806,808	-	574,320	1,381,128	4,773,482	4,677,089		
Furniture & Fixtures	2,555,531	372,826	-	2,928,357	463,743	-	176,852	640,595	2,287,762	2,091,788		
Furniture & Fixture Unit 2	352,630	-	-	352,630	24,574	-	22,321	46,895	305,735	328,056		
Other Assets	850,000	944,928	-	1,794,928	59,968	-	59,852	119,820	1,675,108	790,032		
Air Conditioner & Refrigerator	425,278	162,500	-	587,778	49,202	-	23,646	72,848	514,930	376,076		
Computers	2,665,843	1,327,610	-	3,993,453	1,048,188	-	496,946	1,545,134	2,448,319	1,617,655		
Capital Work In Progress (Expansion)	-	36,219,184	-	36,219,184	-	-	-	-	36,219,184	-		
Total	632,081,066	233,630,188	426,855	865,284,399	58,208,230	-	29,057,353	87,265,585	778,018,814	573,872,838		
Previous Year	611,548,501	20,544,633	12,068	632,081,066	30,815,946	-	27,392,289	58,208,232	573,872,834	580,732,555		

**Schedule Annexed To and Forming Part Of Balance Sheet as at 31st March 2011**

PARTICULARS	As at 31.03.2011 Amt. in Rs.	As at 31.03.2010 Amt. in Rs.
<b><u>SCHEDULE : 6 : INVESTMENTS</u></b>		
<b>Investments in Mutual Funds</b>		
SBI Infrastructure Fund	40,000	40,000
SBI Capital Protection Oriented Fund	50,000	50,000
SBI One India Fund	10,000	10,000
UTI Infrastructure	25,000	25,000
UTI Wealth Builder Fund Series II	45,000	45,000
<b>Share Investment in Wholly Owned Subsidiaries</b>		
Share Investment in Ramshyam Textile Ind. Ltd.	63,577,700	6,077,700
Share Investment in First Winner Lifestyle Ltd..	242,999,800	162,999,800
Share Investment in Pal Trading Co. Pvt. Ltd.	105,599,800	77,599,800
(All subsidiaries are Non-listed hence Market Value not available)		
<b>Unquoted - hence market value not available</b>		
Share Investment in Solitaire Texfeb & Traders Pvt. Ltd.	47,500,000	47,500,000
<b>TOTAL</b>	<b>459,847,300</b>	<b>294,347,300</b>
<b><u>SCHEDULE : 7 : CURRENT ASSETS, LOANS &amp; ADVANCES</u></b>		
<b><u>A : CURRENT ASSETS</u></b>		
<b>a : Inventories</b>		
- Raw Material	493,424	786,036
- Finished Goods	121,802,915	25,805,227
<b>SUB-TOTAL : a :</b>	<b>122,296,339</b>	<b>26,591,263</b>
<b>b : Sundry Debtors ( Unsecured considered good )</b>		
1) Due for more than six months	21,005,942	-
2) Others	592,951,610	582,725,539
<b>SUB-TOTAL : b :</b>	<b>613,957,552</b>	<b>582,725,539</b>
<b>c : Cash and Bank Balances</b>		
Cash In Hand	733,373	1,304,855
Cash at Bank with Schedule Bank		
- Balance in current A/C with State Bank of Indore	356,126	(634,635)
- Balance in current A/C with Union Bank of India	12,599	5,586
- Balance in current A/C with Bank of India	7,575	7,600
- Balance in current A/C with State Bank of India (Banglore)	182,775	-
- Balance in current A/C with State Bank of India Dividend A/c.	10,000	-
<b>SUB-TOTAL : c :</b>	<b>1,302,448</b>	<b>683,406</b>
<b>CURRENT ASSETS : A :</b>	<b>737,556,338</b>	<b>610,000,208</b>

**Schedule Annexed To and Forming Part Of Balance Sheet as at 31st March 2011**

PARTICULARS	As at 31.03.2011 Amt. in Rs.	As at 31.03.2010 Amt. in Rs.
<b>B: LOANS &amp; ADVANCES</b>		
<b>Loan &amp; Advances, Deposits</b>		
- Advances for Capital Goods (Expansion)	231,079,662	30,492,262
- Advances for Expenses	517,299	203,561
- Advances for IPO Expenses		-
- Advances for Property	14,785,597	6,352,573
- Advances for Rent	99,812	103,588
- Advances Others	14,825,246	9,891,579
- Advance Tax	4,700,000	1,700,000
- Self Assessment Tax	34,103,896	25,371,116
- Tax Deducted at Sources	6,934,727	3,974,143
- Input Vat Receivable (Garments)	107,206	-
- Staff Advances	878,916	626,647
- Stores & Spares (Stock)	549,135	3,039,440
- Fixed Deposit With State Bank Of India	10,505,567	7,603,513
- Fixed Deposit With State Bank Of Indore	4,756,402	2,383,795
- Sundry Deposits	3,041,647	2,220,197
<b>LOANS &amp; ADVANCE : B :</b>	<b>326,885,113</b>	<b>93,962,415</b>
<b><u>SCHEDULE : 8 : CURRENT LAIBILITIES &amp; PROVISIONS</u></b>		
<b>Sundry Creditors</b>		
a) For Goods	199,226,460	220,986,001
b) For L/C	29,987,058	29,951,340
c) For Expenses	4,090,446	4,976,212
d) For Capital Goods & Others (Factory)	10,696,693	5,924,587
e) Duties & Taxes , Others	450,754	438,546
<b>TOTAL</b>	<b>244,451,411</b>	<b>262,276,686</b>
<b><u>SCHEDULE : 9 : PROVISIONS</u></b>		
Provision for Income Tax (2006-2007)	6,902,218	6,902,218
Provision for Income Tax (2007-2008)	20,272,630	20,272,630
Provision for Income Tax (2008-2009) MAT	5,614,933	5,614,933
Provision for Income Tax (2009-10)	10,270,833	10,270,833
Provision for Fringe Benefit Tax (2007-2008)	-	-
Provision for Income Tax (2010-11)	12,916,346	-
Provision for Proposed Dividend	12,616,397	8,866,397
Provision for Tax on Proposed Dividend	2,095,426	1,472,598
<b>TOTAL</b>	<b>70,688,783</b>	<b>53,399,608</b>
<b><u>SCHEDULE : 10 : MISCELLANEOUS EXPENDITURE</u></b>		
Preliminary Expenses.	311,801	568,153
( To the extent not written off or adjusted )		
Add:- Addition During the Year	-	-
Add:- Addition During the Year	1,050,000	-
Less:- Written off during the year	571,352	256,352
<b>TOTAL</b>	<b>790,449</b>	<b>311,801</b>

### Schedule Annexed To and Forming Part Of Balance Sheet as at 31st March 2011

PARTICULARS	Year Ended 31.03.2011 Amt. in Rs.	Year Ended 31.03.2010 Amt. in Rs.
<b><u>SCHEDULE : 12 : SALES &amp; INCOME FROM OPERATIONS</u></b>		
Sales of Products Traded	2,850,543,836	2,453,764,450
Sales of Products Manufacture	4,184,282	46,697,347
Job Work Charges	241,790,123	181,770,526
Garment Sale	1,578,852	-
Garment Fabric Sale	165,307	-
<b>TOTAL</b>	<b>3,098,262,400</b>	<b>2,682,232,323</b>
<b><u>SCHEDULE : 13 : OTHER INCOME</u></b>		
Discount Received	587,330	293,758
Dividend Received	-	173,298
Sundry Creditors W/ Off.	-	237
Insurance Claim Received	5,589	-
F.D. Interest	990,486	828,392
Sale of Scrap	563,603	487,309
Profit on sale of Spot	3,120	-
<b>TOTAL</b>	<b>2,150,128</b>	<b>1,782,994</b>
<b><u>SCHEDULE : 14 : COST OF GOODS CONSUMED / SOLD</u></b>		
Opening Stock	26,591,263	44,296,537
Add: Purchases	2,897,636,177	2,427,515,555
Less:- Purchase Incentive	2,143,130	-
Less: Closing Stock	122,296,339	26,591,263
<b>TOTAL</b>	<b>2,799,787,971</b>	<b>2,445,220,829</b>
<b><u>SCHEDULE : 15 : DIRECT EXPENSES</u></b>		
Beam Drawing Charges	1,504,974	1,707,461
Beam Draping Charges	5,220	187,785
Beam Leasing Charges	556,521	502,429
Beam Gaiting Exp	468,100	-
Diesel & Petrol (DG Set)	683,507	596,326
Furnes Oil	7,984,690	5,449,359
Mending Charges	1,103,075	1,300,536
Beam Piecing Charges	211,857	377,298
Job Work Charges Paid	45,966,297	39,672,279
Water Charges	93,753	217,696
Boiler Water & Liquid Oxygen	147,963	102,504
Reconing Charges	-	1,280
Warping Charges	2,550	-
Tesing Fees	5,570	1,827
Electricity Exp.	14,890,807	13,219,756
Other Direct Expenses	15,892,200	12,100,000
Loading & Unloading Charges	133,500	42,500
Piecing Charges	-	233,356
<b>TOTAL</b>	<b>89,650,584</b>	<b>75,712,392</b>

**Schedule Annexed To and Forming Part Of Balance Sheet as at 31st March 2011**

<b>PARTICULARS</b>	<b>Year Ended 31.03.2011 Amt. in Rs.</b>	<b>Year Ended 31.03.2010 Amt. in Rs.</b>
<b><u>SCHEDULE : 16 : ADMINISTRATIVE &amp; GENERAL EXPENSES</u></b>		
Advertisement Exp.	<b>2,164,994</b>	151,675
AMC Charges	<b>149,082</b>	117,947
Audit Fees & Other charges	<b>120,665</b>	115,815
Annual General Meeting Exp.	<b>6,000</b>	21,722
Appeal Filing Fees	<b>-</b>	1,000
NSDL Fees	<b>3,309</b>	18,007
NSE Listing Fees	<b>104,785</b>	49,635
BSE Fees	<b>93,204</b>	33,090
Discount & Brokerage Claim, Rebate Paid	<b>1,715,179</b>	3,670,224
Business Promotion Expenses	<b>1,527,008</b>	384,161
Garment Material Exp.	<b>922,562</b>	-
Computer Expenses	<b>180,849</b>	45,988
Conveyance Expenses	<b>1,874,416</b>	693,150
Coolie & Carriage Expenses	<b>180,922</b>	125,760
Courier & Postage Charges	<b>210,099</b>	175,130
Custodial Fees	<b>77,210</b>	33,090
Designing Charges	<b>38,850</b>	-
Display Material	<b>47,835</b>	-
Donation	<b>1,506,719</b>	939,000
Electricity Exp	<b>410,826</b>	387,764
Erection Charges	<b>-</b>	14,080
Franking Exp	<b>157,540</b>	256,650
Office & General Expenses	<b>307,536</b>	192,434
Grampanchayat Tax	<b>61,544</b>	90,768
House Keeping Charges	<b>208,777</b>	42,958
Inspection charges	<b>75,766</b>	2,206
Insurance Charges	<b>435,510</b>	388,062
Interest on TDS	<b>-</b>	992
Internet Expenses	<b>181,539</b>	46,447
Job Work , Process & Washin Charges (Garments)	<b>819,484</b>	-
Labling Exp.	<b>723,275</b>	-
Licence Fees & Registration Fees	<b>41,100</b>	55,600
Membership & Subscription Exp.	<b>60,507</b>	4,000
Packing Charges	<b>838,795</b>	334,197
Petrol Expenses	<b>448,545</b>	460,294
Pooja Expenses	<b>25,223</b>	12,621

### Schedule Annexed To and Forming Part Of Balance Sheet as at 31st March 2011

PARTICULARS	Year Ended 31.03.2011 Amt. in Rs.	Year Ended 31.03.2010 Amt. in Rs.
<b>SCHEDULE : 16 : ADMINISTRATIVE &amp; GENERAL EXPENSES (Contd....)</b>		
Preliminary Expenses Written off	571,352	256,352
Printing & Stationery Charges	1,377,767	813,809
Professional Fees	3,823,563	1,179,632
Professional Tax	5,000	2,500
Rate Difference	69,190	202,947
Repairs & Maintenance Expenses	2,038,932	2,527,451
ROC Fees	3,000	13,129
Room Rent & Society Maintenance	1,011,673	603,845
Sampling Exp.	221,461	-
Shop & Establishment Exp. (Licence Fees)	2,440	-
Sitting Fees Charges	190,000	240,000
Software Exp.	2,500	3,610
Stamp Duty Charges	-	337,575
Sundry Debtors W/off	46,338	28,323
Telephone Charges	391,287	355,738
Travelling Expenses	659,857	808,629
Vehical Expenses	244,715	178,708
Salaries & Wages	23,883,684	18,235,009
Staff Welfare Expenses	2,847,445	2,135,500
Directors' Remuneration	2,100,000	900,000
Labour Charges	403,859	213,375
Stores & Spares Used	17,114,452	11,832,567
Transportation Charges	334,314	323,409
<b>TOTAL</b>	<b>73,062,482</b>	<b>50,056,576</b>
<b>SCHEDULE : 17 : FINANCE CHARGES</b>		
Bank Charges	502,519	583,130
Loan Processing Charges, Mortgage Charges, Upfront Fees	1,788,032	418,857
Interest On Car Loan	185,435	155,553
Bank Interest on CC A/c.	33,589,427	16,601,411
Bank Interest on SLOC A/c.	199,589	1,218,835
Bank Interest on Term Loan	9,446,785	9,408,147
L C Discounting Charges	1,137,631	-
Bank Commission	1,106,175	1,106,175
<b>TOTAL</b>	<b>47,955,593</b>	<b>29,492,109</b>

**SCHEDULE : 11 : Annexed to and Forming part of Balance Sheet as at 31.03.2011****SIGNIFICANT ACCOUNTING POLICIES****1. Basis of preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provision of the Companies Act, 1956.

**2. Use of Estimate**

The preparation of financial statements requires estimates and assumptions to be made that effects the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**3. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

**i) Sale of goods**

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales revenue is net of sales return.

**ii) Interest**

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**iii) Dividends**

Revenue is recognized as and when received.

**4. Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of purchase price and any directly attributable cost of bringing the assets to its present condition for intended use

**5. Depreciation**

Depreciation on the fixed assets has been provided for on straight-line method at the rates prescribed and in the manner specified in Schedule XIV to the Companies Act, 1956.

**6. Inventories**

Inventories are measured at lower of cost or net realizable value. Raw Material is valued at cost, Stores, Spares parts and packing material valued as cost.

**7. Investment:**

Current Investments are measured at the lower of cost or market value. Long Term Investments are measured at Cost.

**8. Foreign Exchange Transaction**

(a) Transaction denominated in foreign currencies is normally recorded at the exchange rate prevailing at the time of the transaction.

(b) Monetary items denominated in foreign currency as at the balance sheet date are translated at the year end exchange rate.

(c) Premium on forward cover contracts in respect of import of raw material is charged to profit & loss account over the period of contracts except in respect of liability for acquiring fixed assets, in which case the difference are adjusted in carrying cost of the same.

**9. Employee Retirement Benefits**

The company provides for gratuity, a defined benefit plan in accordance with the rules of the company based on valuation carried out by the management at the balance sheet date. Contribution payable to the Employees benefits is charged to Profit & Loss Account on as incurred.

**10. Borrowing Costs:**

Borrowing cost which are directly attributable to the acquisition/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 intended use. All other borrowing costs are charged to revenue.

**11. Leases:**

Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit & Loss account on accrual basis.

**12. Earning per share:**

Basic EPS is computed using the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and diluted equity equivalent shares outstanding during the year except where the results would be anti-dilutive.

**13. Current Tax and Deferred Tax :**

- (i) Provision for current tax is made after taking into consideration benefits admissible under the provision of the Income Tax Act, 1961.
- (ii) Deferred tax resulting from timing difference between the book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date.

**14. Intangible Assets**

Intangible assets are capitalized if specific criteria are met and are amortised over their useful life, generally not exceeding 5 years. The recoverable amount of an intangible asset that is not available for use or is being amortized over a period exceeding 5 years should be reviewed at least at each financial year end even if there is no indication that the asset is impaired.

**15. Provision, Contingent Liabilities and contingent assets**

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

**SIGNIFICANT ACCOUNTING POLICIES****1. Impairment of Assets**

The company assesses at each balance sheet date whether there is any indication that an assets may be impaired. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the asset belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**2. NOTES ON ACCOUNT FOR YEAR ENDED 31<sup>st</sup> MARCH 2011.**

1. The previous year's figure have been reworked, regrouped, rearranged and reclassified wherever necessary.
2. In the opinion of the Board, sundry debtors, loans and advances and other current assets and unsecured loans are approximately of the value stated if realized in the ordinary course of business. The provisions for all known liabilities is adequate and not in excess of the amount reasonably necessary. These balances are subject to confirmation and reconciliation.

**3. Earning per share (EPS)**

In compliances to AS-20 on "Earning Per Share" issued by ICAI, the elements considered for calculation of earning per share (Basic & Diluted) are as under:

Particulars	2010-11	2009-10	2008-09
Net Profit as per Profit & Loss Account (Rs.)	2,70,84,068	3,22,16,526	2,76,95,266
Weighted average number of equity shares	2,08,57,793	1,77,32,793	1,63,57,782
Basic and diluted Earning per share (Rs.)	1.30	1.82	1.69
Face value per share (Rs.)	10	10	10

4. As required under AS-22, "Accounting For Taxes On Income" issued by the ICAI, the company is required to account for deferred taxation while preparing its accounts. The details of Deferred Tax Assets / Liabilities are as under:

Particulars	2010-11	Current Year	2009-10
Deferred Tax Liabilities	NIL	NIL	NIL
Related to Fixed Assets (Rs.)	7,03,46,714	2,09,43,432	4,94,03,282
Deferred Tax Assets (Rs.)	NIL	NIL	NIL
Net Deferred Tax Liabilities (Rs.)	7,03,46,714	2,09,43,432	4,94,03,282

## 5. Related Party Disclosures

As per the Accounting standard -18 issued by the Institute of Chartered Accountants of India, the disclosure of transaction with related parties as defined in the accounting standard are given below:

Name of the parties	Nature of Relationship	Nature of Transactions	Amount (Rs. in Lac)
Rinku I. Patodia	Managing Director	Directors Remuneration	12.00
Anita R. Patodia	Executive Director	Directors Remuneration	9.00
Ramshyam Textile Industries Ltd.	Wholly Subsidiary Company	Corporate Guarantee given	1,836.00
Ramshyam Textile Industries Ltd.	Wholly Subsidiary Company	Job Work Charges Received	34.35
		Paid	5.95
First Winner Lifestyle Ltd.	Wholly Subsidiary Company	Corporate Guarantee given	4689.00
First Winner Lifestyle Ltd.	Wholly Subsidiary Company	Job Work Charges Received	277.05
		Paid	274.26

6. In pursuance of Accounting Standard on Impairment on Assets (AS 28) issued by ICAI, the company had identified and reviewed such assets. Based on such identification and review, there was no impairment / reversal during the year to be recognized.

## 7. Contingent Liabilities

[ Rs. In lacs ]

Particulars	31.03.2011	31.03.2010
Bank Guarantees	118.71	39.00
Corporate Guarantee given to bankers on behalf on subsidiary company: Ramshyam Textile Industries Ltd.	1,836.00	1,088.00
First Winner Lifestyle Pvt. Ltd.	4,689.00	4,486.00
Total	6,643.71	5,613.00

## 8. Segment Reporting

The company operates in single segment of Textile and Textile Products, hence segmental reporting as required under accounting standard 17 issued by ICAI is not applicable.

9. As at the Balance Sheet date, the Company did not have any dues outstanding to small scale industrial undertakings exceeding Rs. 1 lakh in aggregate for a period of 30 days.

## 10. Foreign Currency Transactions :

The company has incurred foreign currency USD 32,81,000, EURO 15,33,500 i.e. Rs.24,65,79,175/- on capital expenditure & Advances for capital Expenditure during the year.

## 11. Payments to Auditors

Particulars	2010-11	2009-10
Audit fees	Rs.1,20,665	Rs.1,15,815
For other services	Rs. 42,060	Rs. 31,545
Total	Rs.1,62,725	Rs.1,47,360

## 12. Managerial Remuneration

Particulars	2010-11 [Rs.]	2009-10 [Rs.]
Directors remunerations	21,00,000	9,00,000
Sitting fees	1,90,000	2,40,000
Total	22,90,000	11,40,000

13. Additional information pursuant to the provision of paragraph 3,4C & 4D of PART II of SCHEDULE VI of the Company act 1956. (As prepared & Certified by the management, being technical matter relied upon by the Auditor.)

Particulars	Unit	2010-11	2009-10
A. Licensed Capacity	Meters	232.42 Lac	170.21 Lac
B. Installed Capacity (op. 170.21 Lac Meters + Addition in March 2011 62.21 Lac Meters)	Meters	232.42 Lac	170.21 Lac
C. Actual Performance	Meters	142.81 Lac	118.88 Lac

Information of major traded & Mfg. materials

Particulars	2010-11		2009-10	
	Qty [Mtr.]	[Rs. in lacs]	Qty [Mtr.]	[Rs. in Lacs]
<b>Fabrics (Traded)</b>				
Opening Stock				
(Fabrics)	264440.00	243.42	1,66,730.00	283.80
(Fabrics for Garments)	1478.00	1.48	----	----
(Garments Jeans)	525 Pcs	1.99	----	----
Purchases (Fabrics)	23963869.00	28858.33	22784802.35	24080.13
(Fabrics for Garments)	58627.66	74.25	1478.00	1.48
Garments	4150 Pcs.	18.00	525 Pcs	1.99
Garments Manufacture	7321 Pcs.	25.05	----	----
Sales				
(Fabrics)	23623144.00	28505.44	22685614.35	24537.64
(Fabrics for Garments Sale)	1478.00	1.65	----	----
(Fabrics used for Garments Manufacture)	25516.86	13.51	----	----
(Garments )	4272 Pcs.	15.79	----	----
Closing Stock				
(Fabrics)	605165.00	1106.42	264440.00	243.42
(Fabrics for Garments & Trims)	33104.80	75.43	1478.00	1.48
(Garments Jeans)	7724 Pcs.	31.67	525 Pcs	1.99
<b>Fabrics (Manufactured)</b>				
Opening Stock	39624.00	14.63	3,33,671	109.64
Add: Manufacture	67039.00	28.50	1016945	248.81
Less: Sales	93136.00	41.84	1310992	466.97
Closing Stock	13527.00	4.51	39624	14.63
<b>Yarn (Raw Material – Consumed)</b>				
Opening Stock (Kgs)	6024.00	7.86	35,403.00	49.52
Purchases	13168.99	25.78	132099.60	191.48
Less Return (Net Kgs)				
Consumption	15916.99	28.71	161478.60	233.14
Closing Stock (Kgs)	3276.00	4.93	6024.00	7.86

14. Financial statement has been audited by us is on the basis of Original / Xerox copies of supporting evidence. Further the Board confirms that all transactions in which supporting evidence are missing are genuinely occurred for the business.

As per our report of even date attached

**For Deshmukh & Associates**  
Chartered Accountants

**[Deepen Kapadia - Partner]**  
Membership No. 112565

Place : Mumbai  
Dated : 30.08.2011

**For Praful M. Joshi**  
Chartered Accountants

**[Praful Joshi - Proprietor]**  
Membership No. 30276

**For FIRST WINNER INDUSTRIES LIMITED**

**Rinku Patodia**  
Director

**Anita Patodia**  
Director

**Shristi Padia**  
Company Secretary

## BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

<b>1. Registration Details</b>	:	
Registration No.	:	138778
State Code	:	11
Balance Sheet	:	31/03/2011
<b>2. Capital Raised During the Year.</b>	:	<b>(Rs. In Thousand)</b>
Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	7500
<b>3. Position of Mobilization &amp; deployment of fund</b>	:	<b>(Rs. In Thousand)</b>
Total Liabilities	:	19,87,958
Total Assets	:	19,87,958
Sources of Funds	:	
Paid Up Capital	:	2,52,328
Share Application Money	:	NIL
Reserve & Surplus	:	10,59,806
Deferred Tax Liability	:	70,347
Secured Loans	:	6,05,478
Unsecured Loans	:	NIL
Application of Funds.	:	
Net Fixed Assets	:	7,78,019
Investments	:	4,59,847
Net Current Assets	:	7,49,301
Miscellaneous Expenditure	:	791
Accumulated Losses	:	NIL
<b>4. Performance of The Company</b>	:	<b>( Rs. In Thousand )</b>
Turnover ( Gross Receipts)	:	31,00,413
Total Expenditure	:	30,39,514
Profit / (Loss) Before Tax	:	60,899
Profit / (Loss) After Tax	:	27,084
Earnings Per Shares ( In Rs.)	:	1.30
Dividend Rate Included Special	:	
On Preference Shares	:	NIL
On Equity Shares	:	5%
<b>5. Generic Names of the Principal Product</b>	:	
Service of the Company	:	
(ITC Code )	:	55131910
Production Description	:	Manufacturing & Trading In Fabrics

### For First Winner Industries Limited

**Rinku Patodia**  
Director

**Anita Patodia**  
Director

**Shristi Padia**  
Company Secretary

Date : 30<sup>th</sup> August 2011

## AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### Auditors' Report to the Board of Directors of First Winner Industries Limited on the Consolidated Financial Statements of First Winner Industries Limited and its Subsidiaries.

We have audited the attached Consolidated Balance Sheet of First Winner Industries Limited (hereinafter referred as "the Company"), the holding company, its subsidiaries (hereinafter collectively referred to as "the Group") as at 31st March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date prepared in accordance with the accounting principles generally accepted in India.

1. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on basis of the separate audited financial statements of the Company, its subsidiaries included in the consolidated financial statements.
3. We audited the financial statements of three subsidiaries viz., First Winner Lifestyle Ltd., Ramshyam Textile Industries Ltd. and Pal Trading Company Pvt. Ltd.
4. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company, its subsidiaries, we are of the opinion that the consolidated financial statements give a true and fair view:
  - (a) In case of the consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2011 ;
  - (b) In case of the consolidated Profit and Loss Account, of the consolidated results of operations of the Group for the year then ended; and
  - (c) In case of the consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

**For Praful M. Joshi**  
Chartered Accountant

(Praful M. Joshi)  
Proprietor  
Mno. 30276

Place : Mumbai  
Date : 30<sup>th</sup> August 2011

**For Deshmukh & Associates**  
Chartered Accountants

(Deepen Kapadia)  
Partner  
Mno. 112565

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011**

(Amount in Rs.)

Particulars	Schedule	As at 31.03.2011	As at 31.03.2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholder Funds</b>			
Share Capital	1	252,327,930	177,327,930
Share Application Money		75,000,000	143,500,000
Reserves & Surplus	2	<u>1,301,386,809</u>	<u>1,029,725,997</u>
		<u>1,628,714,739</u>	<u>1,350,553,927</u>
Minority Interest		19,124	16,077
<b>Borrowed Fund</b>			
Secured Loan	3	<u>1,219,622,058</u>	<u>743,099,337</u>
		<u>1,219,622,058</u>	<u>743,099,337</u>
<b>DEFERRED TAX (NET)</b>	4	<u>131,340,621</u>	<u>101,033,877</u>
TOTAL		<u><u>2,979,696,543</u></u>	<u><u>2,194,703,218</u></u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	1,488,834,696	1,249,175,414
Less:- Accumulated Depreciation		<u>172,992,470</u>	<u>116,007,941</u>
Net Block		<u>1,315,842,226</u>	<u>1,133,167,473</u>
<b>Investments</b>	6	79,490,000	77,840,000
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	7	264,016,201	96,031,502
Sundry Debtors		1,702,856,646	1,595,672,699
Loan & Advances		421,155,139	156,486,415
Cash & Bank Balances		<u>2,673,949</u>	<u>4,183,461</u>
Sub Total		<u>2,390,701,935</u>	<u>1,852,374,077</u>
<b>Less :-Current Liabilities And Provisions</b>			
Current Liabilities	8	693,312,198	784,339,889
Provisions	9	<u>114,135,765</u>	<u>85,054,276</u>
		<u>807,447,963</u>	<u>869,394,165</u>
Net Current Assets		<u>1,583,253,972</u>	<u>982,979,912</u>
<b>Miscellaneous Expenditure</b>	10	1,110,345	715,834
(To the extend not written off or adjusted)			
TOTAL		<u><u>2,979,696,543</u></u>	<u><u>2,194,703,218</u></u>
Significant Accounting Policies	11		
Notes & Schedules 1 TO 17 Forming part of Accounts			

As per our report of even date attached

**For Praful M. Joshi**  
Chartered Accountants

sd/-  
**[Praful Joshi - Proprietor]**  
Membership No. 100/030276

**For Deshmukh & Associates**  
Chartered Accountants

sd/-  
**[Deepen Kapadia - Partner]**  
Membership No. 112565

**For FIRST WINNER INDUSTRIES LIMITED**  
sd/- sd/-  
Managing Director Director

sd/-  
Company Secretary

Place : Mumbai  
Dated : 30.08.2011

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**

(Amount in Rs.)

Particulars	Schedule	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>INCOME</b>			
Sales & Income from Operations	12	7,950,517,702	5,691,077,539
Other Income	13	4,803,961	3,964,252
		<u>7,955,321,663</u>	<u>5,695,041,791</u>
<b>EXPENDITURE</b>			
Cost Of Material	14	7,396,283,264	5,259,974,067
Other Direct Expenses	15	164,971,304	117,315,250
Administrative And General Expenses	16	103,309,071	71,539,551
Finance Charges	17	117,189,484	89,674,262
Depreciation		56,984,530	54,945,866
		<u>7,838,737,653</u>	<u>5,593,448,996</u>
<b>PROFIT BEFORE TAX</b>		<b>116,584,010</b>	<b>101,592,795</b>
Provision For Taxation			
Current Tax		25,471,334	17,889,296
Fringe Benefit Tax		-	-
Deferred Tax		30,306,744	25,970,271
Excess/Short Provision For Earlier Years		569,631	(80,649)
<b>PROFIT AFTER TAX</b>		<b>61,375,563</b>	<b>57,652,579</b>
Balance brought forward From Previous Year		277,437,505	230,124,486
<b>AVAILABLE FOR APPROPRIATION</b>		<b>338,813,068</b>	<b>287,777,065</b>
Appropriations:			
Proposed Dividend		12,616,397	8,866,397
Tax on Proposed Dividend		2,095,426	1,472,598
Minority Interest in Curr Year's Profit		3,048	565
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>324,098,197</b>	<b>277,437,505</b>
Basic / Diluted Earning per share (Rs.)		<u>2.94</u>	<u>3.25</u>
Significant Accounting Policies	11		
Notes & Schedules 1 TO 17 Forming part of Accounts			

As per our report of even date attached

**For Praful M. Joshi**  
Chartered Accountants

sd/-  
**[Praful Joshi - Proprietor]**  
Membership No. 100/030276

Place : Mumbai  
Dated : 30.08.2011

**For Deshmukh & Associates**  
Chartered Accountants

sd/-  
**[Deepen Kapadia - Partner]**  
Membership No. 112565

**For FIRST WINNER INDUSTRIES LIMITED**  
sd/-  
Managing Director

sd/-  
Company Secretary

sd/-  
Director

**CONSOLIDATED CASH FLOW STATEMENT AS ON 31ST MARCH 2011**

Particulars	As at 31.03.2011	As at 31.03.2010
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Taxes	116,584,010	101,592,795
Adjustments for		
Depreciation	56,984,530	54,945,866
Interest Income	(3,490,904)	(2,550,261)
Dividend Income	-	(173,298)
Rental Income	(108,000)	(103,500)
Interest Expenses	99,883,274	81,354,275
Preliminary Expenses W/off	734,639	414,839
Loss / (Profit) on Sale of Assets	(3,120)	730,588
<b>Operating Profit Before Working Capital Changes</b>	<b>270,584,429</b>	<b>236,211,304</b>
(Increase) / Decrease in Inventories	(167,984,699)	(9,010,871)
(Increase) / Decrease in Sundry Debtors	(107,183,947)	(954,193,995)
(Increase) / Decrease in Loans & Advances	(236,445,130)	15,642,311
Increase in Sundry Creditors	(91,027,691)	565,660,623
Cash generated from Operations	(332,057,038)	(145,690,628)
Income Tax Paid	(28,416,638)	(11,973,622)
<b>Net Cash from Operating Activities</b>	<b>(360,473,676)</b>	<b>(157,664,250)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases/Additions of Fixed Assets	(240,052,162)	(33,770,706)
Sale proceeds of Assets Sold	396,000	110,000
(Purchase) / Sales of Investments	(1,650,000)	61,115,025
Preliminary Expenses Incurred	(1,129,150)	-
Dividend Earned	-	173,298
Interest Income Earned	3,490,904	2,550,261
Rental Income	108,000	103,500
<b>Net cash used in Investing Activities</b>	<b>(238,836,408)</b>	<b>30,281,378</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issuance of Share Capital	156,500,120	-
Share Application Money Received	75,000,000	143,500,000
Interest Expenses on Long Term Borrowings	(99,883,274)	(81,354,275)
Dividend Paid	(10,338,995)	-
Proceeds from Long Term Borrowings	476,522,721	65,844,137
<b>Net Cash from Financing Activities</b>	<b>597,800,572</b>	<b>127,989,862</b>
Net Increase / (Decrease) in Cash & equivalents	(1,509,512)	606,990
Cash & Equivalents at the beginning of the year	4,183,461	3,576,472
Cash & equivalents at the end of the year	2,673,949	4,183,461

Note :

- The above cash flow has been prepared as set out in the accounting standard on Cash Flow Statements (AS-3) issued by the Institute of Chartered Accountants of India.
- Previous year's figures have been rearranged / regrouped wherever necessary.

As per our report of even date attached

**For Praful M. Joshi**  
Chartered Accountants

sd/-  
**[Praful Joshi - Proprietor]**  
Membership No. 100/030276

**For Deshmukh & Associates**  
Chartered Accountants

sd/-  
**[Deepen Kapadia - Partner]**  
Membership No. 112565

**For FIRST WINNER INDUSTRIES LIMITED**  
sd/-  
Managing Director

sd/-  
Director  
Company Secretary

Place : Mumbai  
Dated : 30.08.2011

**Schedule Annexed To and Forming Part Of Consolidated Balance Sheet as at 31.03.2011****(Amount in Rs.)**

PARTICULARS	As at 31.03.2011	As at 31.03.2010
<b>Schedule '1'</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
3,50,00,000 (2,00,00,000) Equity Share of Rs.10/- each	350,000,000	200,000,000
	<u>350,000,000</u>	<u>200,000,000</u>
<b>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL</b>		
2,52,32,793 (1,77,32,793) Equity Share of Rs.10/- each	252,327,930	177,327,930
<b>TOTAL</b>	<u>252,327,930</u>	<u>177,327,930</u>
<b>Schedule '2'</b>		
<b>RESERVE AND SURPLUS</b>		
<b>a) Securities Premium Account</b>		
As per last Balance Sheet	752,304,003	752,304,003
Add:- Addition During The Year	225,000,120	-
Less:- Utilised for IPO Expenses	-	-
<b>Sub Total- a</b>	<u>977,304,123</u>	<u>752,304,003</u>
<b>b) Profit &amp; Loss Account</b>		
Opening balance	277,421,994	230,108,975
Add:- Profit For The Year	46,660,692	47,313,019
<b>Sub Total- b</b>	<u>324,082,686</u>	<u>277,421,994</u>
<b>TOTAL (a+b)</b>	<u>1,301,386,809</u>	<u>1,029,725,997</u>
<b>Schedule '3'</b>		
<b>Secured Loan</b>		
Working Capital Limits from SBI (Secured by Stocks, Debtors & Other Fixed and Current assets)	633,928,450	164,476,586
Working Capital Limits from Union Bank of India (Secured by Stocks, Debtors & Other Fixed and Current assets)	-	63,540,345
Working Capital Limits from Bank of India (Secured by Stocks, Debtors & Other Fixed and Current assets)	-	60,818,304
SLOC A/c. (Secured by Stocks, Debtors & Other Fixed and Current assets)	13,664,961	22,769,735
Term Loan (SBI) (Due within 1 Year Rs.14,91,48,000/-) (Secured with Factory building and plant & machinery)	539,767,934	388,893,396
Term Loan (S.B. Indore ) (Due within 1 Year Rs.94,74,000/-) (Secured with Factory building and plant & machinery pari passu charged with SBI)	29,521,952	38,549,989
Car Loan (Due within 1 Year 26,35,737)	2,738,761	4,050,982
<b>TOTAL</b>	<u>1,219,622,058</u>	<u>743,099,337</u>
<b>Schedule '4'</b>		
<b>DEFERRED TAX</b>		
Opening Balance	101,033,877	75,063,606
Add: Addition During The Year	30,306,744	25,970,271
<b>TOTAL</b>	<u>131,340,621</u>	<u>101,033,877</u>

## Schedule "5" Consolidated Fixed Assets (At cost less Depreciation) as on 31-03-2011

(Amt. in Rs.)

Description of Assets	Gross Block			Depreciation				Net Block		
	As at 01.04.2010	Additions during the year	Deductions during the year	As at 31.03.2011	Up to 31.03.2010	Adjustments	Provided for the period ended 31.03.2011	Total Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Factory Building	186254108	447,227		186701335	13,373,049		2,336,257	15,709,306	170,992,029	172,881,059
Factory Building Unit 2 (N-66)	111199861			111199861	4,119,832		7,607,602	11,727,434	99,472,427	107,080,029
Godowns	5986890	-		5986890	571,450		57,548	628,998	5,357,892	5,415,440
Office Premises	4932126	6,042,246		10974372	387,795		160,324	548,119	10,426,254	4,544,332
Staff Quarters	649200	-		649200	23,925		10,582	34,507	614,693	625,275
Plot at Palghar	392880	-	392,880	0	-		-	-	-	392,880
Plant & Machinery	722572949	1,011,678		723584627	81,572,861		34,343,200	115,916,061	607,668,566	641,000,088
Plant & Machinery Expansion (Unit 2)	181081176	192,318,179		373399355	9,526,881		9,377,215	18,904,096	354,495,259	171,554,295
Electrical Installations	11790274	353,221		12143495	1,835,177		686,543	2,521,720	9,621,775	9,955,097
Electrical Installation Unit 2	2075227			2075227	96,432		98,573	195,005	1,880,223	1,978,796
Vehicle	10306863	755,500	33,975	11028388	1,409,031		1,035,451	2,444,482	8,583,906	8,897,832
Furniture & Fixtures	5270749	372,826		5643575	761,734		348,725	1,110,459	4,533,116	4,509,015
Furniture & Fixture Unit 2	352630	-		352630	24,574		22,321	46,895	305,735	328,056
Other Assets	1211737	958,428		2170165	114,880		77,448	192,328	1,977,837	1,096,857
Air Conditioner & Refrigerator	671391	162,500		833891	61,094		35,336	96,420	737,471	610,307
Computers	4427353	1,445,148		5872501	2,129,238		787,403	2,916,641	2,955,860	2,298,115
Capital Work In Progress (Expansion)	0	36,219,184		36219184	-		-	-	36,219,184	-
Total	1249175414	240,086,137	426,855	1,488,834,696	116,007,941	-	56,984,528	172,992,470	1,315,842,227	1,133,167,473
Previous Year	1216489698	33,932,774	1,247,058	1249175414	61,456,477	394,402	54,945,866	116,007,941	1,133,167,473	1,155,033,221

**Schedule Annexed To and Forming Part Of Consolidated Balance Sheet as at 31.03.2011**

PARTICULARS	As at 31.03.2011	As at 31.03.2010
<b>Schedule '6'</b>		
<b>Investments</b>		
Investments in Mutual Funds		
SBI Infrastructure Fund	40,000	40,000
SBI Capital Protection Oriented Fund	50,000	50,000
SBI One India Fund	10,000	10,000
SBI Liquid (Daily Dividend)	-	-
UTI Infrastructure	50,000	50,000
UTI Wealth Builder Fund Series II	90,000	90,000
UTI Mutual Fund	100,000	100,000
Unquoted		
Share Investment in Solitaire Texfeb & Traders Pvt. Ltd.	47,500,000	47,500,000
Share Investment of FWLL in Rikosh Fashions Pvt. Ltd. (Unquoted hence Market Value Not available)	31,650,000	30,000,000
	<u>79,490,000</u>	<u>77,840,000</u>
<b>Schedule '7'</b>		
<b>Current Assets, Loans &amp; Advances</b>		
Inventories		
Raw Material	493,424	786,036
Work In Process	-	-
Finished Goods	263,522,777	95,245,466
TOTAL	264,016,201	96,031,502
<b>Sundry Debtors (Unsecured considered good )</b>		
1) Due for more than six months	37,585,317	-
2) Others	1,665,271,329	1,595,672,699
TOTAL	<u>1,702,856,646</u>	<u>1,595,672,699</u>
<b>Loan &amp; Advances, Deposits</b>		
Advances for Capital Goods	231,079,662	30,492,262
Advances for Expenses	517,299	203,561
Advances for Property	14,785,597	6,352,573
Advances for Rent	99,812	103,588
Advances Others	14,825,246	9,891,579
Advance Tax	10,317,980	28,507,005
Self Assessment Tax	64,095,536	25,387,369
Tax Deducted at Sources	11,730,371	4,025,919
Input Vat (Capital Goods) / Tuff Subsidy Receivable	13,755,410	6,967,762
Staff Advances	878,916	626,647
Stores & Spares (Stock)	549,135	3,039,440
Fixed Deposit With State Bank Of India	41,211,689	29,768,470
Fixed Deposit With State Bank Of Indore	9,247,065	6,518,076
Sundry Deposits	3,649,727	4,055,602
Other Advances & Deposits	4,411,694	546,562
TOTAL	<u>421,155,139</u>	<u>156,486,415</u>
<b>Cash and Bank Balances</b>		
Cash In Hand	2,071,382	2,102,078
Balance in current A/C (State Bank of Indore)	356,126	(634,635)
Balance in Current A/c (Bank of India)	7,575	7,600
Balance in Current A/c (Union Bank of India)	12,599	5,586
State Bank of Indore Current Account	16,069	573,431
In Current Account	17,423	2,129,401
Balance in current A/C (State Bank of India, Bangalore)	182,775	-
Balance in current A/C (State Bank of India, Dividend A/c)	10,000	-
TOTAL	<u>2,673,949</u>	<u>4,183,461</u>

**Schedule Annexed To and Forming Part Of Consolidated Balance Sheet as at 31.03.2011**

PARTICULARS	As at 31.03.2011	As at 31.03.2010
<b>Schedule '8'</b>		
<b>Current Liabilities &amp; Provisions</b>		
<b>Sundry Creditors</b>		
a) For Goods	523,329,683	738,359,833
b) For L/C	149,905,564	29,951,340
c) For Expenses	8,610,152	7,461,443
d) For Capital Goods & Others	10,697,466	7,921,080
e) Others	769,333	646,193
TOTAL	<u>693,312,198</u>	<u>784,339,889</u>
<b>Schedule '9'</b>		
<b>Provisions</b>		
Provision for Income Tax (2006-2007)	6,902,218	6,902,218
Provision for Income Tax (2007-2008)	20,272,630	20,272,630
Provision for Income Tax (2008-2009)	5,614,933	5,614,933
Provision for Income Tax (2009-2010)	10,270,833	10,270,833
Provision for Fringe Benefit Tax (2007-2008)	80,000	80,000
Provision for Fringe Benefit Tax (2008-2009)	-	90,610
Provision for Income Tax	56,283,328	31,484,057
Proposed Dividend	12,616,397	8,866,397
Tax on Proposed Dividend	2,095,426	1,472,598
TOTAL	<u>114,135,765</u>	<u>85,054,276</u>
<b>Schedule '10'</b>		
<b>Miscellaneous Expenditure</b>		
Preliminary Expenses. (To the extent not written off or adjusted )	715,834	1,130,673
Add:- Addition During the Year	1,129,150	-
Less:- Written off during the year	734,639	414,839
Less:- IPO Exp. Adjusted against Share Premium A/c.	-	-
	<u>1,110,345</u>	<u>715,834</u>
Preoperative Exp.	-	-
TOTAL	<u>1,110,345</u>	<u>715,834</u>

**Schedule Annexed To and Forming Part Of Consolidated Balance Sheet as at 31.03.2011**

PARTICULARS	As at 31.03.2011	As at 31.03.2010
<b>Schedule '12'</b>		
<b>Sales &amp; Income from Operations</b>		
Sales of Products Traded	7,498,285,251	5,324,319,900
Sales of Products Manufacture	4,184,282	46,697,347
Job Work Charges	446,304,010	320,060,292
Garment Sales	1,578,852	-
Garment Fabric Sales	165,307	-
	<u>7,950,517,702</u>	<u>5,691,077,539</u>
<b>Schedule '13'</b>		
<b>Other Income</b>		
Discount Received	590,093	315,697
Dividend Received	-	173,298
Sundry creditor w/off	1,610	237
Insurance Claim Received	5,589	-
F.D. Interest	3,413,403	2,501,615
Other Interest Received	-	48,646
Rent received	108,000	103,500
Rebat & claim	41,042	8,218
Sale of Scrap	563,603	504,659
Interest on IT Refund	77,501	-
Other Incomes	3,120	308,382
	<u>4,803,961</u>	<u>3,964,252</u>
<b>Schedule '14'</b>		
<b>Cost Of Goods Sold</b>		
Opening Stock	95,402,211	85,194,601
Add: Purchases	7,564,411,563	5,270,181,677
Less: Closing Stock	263,530,510	95,402,211
TOTAL	<u>7,396,283,264</u>	<u>5,259,974,067</u>
<b>Schedule '15'</b>		
<b>Direct Expenses</b>		
Beam Drawing Charges	2,953,502	3,177,479
Beam Draping Charges	5,220	187,785
Beam Leasing Charges	1,039,311	927,241
Beam Gaiting Exp.	1,548,015	-
Diesel & Petrol (DG Set)	4,783,848	13,538,421
Furnes Oil	7,984,690	5,449,359
Mending Charges	2,154,257	2,729,699
Beam Piecing Charges	211,857	377,298
Job Work Charges Paid	85,438,032	49,648,685
Water Charges	205,530	287,101
Boiler Water & Liquid Oxygen	147,963	102,504
Warping Charges	2,550	-
Tesing Fees	5,570	1,827
Electricity Exp.	26,753,379	13,219,756
Other direct expenses	20,792,276	17,300,000
Loading & uploading charges	133,500	53,000
Piecing charges	-	233,356
Wages & Labour Charges	10,690,286	9,749,061
Repairs & Maintenance	121,518	279,688
Gardening Exp.	-	7,620
Polution Control Fees	-	44,090
	<u>164,971,304</u>	<u>117,315,250</u>

**Schedule Annexed To and Forming Part Of Consolidated Balance Sheet as at 31.03.2011**

PARTICULARS	As at 31.03.2011	As at 31.03.2010
<b><u>Schedule '16'</u></b>		
<b><u>Administrative and General Expenses</u></b>		
Advertisement Exp.	2,265,141	269,945
AMC Charges	149,082	117,947
Audit Fees	217,178	190,268
Annual General Meeting Exp.	6,000	21,722
Appeal Filing Fees	-	2,000
NSDL Fees	3,309	18,007
NSE Listing Fees	104,785	49,635
BSE Fees	93,204	33,090
Discount & Brokerage Paid	3,104,108	4,019,398
Business Promotion Expenses	2,643,229	1,004,582
Computer Expenses	180,849	47,988
Conveyance Expenses	2,981,363	1,228,702
Coolie & Carriage Expenses	241,957	154,805
Courier & Postage Charges	379,962	350,501
Contribution to providend fund	-	334,936
Custodian Fees	77,210	33,090
Designing Charges	38,850	-
Display Material	47,835	-
Donation	3,219,885	1,605,000
Electricity Exp	461,000	425,225
Erection charges	-	14,080
Franking Exp	496,090	259,500
Garment Material Exp.	922,562	-
Office & General Expenses	1,865,992	816,564
Grampanchayat Tax	103,144	185,818
House Keeping Charges	372,932	471,789
Inspection charges	90,166	2,206
Insurance Charges	868,710	868,326
Interest on TDS	-	992
Internet Expenses	181,539	46,447
Job Work, Process & Washing Charges	819,484	-
Labling Exp.	723,275	-
Legal & Professional Charges	555,622	108,222
Licence Fees	95,168	70,784
Loss on sale of Car	-	730,588
Communication costs	-	397,418
Custom duty	-	6,562
Membership & Subscription	71,916	7,000
Packing Charges	838,795	334,197
Petrol Expenses	572,618	559,064
Pollution Control Fees	50,000	-
Pooja Expenses	94,469	117,246

**Schedule Annexed To and Forming Part Of Consolidated Balance Sheet as at 31.03.2011**

PARTICULARS	As at 31.03.2011	As at 31.03.2010
Preliminary Expenses Written off	734,639	414,839
Printing & Stationery Charges	1,573,980	1,154,580
Professional Fees	4,235,332	1,636,093
Professional Tax	22,500	5,000
Rate Difference	263,619	202,947
Rent & Other Taxes	217,777	223,645
Repairs & Maintenance Expenses	2,589,280	2,729,164
Repairs & Maintenance Plat and Machinery	431,804	520,589
ROC Fees	13,967	19,315
Room Rent & Society Maintenance	1,011,673	603,845
Sampling Exp.	221,461	-
Shop & Establishment Exp. (Licence Fees)	2,440	-
Octroi charges	-	2,037
Sitting Fees Charges	190,000	240,000
Software Exp.	2,500	3,610
Stamp Duty Charges	468,500	387,385
Sundry Debtors W/off	46,338	28,323
Telephone Charges	982,181	752,305
Travelling Expenses	1,342,213	1,283,972
Vehical Expenses	539,160	327,138
Salaries & Wages	33,963,402	25,425,805
Staff Welfare Expenses	4,359,535	2,739,001
Directors' Remuneration	2,100,000	900,000
Labour Charges	403,859	213,375
Security & Service Ch.	-	50,977
Stores & Spares Used	22,290,052	15,625,141
Transportation Charges	334,314	348,799
Motor car expenses	-	324,998
Miscellaneous Expenses	-	441,908
Society Maintenance	31,116	31,116
TOTAL	<u>103,309,071</u>	<u>71,539,551</u>
<b>Schedule '17'</b>		
<b>Finance Charges</b>		
Bank Charges	1,699,474	1,543,777
Loan Processing Charges, Mortgage Charges, Upfront Fees	4,030,032	2,294,357
Interest On Car Loan	384,322	250,367
Bank Interest on CC A/c.	70,957,357	42,926,875
Bank Interest on SLOC A/c.	2,126,877	3,179,289
Bank Interest on Term Loan	26,414,718	34,997,744
L C Discounting Charges	9,386,929	-
Bank Commission	2,189,775	4,481,853
TOTAL	<u>117,189,484</u>	<u>89,674,262</u>

## SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS - 31ST MARCH 2011

### Schedule 11: Significant Accounting Policies & Notes forming part of Consolidated Financial Statements for the year ended 31st March 2011

#### 1. Significant Accounting Policies:

##### (A) Basis of Consolidation:

The Consolidated financials results comprise of the financial statements of First Winner Industries Ltd. and its subsidiaries, which are consolidated in accordance with Accounting Standard 21 on Consolidated Financial Statements issued by The Institute of Chartered Accountants of India (ICAI).

The Consolidated Financial Statements relate to First Winner Industries Limited ('the Company') and its Subsidiaries have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the balances of like items of assets, liabilities, income and expenditure.
- ii) The financial statements of the Company have been consolidated using the proportionate consolidation method
- iii) 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.
- iv) While preparing Consolidated Financial Statements, the foreign exchange adjustments have been carried out as per Accounting Standard 11 – "Accounting for effects of changes in Foreign Exchange Rates".
- v) The excess of cost to the Company of its investments in the subsidiaries over its portion of equity of subsidiaries at the dates they become subsidiaries is recognised in the financial statements as goodwill.

##### (B) Other Significant Accounting Policies:

These are set out in the notes to accounts under significant accounting policies for financial statements of respective companies – First Winner Industries Limited and its subsidiaries.

#### 2. Companies considered in the consolidated financial statement are Wholly owned Subsidiaries:

Name of Company	Date of becoming Subsidiaries	Country of Incorporation	% of voting power held as on 31.03.11
First Winner Lifestyle Ltd.	1.04.2007	India	99.99
Ramshyam Textile industries Ltd.	1.04.2007	India	99.99
Pal Trading Company Pvt. Ltd	21.01.2009	India	99.99

#### 3. Related Party Disclosures:

##### i) For the year ended 31st March 2011.

##### (a) Key Management Personnel

Mr. Rinku Patodia (Managing Director) and also Director in Subsidiaries.

Mrs. Anita Patodia (Executive Director) and also Director in Subsidiaries.

##### (b) Shareholders having substantial interest in the Subsidiary Company of First Winner Industries Ltd.: - Nil

##### (c) Name of the enterprises having same Key Management Personnel and/or their relatives as the reporting enterprise with whom the Company has entered into transactions during the year: - Nil

Nature of Transactions Refer to (a) Refer to (b) Refer to (c) above

As per the Accounting standard -18 issued by the Institute of Chartered Accountants of India, the disclosure of transaction with related parties as defined in the accounting standard are given below:

Name of the parties	Nature of Relationship	Nature of Transactions	Amount (Rs. in Lac)
Rinku I. Patodia	Managing Director	Directors Remuneration	12.00
Anita R. Patodia	Executive Director	Directors Remuneration	9.00
Ramshyam Textile Industries Ltd.	Wholly Subsidiary Company	Corporate Guarantee given	1,836.00
		Job Work Charges	
		Received	34.35
		Paid	5.95
First Winner Lifestyle Ltd.	Wholly Subsidiary Company	Corporate Guarantee given	4,689.00
		Job Work Charges	
		Received	277.05
		Paid	274.26

Contingent Liabilities

[ Rs. In lacs ]

Particulars	31.03.2011	31.03.2010
Bank Guarantees	118.71	76.05
Corporate Guarantee given to bankers on behalf on subsidiary company:		
Ramshyam Textile Industries Ltd.	1,836.00	1,088.00
First Winner Lifestyle Pvt. Ltd.	4,689.00	4,486.00
Total	6,643.71	5,650.05

Related Parties as disclosed by Management and relied upon by auditors.

#### 4. Segment Reporting:

The company operates in single segment of textile and textile products, hence segmental reporting as required under accounting standard 17 issued by ICAI is not applicable.

#### 5. Earning Per Share:

Basic EPS is computed using the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and diluted equity equivalent shares outstanding during the year except where the results would be anti-dilutive.

In compliances to AS-20 on "Earning Per Share" issued by ICAI, the elements considered for calculation of earning per share (Basic & Diluted) are as under:

Particulars	2010-11	2009-10
Net Profit as per Profit & Loss Account (Rs.)	6,13,75,563	5,76,52,579
Weighted average number of equity shares	2,08,57,793	1,77,32,793
Basic and diluted Earning per share (Rs.)	2.94	3.25
Face value per share (Rs.)	10	10

Note: The Company does not have any dilutive potential equity shares. Consequently the basic and diluted earning per share of the Company remains the same.

**6. Taxation:**

## Current Tax and Deferred Tax:

Provision for current tax is made after taking into consideration benefits admissible under the provision of the Income Tax Act, 1961.

Deferred tax resulting from timing difference between the book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date.

As required under AS-22, "Accounting For Taxes On Income" issued by the ICAI, the company is required to account for deferred taxation while preparing its accounts. The details of Deferred Tax Assets / Liabilities are as under

Particulars	2010-11	2009-10
Deferred Tax Liabilities		
Related to Fixed Assets (Rs.)	13,13,40,621	10,10,33,877
Deferred Tax Assets (Rs.)	---	---
Net Deferred Tax Liabilities (Rs.)	13,13,40,621	10,10,33,877

**7. Foreign Currency Transactions:**

- Transaction denominated in foreign currencies is normally recorded at the exchange rate prevailing at the time of the transaction.
- Monetary items denominated in foreign currency as at the balance sheet date are translated at the year end exchange rate.
- Premium on forward cover contracts in respect of import of raw material is charged to profit & loss account over the period of contracts except in respect of liability for acquiring fixed assets, in which case the difference are adjusted in carrying cost of the same.

**8. Figures of the previous year have been regrouped, reclassified and/or rearranged wherever necessary.**

**For Praful M. Joshi**  
Chartered Accountant

(Praful M. Joshi)  
Proprietor  
Mno. 30276

Place : Mumbai  
Date : 30<sup>th</sup> August 2011

**For Deshmukh & Associates**  
Chartered Accountants

(Deepen Kapadia)  
Partner  
Mno. 112565





# FIRST WINNER INDUSTRIES LIMITED

Registered Office: 605, Business Classic, Chincholi Bunder Road, Malad (West), Mumbai- 400064

## PROXY FORM

I \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_  
 \_\_\_\_\_ being member of the above named Company and holding \_\_\_\_\_  
 \_\_\_\_\_ equity shares hereby appoint Shri \_\_\_\_\_ in the district of \_\_\_\_\_  
 \_\_\_\_\_ as my proxy to vote for me on my behalf at the 9<sup>th</sup> Annual General Meeting of the  
 Company to be held on Monday, the 28<sup>th</sup> September, 2011 at 11.00 a.m. or at any adjournment thereof.

Affix Revenue Stamp
---------------------------

Signature of the shareholder

**Note:**

- (1) This Proxy Form in order to be effective should be duly stamped, completed and signed and must be deposited at the Company's Registered Office not less than 48 hours before the Meeting,
- (2) Proxy form should be signed by all the joint shareholders.

# FIRST WINNER INDUSTRIES LIMITED

Registered Office: 605, Business Classic, Chincholi Bunder Road, Malad (West), Mumbai- 400064

## ATTENDANCE SLIP

Name and Address of the Member \_\_\_\_\_

Reg. Folio/ Client ID No. \_\_\_\_\_

I certify that I am a registered shareholder of the Company and hold \_\_\_\_\_ shares.

Please indicate whether Member/ Proxy \_\_\_\_\_



\_\_\_\_\_  
**Member's/ Proxy Name in BLOCK Letters**

\_\_\_\_\_  
**Member's/ Proxy's Signature**

**NOTE: MEMBERS ATTENDING THE MEETING MUST FILL IN THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.**





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