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8th Annual Report  
2009-10



**FIRST WINNER**



## Message from the Managing Director



It's my great pleasure in presenting the Eighth Annual Report of your Company. To confirm your faith and confidence in the organization, I am glad to say that the year 2009-10 was good for the Textile Industry as well as for us and we are happy to recommend the dividend for the financial year 2009-10.

As the world economy has shown initial indications of recovery particularly in textile industry, we are better prepared to reap the benefits of this scenario and we hope that the Company will achieve better results & better profits this year as compared to previous years.

Further to inform you that, your company has planned forward integration into readymade garments which is going to be launch in near future. Our readymade garment will be marketed under the brand name viz. "Vencedor and Sieger".

As stated in my earlier message, the Company's yarn dyeing project is finalized and the order has been placed for the required machineries. The installation is expected to start at the end of this year and the production will start by February, 2011.

Your confidence in this company gives me 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

Ms. Neha Tripathi

## 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 Eighth Annual General Meeting of the members of First Winner Industries Limited will be held on Monday, the 27<sup>th</sup> September, 2010 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 31<sup>st</sup> March, 2010, 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, 2010.
3. To appoint a director in place of Shri M. K. Sinha 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. 20,00,00,000/- (Rupees Twenty Crores only) to Rs. 35,00,00,000/- (Rupees Thirty Five Crore only) by creation and addition of 1,50,00,000 ( One Crore Fifty Lacs) equity shares of Rs. 10 (Rupees Ten only) each aggregating to Rs. 15,00,00,000/- (Rupees Fifteen 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 3,50,00,000/- (Three Crore Fifty Lacs only) Equity shares of Rs. 10/- each aggregating Rs. 35,00,00,000/-(Thirty Five 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 3,50,00,000/-(Three Crore Fifty Lacs only) Equity shares of Rs. 10/- each aggregating Rs. 35,00,00,000/-(Thirty Five 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 Lacs 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 35,00,000 equity shares of Rs. 10/- each (including premium of Rs. 30/- each) to are being issued and allotted to promoter, promoter group or person acting in concern and the balance 40,00,000 equity shares of Rs.10/- each (including premium of Rs. 30/- 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 28, 2010, 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.”

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

“RESOLVED that pursuant to Section 61 of Companies Act, 1956 and any other applicable Provisions, if any for the time being in force, consent of the members be and is hereby accorded to:

Reallocate the entire balance unutilized issue proceeds of Rs. 1039.15 lakhs which was specifically allocated for prepayment of term loan and Rs. 386.48 lakhs for apparel manufacturing unit out of which Rs. 313.42 lakhs has been advance for purchase of machineries as on the date of this notice to be now utilized for either of the objects detailed below:

(Rs. in lacs)

Particulars	Amount
For acquiring looms to increase weaving capacity	1425.63
Setting up of Yarn Dyeing Plant of 4 tons/ day capacity	
Acquiring Sizing Machine	
Upgrading and Augmentation of plant and machinery	
Payment to creditors	
Long Term Working capital	
<b>Total</b>	<b>1425.63</b>

FURTHER RESOLVED THAT the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary, desirable and expedient to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 and subject to such sanction(s) as may be necessary in law, consent of the Members, be and is hereby accorded for increase in remuneration of Shri Rinku Patodia, Managing Director of the Company from existing Rs. 50,000/- per month to Rs. 1,00,000/- per month effective from 1<sup>st</sup> April, 2010 for the remaining period of his appointment i.e. upto 31<sup>st</sup> March, 2012 at such terms and conditions as decided by the Board and agreed by Shri Rinku Patodia.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps expedient or desirable to give effect to this resolution”.

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 and subject to such sanction(s) as may be necessary in law, consent of the Members, be and is hereby accorded for increase in remuneration of Smt. Anita R. Patodia, Executive Director of the Company from existing Rs. 25,000/- per month to Rs. 75,000/- per month effective from 1<sup>st</sup> April, 2010 for the remaining period of her appointment i.e. upto 31<sup>st</sup> March, 2012 at such terms and conditions as decided by the Board and agreed by Smt. Anita R. Patodia.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps expedient or desirable to give effect to this resolution”.

3<sup>rd</sup> September, 2010

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

By Order of the Board  
First Winner Industries Ltd

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 Wednesday, the 22<sup>nd</sup> September, 2010 to Monday, the 27<sup>th</sup> September, 2010 (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 10 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 M. K. Sinha do not hold any equity shares in the Company and the additional information in respect of the said Directors 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 Authorised Share Capital of the Company be increased from Rs. 20,00,00,000/- (Rupees Twenty Crores only) to Rs. 35,00,00,000/- (Rupees Thirty Five Crore only) by creation and addition of 1,50,00,000 (One Crore Fifty Lacs) equity shares of Rs. 10 (Rupees Ten only) each aggregating to Rs. 15,00,00,000/- (Rupees Fifteen 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 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 has going to expand its weaving capacity, set-up of new yarn dyeing plant of 4 tons/ day capacity and sizing plant on our existing unit situated at N 66, MIDC, Boisar, Tarapur, Dist. Thane. The proposed expansion activity of the company would require raising of funds to the tune of Rs. 55 crores The management feels that it would be prudent for the company to raise the funds partially through issue of 75,00,000 equity shares at a price not less than as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Your company is proposing to offer and issue 75,00,000 equity shares, at Rs. 40 each (including premium of Rs. 30/- each) fully paid up to the Promoters and/or its associates and others.

The offer, issue and allotment of 75,00,000 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, 2009, 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, 2009 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, 2009 are as under:

**a) Objects of the issue:**

With a view to augment the long term financial resources of the Company for the upcoming expansion including capital expenditure for 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. 40/- each (including premium of Rs. 30/- 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, 2009, 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 28<sup>th</sup> August, 2010, the thirty (30) days prior to the date of this Meeting as per Regulation 71 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

**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	7847100	44.25	11347100	44.97
Foreign Promoters	---	----	---	---
Sub-Total	7847100	44.25	11347100	44.97
<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	7764914	43.79	11764914	46.63
b. Public	1807101	10.19	1807101	7.16
c. Any others (Foreign Companies & Clearing Members)	313678	1.77	313678	1.24
Sub-Total	9885693	55.75	13885693	55.03
<b>GRAND TOTAL</b>	<b>17732793</b>	<b>100.00</b>	<b>25232793</b>	<b>100.00</b>

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

The allotment of 75,00,000 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 75,00,000 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)	Kassi Trading Company Pvt. Ltd.	Promoter	Nil	Nil	1000000	3.96
2)	Bhagwat Textiles Pvt. Ltd.	Promoter	Nil	Nil	1100000	4.36
3)	Starwood Exports Pvt. Ltd.	Promoter	512100	2.89	1012100	4.01
4)	Solitaire Texfeb & Traders Pvt. Ltd.	Promoter	765865	4.32	1165865	4.62
5)	Rikosh Fashions Pvt. Ltd.	Promoter	606500	3.42	1106500	6.78
6)	Feathertouch Fashions Pvt. Ltd.	Non- Promoter	Nil	Nil	1000000	3.96
7)	Texpert Textiles Pvt. Ltd.	Non- Promoter	Nil	Nil	1000000	3.96
8)	Mangalkalash Trading Pvt. Ltd.	Non- Promoter	Nil	Nil	1000000	3.96
9)	Sudama Textile Trading Pvt. Ltd.	Non- Promoter	Nil	Nil	1000000	3.96

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

Section 81 of the Companies Act, 1956 provides inter alia, 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, 2009 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.

#### ITEM NO. 8

At the Extra Ordinary General Meeting of your Company held on 29<sup>th</sup> August, 2007 the members had approved an Initial Public Offer ("IPO") of the equity shares of your Company. Accordingly the company made an offer of 55,00,043 Equity Shares of Rs. 10 each for cash at a price of Rs. 125 aggregating to Rs. 6875.00 lacs. The issue opened on 9<sup>th</sup> June, 2008 and closed on 17<sup>th</sup> June, 2008 and was fully subscribed.

As per Objects of the Issue stated in the Prospectus, following were the estimates of intended use of the IPO proceeds:

(Rs. in Lakhs)

S. No.	Fund Requirement	Amount
1.	Setting up of an apparel manufacturing facility	1203.98
2.	Setting up of new Weaving Unit	2163.47
3.	Prepayment of Term Loan	1800.00
4.	General Corporate Purposes	1165.81
5.	Issue Expenses	541.74
	<b>Total</b>	<b>6875.00</b>

As on the date of this notice the unutilized issue proceeds are as detailed below:

(Rs. in lakhs)

Particulars	Amount Enmarked	Utilized upto 03/09/2010 (date of notice)
Setting up of an apparel manufacturing Unit	1203.98	1130.92*
Setting up of New Weaving Unit	2163.47	2163.47
Prepayment of Term Loan	1800.00	760.85
General Corporate Purposes	1165.81	1288.88**
Issue Expenses	541.74	418.67**
	<b>6875.00</b>	<b>5762.79</b>

\*Out of the utilized amount of Rs. 1130.92 lakhs pertaining to setting up of an apparel manufacturing unit included Rs.313.42 has been advance for purchase of plant & machineries as on date of this notice.

\*\*The unutilized amount of Rs. 123.07 lakhs pertaining to issue expenses was utilized for general corporate purposes.

The Initial Public Offering of the Company was planned with certain objects, as more particularly stated and described under section titled "Objects of the Issue" of the prospectus dated 18<sup>th</sup> June, 2008, as were considered appropriate and necessary by the management at that point of time.

As per the object of the issue company has planned to set up apparel manufacturing unit with a total cost of Rs. 1203.98 lakhs which include land & building of Rs. 817.50 lakhs and plant & machineries of Rs. 386.48 lakhs. The land & building of Rs. 817.50 lakhs was proposed to utilize for apparel & weaving unit combined. Company has acquired land and building and has set up weaving unit on the same. The unutilized portion pertaining to purchase of apparel machineries is Rs. 386.48 lakhs out of which Rs. 313.42 lakhs has been advanced to purchase machineries. However, your company has entered into apparel business during the last financial year and has applied for apparel brands viz. Your company has tied up with certain units for manufacturing of garments under our brand on job work basis. Therefore, we propose to utilize unutilized portion of Rs. 386.48 lakhs pertaining to purchase of apparel machineries into the purposes as explained below.

The company has planned to expand its manufacturing unit and setting up yarn dyeing machineries, which require investment of Rs 5500 lakhs through secured loans and Equity. The company has unutilized portion of Rs. 1039.15 lakhs intended for repayment of term loan. The rate of interest on the term loan is presently 13.50% per annum and term loan is eligible for interest subsidy @ 5% per annum during the entire loan tenure under the TUFSS Scheme.

However, considering the needs of the funds of the proposed business plans, it is felt that a part of unutilized IPO proceeds pertaining to repayment of term loan and Setting up of an apparel manufacturing Unit may be utilize for the following requirements:

(Rs. in lakhs)

Particulars	Amount
For acquiring looms to increase weaving capacity	1425.63
Setting up of Yarn Dyeing Plant of 4 tons/ day capacity	
Acquiring Sizing Machine	
Upgrading and Augmentation of plant and machinery	
Payment to creditors	
Long Term working Capital	1425.63
<b>Total</b>	

Your Company's management is of the opinion that it would be in the interest of the Company to reallocate the balance unutilized issue proceeds for the objects stated in the proposed resolution.

In terms of the provisions of Section 61 of the Companies Act, 1956, a company cannot vary the terms of a contract referred to in the prospectus except subject to approval of or except on authority given by the members of the Company in a general meeting. In view of the said provisions, consent of the members is required for reallocation of the Issue proceeds as more particularly stated in resolution.

Your Directors have recommended the Special Resolution for the approval of members.

None of the Directors of your Company are in any way interested in the resolution.

**ITEM NO. 9 & 10**

Since, the remuneration of the Directors of your company haven't increased since their appointment and no hike was given to them till date so the Remuneration Committee proposed to increase the remuneration of your directors w.e.f. 1<sup>st</sup> April, 2010. upto 31<sup>st</sup> March, 2012. However, all other terms and conditions of the appointment will remain unchanged. The increased remuneration will be subject to the overall limits as provided under Section 198, 269, 309, 310, 311 and in terms of Section I of Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

The Directors of the Company on recommendation made by the Remuneration Committee have approved the proposal of increase in their remuneration, subject to the approval of the members. Your Directors recommend the resolution for approval by the members of the Company.

The above variation in the terms of remuneration of Mr. Rinku Patodia & Mrs. Anita Patodia as mentioned in Item No. 9 & 10 of the Notice will be treated as an abstract under Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr. Rinku Patodia and Mrs. Anita Patodia, is in any way concerned or interested in this resolution.

The members are requested to consider and approve the above proposal for increase in the salary of Mr. Rinku Patodia and Mrs. Anita Patodia.

3<sup>rd</sup> September, 2010

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

By Order of the Board  
First Winner Industries Ltd

Rinku Patodia  
Managing Director

## DIRECTORS' REPORT

### Dear Shareholders,

The Board of Directors have pleasure in presenting their Eighth Annual Report and Accounts for the year ended March 31, 2010.

### FINANCIAL RESULTS

	2009-10 Rupees	2008-09 Rupees
Profit before depreciation and tax	83533412	68619043
Less: Depreciation	27392289	15556846
Profit after depreciation but before tax	56141123	53062197
Less: Provision for tax	10270833	5614933
Deferred tax	13564194	19605502
Fringe Benefit tax	-	149460
Less: Short provision for earlier year	89570	2965
Profit after tax	32216526	27695266
Add: Balance brought forward from previous year	111302522	83607256
Appropriation:		
Proposed Dividend	8866397	-
Tax on Proposed Dividend	1472598	-
Balance carried forward	133180053	111302522

### 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, 2010 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. M. K. Sinha is liable to retire by rotation at the ensuing annual general meeting and being eligible offer them selves for re-appointment and your directors recommend the re-appointments 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**

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 it is beneficial to all the Four companies to work together to reflect better turnover and profitability.

The requisite disclosure in accordance with Section 212 of the Companies Act, 1956 in respect of the subsidiaries annexed to and form part of this Report.

## **FUTURE OUTLOOK**

Your directors are happy to inform you that the year 2009-10 was reasonably good for the textile business. At the same time, due to very high demand, particularly, for the colour woven checks, we are able to cater the total need with a high production targets. The demand is expected to remain good during the years to come.

As stated in our earlier annual report, all the looms have been installed and now are in operation. Your company has also decided to have forward integration by putting up fabric processing units. Looking to the woven fabric demand company is also planning for further expansion of looms, warping & sizing. This will be value addition to our profits.

Your Company plans to launch its own range of apparels, which carries a wide range of Men's casual shirts, formal shirts, party wear shirts, Denim Jeans & formal trousers under the brand name of "Vencedor and Sieger". (Logo printed in the Annual Report.). We are going to launch the product in the market by October, 2010. Besides this, soon we will start tying up with overseas buyers for garment exports.

## **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

Rinku Patodia  
Chairman

Mumbai, August 14, 2010.

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

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

World economy has shown initial indications of recovery after a severe spell of recession with increase in production, employment and exports. The production of cloth increased by 10.8 per cent, man made fibre and yarn production grew by 21.3 & 11.8 per cent respectively. The world economy is expected to grow by 4.2 percent in 2010 and projected to maintain the growth momentum in the next 5 years. Along-with recovery, the textile industry is also facing increase in input prices in sync with the global trends. In addition to appreciating rupee, free export of cotton followed by withdrawal of export incentives on cotton yarn are also causing concerns for the sustained recovery in the textile industry.

### **Industry Structure and Developments**

The Indian textile industry contributes about 14 per cent to industrial production, 4 per cent to the country's gross domestic product (GDP) and 17 per cent to the country's export earnings, according to the Annual Report 2009-10 of the Ministry of Textiles. It provides direct employment to over 35 million people and is the second largest provider of employment after agriculture. According to the Ministry of Textiles, the cumulative production of cloth during April'09-March'10 has increased by 8.3 per cent as compared to the corresponding period of the previous year.

### **Opportunities and Threats**

The main business of the company is trading and manufacturing of Textile Fabric. The company is consolidating its resources, which would be used for committing capital for future business activities. The company will keep examining and pursuing these new opportunities for growth. The company is aimed at improving the asset resolution and increasing operational efficiency. However, the successful conversion of this opportunity depends to a large extent on its ability of your company to improve capital adequacy and debt-equity ratios and raise new financial resources at a competitive cost in the future. Risk is an integral part of any business and your company aims at the delivery of superior trade-off between risk and returns.

#### **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 oversea market have entered Indian market.
- Investing in Trend forecasting to enable the growth of Industry.

#### **Threats: -**

- Competition in Domestic Market.
- Need to revamp consumer consciousness.
- Natural calamities beyond control.
- Under the new patent regime Indian Companies cannot duplicate the MNC s processes and procedures.
- General market competition e specially from established Indian Cos 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 continued 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>2009-10</b>	<b>2008-09</b>
<b>1. Electricity</b>			
a. Purchased Units (KWH)		4073606	20,92,597
Total Amount (Rs.)		13014688	62,88,443
Average Rate/Unit (Rs.)		3.19	3.00
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.
<b>2. Diesel*</b>			
Quantity (ltr.)		18805	2412
Total Amount		760662	81,868
Average Rate		40.45	33.73
<b>3. Furnace Oil **</b>			
Quantity (kg.)		167197	99768
Total Cost		4852893	3140403
Rate/ Unit		29.025	30.00
<b>4. Others/ Internal Generation</b>		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 of production**

	<b>2009-10</b>	<b>2008-09</b>
Fabric (in mtrs.)	11888000	7281000
Electricity	0.34	0.28
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.



**FORM B****Form for disclosure of particulars with respect to absorption.***Research and development (R & D)*

1. Specific areas in which R & D carried out by the company.
  - a) Installation of return air humidification plant for improved weaving working particularly for fine compact cotton varieties.
  - b) In house yarn testing facility to attain better quality of woven fabric and gain in productivity.
2. Benefits derived as a result of the above R&D  
Better quality of production.
3. Future plan of action  
Working out on energy conservation.
4. Expenditure on R & D :
  - (a) Capital
  - (b) Recurring                      Included in manufacturing cost
  - (c) Total
  - (d) Total R & D expenditure as a percentage of total turnover

***Technology, absorption, adaptation and innovation***

1. Installation of APFC (Auto Power Factory Control) which resulted into building incentive of Rs. 3,50,228/- due to control of the power factor at 0.99.
2. To control the Fuel Consumption, all the steam lines and the drying cylinder supply have been insulated to control the heat desipitation in turn to save furnace oil.

**[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:**

1. Foreign Exchange earned - NIL -
2. Foreign Exchange used - USD 62000 i.e. Rs. 28,44,467/- on capital expenditure.

For and on behalf of the Board  
First Winner Industries Limited

Rinku Patodia  
Chairman

Mumbai, August 14, 2010.

**STATEMENT REGARDING SUBSIDIARIES**

Particulars required under Section 212 of the Companies Act, 1956

Name of the Subsidiary company	Ramshyam Textile Industries Limited	First Winner Lifestyle Limited	Pal Trading Co. Private Limited
1 Financial Year of the Subsidiary Ended on	March 31, 2010	March 31, 2010	March 31, 2010
2 (a) Issued, subscribed and paid up Capital of Subsidiary	Rs. 60,78,500	Rs. 2,07,50,000	Rs. 78,50,000
(b) Extent of interest of FWIL in Capital of Subsidiary	6,07,770 equity Shares of Rs.10 each (99.99%)	20,74,980 equity shares of Rs.10 each (99.99%)	7,84,980 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, 2010	Rs. 25,56,780	Rs. 2,24,28,966	Rs. 4,50,303
(b) Previous financial years of the Subsidiary since it became Subsidiary of FWIL	Rs. 10,721	Rs. 3,36,26,768	Rs. 1,80,449
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, 2010	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 DirectorAnita R. Patodia  
Executive DirectorNeha Tripathi  
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 5 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 24/09/2009	No. of Outside directorship held *	No. of Membership/ chairmanship in Committees
Dr. M. K. Sinha	Non- Executive, Independent	6	Present	5	5
Mr. B. G. Agarwal	Non- Executive, Independent	4	Present	-	Nil
Mr. Anil Gupta	Non- Executive, Independent	5	Present	3	Nil
Mr. Rinku Patodia	Executive	13	Present	2	Nil
Mrs. Anita Patodia	Executive	14	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 2009-2010, 15 Board Meetings were held on 24.04.2009, 30.06.2009, 30.07.2009, 31.08.2009, 11.09.2009, 14.10.2009, 22.10.2009, 26.10.2009, 31.10.2009, 25.11.2009, 07.12.2009, 30.01.2010, 10.02.2010, 15.02.2010, 09.03.2010.

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

Shri M. K. Sinha is liable to retire by rotation and being eligible offer himself for reappointment.

**Dr. M.K. Sinha**, aged 73 years, is a Doctorate in Operation Research and has done his Masters in Mathematics. He retired as Chairman & Managing Director of State Bank of India in 1995 after serving the bank for almost 39 years. During his tenure in the Bank, he has been involved in critical areas like management audit, human resource, organizational development, foreign exchange, fund management, and financial restructuring. He was a representative of State Bank of India for the East European countries at Moscow for almost 4 years. He was on the Board of seven associate banks of State Bank of India while working with the SBI.

#### **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:

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

During the financial year 2009-2010, Five Audit Committee Meetings were held on 24.04.2009, 30.06.2009, 31.07.2009, 31.10.2009 and 30.01.2010.

Name of Director	No. of committee Meetings held	No. of committee Meetings attended
Dr. M.K. Sinha	5	5
Mr. B.G. Agarwal	5	4
Mr. Anil Gupta	5	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	Chairman	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 30/01/2010, 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, 2010.

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

The Committee consists of three independent, Non-executive Directors. The Company appointed "Link Intime India Pvt. Ltd." 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 2009-2010. 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.

### 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
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.
2006-2007	29.09.2007	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 forms part of the Directors Report.

### GENERAL SHAREHOLDER INFORMATION

Annual General Meeting:

DATE: 27<sup>th</sup> September, 2010.

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
2.	Mr. Prakash Chand Jain	1301760000632826	11865528	50	same as above
				<b>100</b>	

The above persons 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:** 22.09.2010 to 27.09.2010 (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 2010-11.

#### Market Price Data

Share price during the financial year 2009-10 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, 2009	17.59	12.02	17.90	12.10
May, 2009	27.41	14.00	27.45	13.70
June, 2009	32.95	17.05	32.95	16.70
July, 2009	21.20	16.10	20.95	16.35
August, 2009	27.10	17.90	27.15	18.10
September, 2009	28.45	20.20	28.50	20.10
October, 2009	21.55	18.60	21.50	18.40
November, 2009	20.40	17.40	19.70	17.05
December, 2009	24.40	17.40	23.80	17.75
January, 2010	34.85	20.60	34.50	20.55
February, 2010	29.95	21.15	30.45	22
March, 2010	25.00	21.05	24.50	20.50

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 31.03.09 (No. of shares)	% of Total Issued Capital
NSDL	15328239	86.44%
CDSL	1112126	06.26%
Physical	1292428	07.29%
Total No. of shares	17732793	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 and its pattern as on 31st March, 2010

##### Distribution of Shareholding as on 31<sup>st</sup> March, 2010

Range of shares	Number of shares	No. of shareholders	% to total shares
1 to 500	294188	2198	1.66
501 to 1000	178709	215	1.01
1001 to 2000	176397	115	0.99
2001 to 3000	91861	36	0.52
3001 to 4000	53057	14	0.30
4001 to 5000	77159	16	0.43
5001 to 10000	148616	21	0.84
10001 and above	16712806	53	94.25
Total	17732793	2668	100.0000

**Shareholding Pattern:**

S. No.	Category	No. of Shares held	% of Share Holding
1.	Promoters	5962635	33.62
2.	Corporate Bodies (Promoter Co.)	1372365	7.74
3.	Public	1291360	7.28
4.	Clearing Member	67741	0.38
5.	Other Bodies Corporate	8802669	49.64
6.	Foreign Inst. Investor	180000	1.02
7.	Non Resident Indians	17827	0.10
8.	Non Resident (Non Repatriable)	1074	0.01
9.	Office Bearers	37122	0.21
	<b>TOTAL</b>	<b>177327930.00</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, 14<sup>th</sup> August, 2010

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 2010 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, 14<sup>th</sup> August, 2010

### 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 31<sup>st</sup> March 2010 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 31<sup>st</sup> March 2010, 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 Praful M. Joshi  
Chartered Accountants

(Praful M. Joshi- Proprietor)  
Membership No. 100/030276

Place : Mumbai  
Dated : 14.08.2010

For Deshmukh & Associates  
Chartered Accountants

Deepen Kapadia – Partner  
Membership No. 112565



## 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 2010, 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 2010 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 so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2010;
    - ii) in so far as it relates to the Profit & Loss Account, of the profit for the year ended on that date.

For Praful M. Joshi  
Chartered Accountants

(Praful M. Joshi- Proprietor)  
Membership No. 100/030276

Place : Mumbai

Dated : 14.08.2010

For Deshmukh & Associates  
Chartered Accountants

Deepen Kapadia – Partner  
Membership No. 112565

**ANNEXURE TO THE AUDITORS REPORT FOR YEAR END 31.03.2010**

(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, there are adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of fixed assets. To the best of our knowledge, no major weakness in internal control system were either reported or noticed by us during the course of our audit.
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.  
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. In our opinion and according to the information and explanations given to us, the company has not accepted the public deposit. Hence the provisions of section 58A and 58AA of the Companies Act,1956 or any other relevant provision of the act and the rules made there under are not applicable.
7. In our opinion the company has an internal audit system commensurate with the size and nature of its business.
8. We have been informed by the management that the central government has prescribed maintenance of cost records for the company under section 209(1)(d) of the Companies Act,1956, company is maintain such cost 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. 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 2010 for a period of more than six months from the date of becoming payable.  
b) According to the information and explanations given to 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. Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in payment of dues to financial institutions or banks. The company has not issued any debentures.
12. In our opinion and according to the information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/ Society. Thereof, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
14. In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
15. According to the information and explanations given to us, the company has given guarantee for loans taken by group of companies from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, the company has not raised new term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we are of the opinion that no funds raised on short term basis have been used for long term investment.
18. During the year, the company has not made preferential allotment of shares to parties and companies 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. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For Praful M. Joshi  
Chartered Accountants

(Praful M. Joshi- Proprietor)  
Membership No. 100/030276

Place : Mumbai

Dated : 14.08.2010

For Deshmukh & Associates  
Chartered Accountants

Deepen Kapadia – Partner  
Membership No. 112565

**BALANCE SHEET AS AT 31ST MARCH 2010**

(Amt. in Rs.)

Particulars	Schedule	As at 31.03.2010	As at 31.03.2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholder Funds</b>			
Share Capital	1	177,327,930	177,327,930
Reserves & Surplus	2	822,433,476	800,555,945
		<u>999,761,406</u>	<u>977,883,875</u>
<b>Borrowed Fund</b>			
Secured Loan	3	207,653,575	120,348,684
		<u>207,653,575</u>	<u>120,348,684</u>
<b>DEFERRED TAX</b>			
	4	49,403,282	35,839,088
	<b>TOTAL</b>	<u>1,256,818,264</u>	<u>1,134,071,648</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	632,081,066	611,548,501
Less:- Accumulated Depreciation		58,208,232	30,815,943
<b>Net Block</b>		<u>573,872,834</u>	<u>580,732,558</u>
<b>Investments</b>			
	6	294,347,300	355,462,325
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	7	26,591,263	44,296,537
Sundry Debtors		582,725,539	194,265,533
Cash & Bank Balances		683,406	2,074,024
Loan & Advances		93,962,415	95,636,247
	<b>Sub Total</b>	<u>703,962,623</u>	<u>336,272,341</u>
<b>Less :-Current Liabilities And Provisions</b>			
Current Liabilities	8	262,276,686	106,174,487
Provisions	9	53,399,608	32,939,241
		<u>315,676,294</u>	<u>139,113,728</u>
	<b>Net Current Assets</b>	<u>388,286,329</u>	<u>197,158,612</u>
<b>Miscellaneous Expenditure</b>			
(To the extend not written off or adjusted)	10	311,801	718,153
	<b>TOTAL</b>	<u>1,256,818,264</u>	<u>1,134,071,648</u>
Significant Accounting Policies			
Notes & Schedules 1 TO 17 Forming part of Accounts	11		

As per our report of even date attached

**For Praful M. Joshi**  
Chartered Accountants

**For Deshmukh & Associates**  
Chartered Accountants

**For FIRST WINNER INDUSTRIES LIMITED**

**Rinku Patodia**  
Managing Director

**Anita Patodia**  
Director

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

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

**Neha Tripathi**  
Company Secretary

Place : Mumbai  
Dated : 14.08.2010

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

(Amt. in Rs.)

Particulars	Schedule	Year Ended 31.03.2010	Year Ended 31.03.2009
<b><u>INCOME</u></b>			
Sales & Income from Operations	12	2,682,232,323	1,274,058,097
Other Income	13	1,782,994	9,640,264
		<u>2,684,015,317</u>	<u>1,283,698,361</u>
<b><u>EXPENDITURE</u></b>			
Cost Of Material Consumed & sold	14	2,445,220,829	1,114,366,063
Other Direct Expenses	15	75,712,392	40,470,072
Administrative And General Expenses	16	50,056,576	35,897,087
Finance Charges	17	29,492,109	24,346,097
Depreciation		27,392,289	15,556,846
		<u>2,627,874,194</u>	<u>1,230,636,165</u>
<b>PROFIT BEFORE TAX</b>		<b>56,141,123</b>	<b>53,062,197</b>
<b>Provision For Taxation</b>			
Current Tax		10,270,833	5,614,933
Fringe Benefit Tax		-	149,460
Deferred Tax		13,564,194	19,605,502
Less: Short Provision For Earlier Years		89,570	2,965
		<u>32,216,526</u>	<u>27,695,266</u>
<b>PROFIT AFTER TAX</b>		<b>32,216,526</b>	<b>27,695,266</b>
Balance brought forward From Previous Year		<u>111,302,522</u>	<u>83,607,256</u>
		<u>143,519,048</u>	<u>111,302,522</u>
<b>AVAILABLE FOR APPROPRIATION</b>			
<b>Appropriation:</b>			
Proposed Dividend		8,866,397	-
Tax on Proposed Dividend		1,472,598	-
		<u>133,180,053</u>	<u>111,302,522</u>
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>133,180,053</b>	<b>111,302,522</b>
Basic / Diluted Earning per share (Rest.)		1.82	1.69
Significant Accounting Policies			
Notes & Schedules 1 TO 17 Forming part of Accounts	11		

As per our report of even date attached

**For Praful M. Joshi**  
Chartered Accountants

**For Deshmukh & Associates**  
Chartered Accountants

**For FIRST WINNER INDUSTRIES LIMITED**

**Rinku Patodia**  
Managing Director

**Anita Patodia**  
Director

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

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

**Neha Tripathi**  
Company Secretary

Place : Mumbai  
Dated : 14.08.2010

**CASH FLOW STATEMENT AS ON 31ST MARCH 2010**

(Amount in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
<b><u>Cash Flow from Operating Activities</u></b>		
Net Profit before Taxes	56,141,123	53,062,197
Adjustments for		
Depreciation	27,392,289	15,556,846
Interest Income	(828,392)	(5,836,573)
Dividend Income	(173,298)	(3,504,097)
Preliminary Expenses W/off	256,352	256,352
Loss on Sale of Motor Car	-	24,894
Operating Profit Before Working Capital Changes	82,788,074	59,559,619
(Increase) / Decrease in Inventories	17,705,274	(12,063,621)
(Increase) / Decrease in Sundry Debtors	(388,460,006)	(40,829,809)
(Increase) / Decrease Loans & Advances	6,755,619	(10,928,569)
Increase / (Decrease) in Sundry Creditors	155,952,738	56,883,319
Cash generated from Operations	(125,258,301)	52,620,939
Income Tax Paid	(5,171,356)	(18,669,646)
<b>Net Cash from Operating Activities</b>	<b>(130,429,658)</b>	<b>33,951,293</b>
<b><u>Cash flows from Investing Activities</u></b>		
Purchases/Additions of Fixed Assets	(20,382,565)	(303,553,307)
Sale proceeds of Assets Sold	-	786,953
(Purchase) / Sales of Investments	61,115,025	(258,259,825)
Preliminary Expenses Incurred	-	(150,000)
Dividend Earned	173,298	3,504,097
Interest Income Earned	828,392	5,836,573
<b>Net cash used in Investing Activities</b>	<b>41,734,149</b>	<b>(551,835,509)</b>
<b><u>Cash flows from Financing Activities</u></b>		
Proceeds from Issuance of Share Capital	-	646,153,853
Receipts of Share Application Money	-	
Proceeds from Long Term Borrowings	87,304,891	(129,537,492)
<b>Net Cash from Financing Activities</b>	<b>87,304,891</b>	<b>516,616,361</b>
Net Increase / (Decrease in Cash & equivalents	(1,390,618)	(1,267,854)
Cash & Equivalents at the beginning of the year	2,074,024	3,341,878
Cash & equivalents at the end of the year	683,406	2,074,024

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

**For Deshmukh & Associates**  
Chartered Accountants

**For FIRST WINNER INDUSTRIES LIMITED**  
  
**Rinku Patodia**  
Managing Director  
**Anita Patodia**  
Director

**[Praful Joshi - Proprietor]**  
Membership No. 100/030276  
Place : Mumbai  
Dated : 14.08.2010

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

**Neha Tripathi**  
Company Secretary

**Schedule Annexed To and Forming Part Of Balance Sheet as at 31st March 2010**

PARTICULARS	Amt. in Rs.	
	As at 31.03.2010	As at 31.03.2009
<b><u>SCHEDULE : 1 : CAPITAL</u></b>		
<b><u>AUTHORISED SHARE CAPITAL</u></b>		
2,00,00,000 (2,00,00,000) Equity Share of Rs.10/- each	<u>200,000,000</u>	<u>200,000,000</u>
	<u>200,000,000</u>	<u>200,000,000</u>
<b><u>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL</u></b>		
1,77,32,793 (1,77,32,793) Equity Share of Rs.10/- each	<u>177,327,930</u>	<u>177,327,930</u>
	<u>177,327,930</u>	<u>177,327,930</u>
	<b>TOTAL :</b>	
	<u><u>177,327,930</u></u>	<u><u>177,327,930</u></u>
<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	<u>689,253,423</u>	<u>98,850,000</u>
Add:- Addition During The Year	-	<u>632,504,945</u>
Less:- Utilised for IPO Expenses	-	<u>42,101,522</u>
	<b>SUB TOTAL [ a ]</b>	
	<u><u>689,253,423</u></u>	<u><u>689,253,423</u></u>
<b>b) Profit &amp; Loss Account</b>		
Opening balance	<u>111,302,522</u>	<u>83,607,256</u>
Add:- Transfer from Profit & Loss A/c.after appropriations	<u>21,877,531</u>	<u>27,695,266</u>
	<b>SUB TOTAL [ b ]</b>	
	<u><u>133,180,053</u></u>	<u><u>111,302,522</u></u>
	<b>TOTAL [ a+b ]</b>	
	<u><u>822,433,476</u></u>	<u><u>800,555,945</u></u>

**Schedule Annexed To and Forming Part Of Balance Sheet as at 31st March 2010**

PARTICULARS	Amt. in Rs.	
	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE : 3 : SECURED LOAN</b>		
Bank Overdraft from SBI (Secured by Stocks & Debtors & Other Fixed and Current assets)	(45,712,396)	(36,607,597)
SLOC - SBI (Secured by Stocks & Debtors & Other Fixed and Current assets)	9,103,429	9,088,906
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.1,89,48,000/- (Previous Year Rs.1,89,48,000)]	79,566,318	97,351,153
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]	38,549,989	49,434,274
Term Loan - Car from ICICI Bank	187,770	574,389
Term Loan - Car from HDFC Bank	354,222	507,560
Term Loan - Car from Kotak Mahindra Prime Ltd. [Secured with Hypothecation of Vehicle ] [Due within 1 Year Rs. 9,42,265/- (Previous Year Rs.6,50,925/-)]	1,245,594	-
<b>TOTAL</b>	<b>207,653,575</b>	<b>120,348,684</b>
<b>SCHEDULE : 4 : DEFERRED TAX</b>		
Opening Balance	35,839,088	16,233,586
Add: Addition During The Year	13,564,194	19,605,502
<b>TOTAL</b>	<b>49,403,282</b>	<b>35,839,088</b>



**Schedule Annexed To and Forming Part Of Balance Sheet as at 31st March 2010**  
**SCHEDULE : 5 : FIXED ASSETS [ AT COST LESS DEPRECIATION ] as on 31st March 2010**

Amt. in Rs.

Description of Assets	Gross Block				Depreciation			Net Block		
	As at 01.04.2009	Additions during the year	Deductions during the year	As at 31.03.2010	Up to 31.03.2009	Adjustments	Provided for the period ended 31.03.2010	Total Up to 31.03.2010	As at 31.03.2010	As at 31.03.2009
Factory Building	55,113,435	2,384,359	-	57,497,794	3,748,570	-	1,841,193	5,589,763	51,908,031	51,364,865
Factory Building Unit 2 (N+66)	111,159,360	40,501	-	111,199,861	406,828	-	3,713,004	4,119,832	107,080,029	110,752,532
Godowns	3,530,560	-	-	3,530,560	288,592	-	57,548	346,140	3,184,420	3,241,968
Office Premises	3,325,000	-	-	3,325,000	305,785	-	54,198	359,983	2,965,018	3,019,216
Staff Quarters	649,200	-	-	649,200	13,343	-	10,582	23,925	625,275	635,857
Plot at Palghar	392,880	-	-	392,880	-	-	-	-	392,880	392,880
Plant & Machinery	243,657,573	10,307,889	-	253,965,462	22,916,742	-	11,703,009	34,619,746	219,345,716	220,740,831
Plant & Machinery Expansion (Unit 2)	179,119,836	1,961,340	-	181,081,176	931,835	-	8,595,046	9,526,881	171,554,295	178,188,001
Electrical Installations	5,585,091	445,636	-	6,030,727	700,148	-	372,897	1,073,045	4,957,682	4,884,943
Electrical Installation Unit 2	722,152	1,353,075	-	2,075,227	3,692	-	92,740	96,432	1,978,795	718,461
Vehicle	3,456,874	2,027,023	-	5,483,897	385,211	-	421,597	806,808	4,677,089	3,071,663
Furniture & Fixtures	2,292,444	263,087	-	2,555,531	313,635	-	150,108	463,743	2,091,788	1,978,909
Furniture & Fixture Unit 2	352,630	-	-	352,630	2,253	-	22,321	24,574	328,056	350,377
Other Assets	337,926	512,074	-	850,000	30,501	-	29,467	59,968	790,032	307,425
Air Conditioner & Refrigerator	363,288	61,990	-	425,278	31,279	-	17,923	49,202	376,076	332,009
Computers	1,478,184	1,187,659	-	2,665,843	737,534	-	310,654	1,048,188	1,617,655	740,650
Capital Work In Progress (Plant & Machinery)	12,068	-	12,068	-	-	-	-	-	-	12,068
<b>Total</b>	<b>611,548,501</b>	<b>20,544,633</b>	<b>12,068</b>	<b>632,081,066</b>	<b>30,815,946</b>	<b>-</b>	<b>27,392,289</b>	<b>58,208,232</b>	<b>573,872,834</b>	<b>580,732,555</b>
Previous Year	308,888,154	303,553,307	892,960	611,548,501	15,340,213	81,113	15,556,846	30,815,946	580,732,555	293,547,942

**Schedule Annexed To and Forming Part Of Balance Sheet as at 31st March 2010**

PARTICULARS	Amt. in Rs.	
	As at 31.03.2010	As at 31.03.2009
<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
SBI Liquid (Daily Dividend)	-	61,115,025
UTI Infrastructure	25,000	25,000
UTI Wealth Builder Fund Series II	45,000	45,000
<b>Share Investment in Wholly Subsidiaries</b>		
Share Investment in Ramshyam Textile Ind. Ltd.	6,077,700	6,077,700
Share Investment in First Winner Lifestyle Ltd..	162,999,800	162,999,800
Share Investment in Pal Trading Co. Pvt. Ltd.	77,599,800	77,599,800
(All subsidiaries are Non-listed hence Market Value not available)		
<b>Unquoted</b>		
Share Investment in Solitaire Textfab & Traders Pvt. Ltd.	47,500,000	47,500,000
(Unquoted hence Market Value Not available)		
<b>TOTAL</b>	<b>294,347,300</b>	<b>355,462,325</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	786,036	4,951,751
- Work In Process	-	-
- Finished Goods	25,805,227	39,344,786
<b>SUB-TOTAL : a :</b>	<b>26,591,263</b>	<b>44,296,537</b>
<b>b : Sundry Debtors ( Unsecured considered good )</b>		
1) Due for more than six months	-	-
2) Others	582,725,539	194,265,533
<b>SUB-TOTAL : b :</b>	<b>582,725,539</b>	<b>194,265,533</b>
<b>c Cash and Bank Balances</b>		
Cash In Hand	1,304,855	503,480
Cash at Bank with Schedule Bank		
- Balance in current A/C with State Bank of Indore	(634,635)	1,564,519
- Balance in current A/C with Union Bank of India	5,586	-
- Balance in Current A/c with Bank of India	7,600	6,024
<b>SUB-TOTAL : c :</b>	<b>683,406</b>	<b>2,074,024</b>
<b>CURRENT ASSETS : A :</b>	<b>610,000,208</b>	<b>240,636,094</b>

**Schedule Annexed To and Forming Part Of Balance Sheet as at 31st March 2010**

PARTICULARS	Amt. in Rs.	
	As at 31.03.2010	As at 31.03.2009
<b>B : LOANS &amp; ADVANCES</b>		
<b>Loan &amp; Advances, Deposits</b>		
- Advances for Capital Goods	30,492,262	31,622,754
- Advances for Expenses	203,561	371,517
- Advances for Property	6,352,573	-
- Advances for Rent	103,588	161,927
- Advances Others	9,891,579	11,949,042
- Advance Tax	1,700,000	1,700,000
- Self Assessment Tax	25,371,116	22,318,716
- Tax Deducted at Sources	3,974,143	2,094,217
- Input Vat (Capital Goods)	-	2,259,434
- Staff Advances	626,647	536,780
- Stores & Spares (Stock)	3,039,440	3,995,364
- Fixed Deposit With State Bank Of India	7,603,513	10,781,467
- Fixed Deposit With State Bank Of Indore	2,383,795	2,119,732
- Sundry Deposits	2,220,197	5,725,297
<b>LOANS &amp; ADVANCE : B :</b>	<b>93,962,415</b>	<b>95,636,247</b>
<b>TOTAL [ A + B ]</b>	<b>703,962,623</b>	<b>336,272,341</b>

**SCHEDULE : 8 : CURRENT LAIBILITIES & PROVISIONS****Sundry Creditors**

a) For Goods	220,986,001	62,068,539
b) For L/C	29,951,340	29,923,035
c) For Expenses	4,976,212	10,068,759
d) For Capital Goods & Others	5,924,587	3,771,774
e) Duties, Taxes & Others	438,546	342,380
<b>TOTAL</b>	<b>262,276,686</b>	<b>106,174,487</b>

**SCHEDULE : 9 : PROVISIONS**

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	-
Provision for Fringe Benefit Tax (2008-2009)	-	149,460
Provision for Proposed Dividend	8,866,397	-
Provision for Tax on Proposed Dividend	1,472,598	-
<b>TOTAL</b>	<b>53,399,608</b>	<b>32,939,241</b>

**SCHEDULE : 10 : MISCELLANEOUS EXPENDITURE**

Preliminary Expenses.	568,153	1,574,505
(To the extent not written off or adjusted )		
Less:- Written off during the year	256,352	256,352
Less:- IPO Exp. Adjusted against Share Premium A/c.	-	750,000
	311,801	568,153
Preoperative Exp.	-	150,000
<b>TOTAL</b>	<b>311,801</b>	<b>718,153</b>

**Schedule Annexed To and Forming Part Of Balance Sheet as at 31st March 2010**

Amt. in Rs.

	Year Ended 31.03.2010	Year Ended 31.03.2009
<b><u>SCHEDULE : 12 : SALES &amp; INCOME FROM OPERATIONS</u></b>		
Sales of Products Traded	2,453,764,450	1,154,754,777
Sales of Products Manufacture	46,697,347	34,148,058
Job Work Charges	181,770,526	78,331,451
Sale of Spots	-	6,823,811
<b>TOTAL</b>	<b><u>2,682,232,323</u></b>	<b><u>1,274,058,097</u></b>
<b><u>SCHEDULE : 13 : OTHER INCOME</u></b>		
Discount Received	293,758	86,304
Dividend Received	173,298	3,504,097
Sundry Creditors W/ Off.	237	-
Insurance Claim Received	-	36,278
F.D. Interest	828,392	5,817,149
Interest on Security Deposit with MSEB	-	19,424
Sale of Scrap	487,309	172,013
Verification Fees	-	5,000
<b>TOTAL</b>	<b><u>1,782,994</u></b>	<b><u>9,640,264</u></b>
<b><u>SCHEDULE : 14 : COST OF GOODS CONSUMED / SOLD</u></b>		
Opening Stock	44,296,537	32,232,916
Add: Purchases	2,427,515,555	1,120,310,602
Add: Purchases of Spots	-	6,119,082
Less: Closing Stock	26,591,263	44,296,537
<b>TOTAL</b>	<b><u>2,445,220,829</u></b>	<b><u>1,114,366,063</u></b>
<b><u>SCHEDULE : 15 : DIRECT EXPENSES</u></b>		
<b><u>Direct Expenses</u></b>		
Beam Drawing Charges	1,707,461	1,107,894
Beam Draping Charges	187,785	7,920
Beam Leasing Charges	502,429	362,785
Dyeing Charges	-	-
Diesel & Petrol (DG Set)	596,326	81,368
Furnes Oil	5,449,359	3,140,403
Mending Charges	1,300,536	644,528
Beam Piecing Charges	377,298	15,780
Job Work Charges Paid	39,672,279	28,642,209
Water Charges	217,696	152,354
Boiler Water & Liquid Oxygen	102,504	24,524
Reconing Charges	1,280	-
Warping Charges	-	-
Tesing Fees	1,827	1,864
Electricity Exp.	13,219,756	6,288,443
Other Direct Expenses	12,100,000	-
Loading & Unloading Charges	42,500	-
Piecing Charges	233,356	-
<b>TOTAL</b>	<b><u>75,712,392</u></b>	<b><u>40,470,072</u></b>

**Schedule Annexed To and Forming Part Of Balance Sheet as at 31st March 2010**

Amt. in Rs.

	Year Ended 31.03.2010	Year Ended 31.03.2009
<b><u>SCHEDULE : 16 : ADMINISTRATIVE &amp; GENERAL EXPENSES</u></b>		
Advertisement Exp.	151,675	113,545
AMC Charges	117,947	78,643
Audit Fees & Other charges	115,815	115,815
Annual General Meeting Exp.	21,722	-
Appeal Filing Fees	1,000	-
NSDL Fees	18,007	-
NSE Listing Fees	49,635	-
BSE Fees	33,090	-
Discount, Brokerage Claim & Rebate Paid	3,670,224	608,611
Business Promotion Expenses	384,161	51,460
Computer Expenses	45,988	250
Conveyance Expenses	693,150	595,048
Coolie & Carriage Expenses	125,760	47,603
Courier & Postage Charges	175,130	77,971
Custodial Fees	33,090	-
Sales Tax (CST 2% on Cotton Yarn)	-	25,062
Diwali Gifts	-	42,004
Donation	939,000	1,055,600
Electricity Exp	387,764	242,562
Erection Charges	14,080	-
Franking Exp	256,650	26,910
Freight Charges Other	-	1,980
Office & General Expenses	192,434	123,196
Grampanchayat Tax	90,768	1,500
House Keeping Charges	42,958	21,737
Inspection charges	2,206	24,000
Insurance Charges	388,062	325,902
Interest on TDS	992	-
Internet Expenses	46,447	33,127
Legal & Professional Charges	-	45,750
Licence Fees	55,600	21,290
Loss on Lost of Car	-	24,894
Membership & Subscription Exp.	4,000	-
Packing Charges	334,197	189,789
Petrol Expenses	460,294	220,615
Pollution Control Fees	-	8,600
Pooja Expenses	12,621	13,008
Preliminary Expenses Written off	256,352	256,352
Printing & Stationery Charges	813,809	446,334
Professional Fees	1,179,632	1,053,385
Professional Tax	2,500	2,500
Rate Difference	202,947	8,057

**Schedule Annexed To and Forming Part Of Balance Sheet as at 31st March 2010**

Amt. in Rs.

	<b>Year Ended 31.03.2010</b>	Year Ended 31.03.2009
Rent & Other Taxes	-	3,600
Repairs & Maintenance Expenses	<b>2,527,451</b>	2,004,943
ROC Fees	<b>13,129</b>	16,050
Room Rent & Society Maintenance	<b>603,845</b>	572,092
Sales Tax	-	20
Shop & Establishment Exp. (Licence Fees)	-	2,500
Sitting Fees Charges	<b>240,000</b>	105,000
Software Exp.	<b>3,610</b>	5,510
Stamp Duty Charges	<b>337,575</b>	200
Sundry Debtors W/off	<b>28,323</b>	123,164
Telephone Charges	<b>355,738</b>	347,125
Travelling Expenses	<b>808,629</b>	751,897
Vehical Expenses	<b>178,708</b>	117,869
Salaries & Wages	<b>18,235,009</b>	16,977,263
Staff Welfare Expenses	<b>2,135,500</b>	789,864
Directors' Remuneration	<b>900,000</b>	900,000
Labour Charges	<b>213,375</b>	397,174
Security & Service Ch.	-	577,180
Stores & Spares Used	<b>11,832,567</b>	5,863,086
Transportation Charges	<b>323,409</b>	392,704
Boiler Operation Charges	-	46,747
<b>TOTAL</b>	<b><u>50,056,576</u></b>	<b><u>35,897,087</u></b>
 <b><u>SCHEDULE : 17 : FINANCE CHARGES</u></b>		
Bank Charges	<b>583,130</b>	312,109
Loan Processing Charges, Mortgage Charges	<b>418,857</b>	590,000
Interest On Car Loan	<b>155,553</b>	101,110
Bank Interest on CC A/c.	<b>16,601,411</b>	4,448,038
Bank Interest on SLOC A/c.	<b>1,218,835</b>	1,048,976
Bank Interest on Term Loan	<b>9,408,147</b>	12,908,243
Factoring Interest	-	3,747,887
Factoring Charges (Service Charges)	-	264,159
Bank Commission	<b>1,106,175</b>	925,575
<b>TOTAL</b>	<b><u>29,492,109</u></b>	<b><u>24,346,097</u></b>

**SCHDEULE : 11 : Annexed to and Forming part of Balance Sheet as at 31.03.2010****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 2010.**

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	2009-10	2008-09
Net Profit as per Profit & Loss Account (Rs.)	3,22,16,526	2,76,95,266
Weighted average number of equity shares	1,77,32,793	1,63,57,782
Basic and diluted Earning per share (Rs.)	1.82	1.69
Face value per share (Rs.)	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	2009-10	Current Year	2008-09
<b>Deferred Tax Liabilities</b>	NIL	NIL	NIL
Related to Fixed Assets (Rs.)	4,94,03,282	1,35,64,194	3,58,39,088
<b>Deferred Tax Assets (Rs.)</b>	NIL	NIL	NIL
Net Deferred Tax Liabilities (Rs.)	4,94,03,282	1,35,64,194	3,58,39,088

#### 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	6.00
Anita R. Patodia	Executive Director	Directors Remuneration	3.00
Ramshyam Textile Industries Ltd.	Wholly Subsidiary Company	Corporate Guarantee given	1,088.00
Ramshyam Textile Industries Ltd.	Wholly Subsidiary Company	Job Work Charges Received Paid	63.48 12.05
First Winner Lifestyle Ltd.	Wholly Subsidiary Company	Corporate Guarantee given	4486.00
First Winner Lifestyle Ltd.	Wholly Subsidiary Company	Job Work Charges Received Paid	28.94 286.63

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	31.03.2010	31.03.2009
Bank Guarantees	39.00	74.75
Corporate Guarantee given to bankers on behalf on subsidiary company: Ramshyam Textile Industries Ltd.	1,088.00	1,251.00
First Winner Lifestyle Pvt. Ltd.	4,486.00	4,372.00
<b>Total</b>	<b>5,613.00</b>	<b>5,697.75</b>

#### 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. None of the employees are entitled for the gratuity benefits during the reported period, no employee is in continues service of 5 years.
10. None of the employees are entitled for the gratuity benefits during the reported period, no employee is in continues service of 5 years.
11. 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.

#### 12. Foreign Currency Transactions :

The company has not incurred foreign currency on capital expenditure during the year.

#### 13. Payments to Auditors

Particulars	2009-10	2008-09
Audit fees	Rs.1,15,815	Rs.1,15,815
For other services	31,545	-
<b>Total</b>	<b>Rs.1,47,360</b>	<b>Rs.1,15,815</b>

## 14. Managerial Remuneration

Particulars	2009-10	2008-09
	[Rs.]	[Rs.]
Directors remunerations	9,00,000	9,00,000
Sitting fees	2,40,000	1,05,000
<b>Total</b>	<b>11,40,000</b>	<b>10,05,000</b>

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

Particulars	Unit	2009-10	2008-09
A. Licensed Capacity	Meters	170.21 Lac	170.21 Lac
B. Installed Capacity	Meters	170.21 Lac	170.21 Lac
C. Actual Performance	Meters	118.88 Lac	72.81 Lac

## Information of major traded &amp; Mfg. materials

Particulars	2009-10		2008-09	
	Qty [Mtr.]	[Rs. in lacs]	Qty [Mtr.]	[Rs. in Lacs]
<b>Fabrics (Traded)</b>				
Opening Stock	1,66,730.00	283.80	2,32,990	305.27
Purchases (Fabrics)	22784802.35	24080.13	1,24,34,612	10891.46
(Fabrics for Garments)	1478.00	1.48	----	----
(Garments Jeans)	525 Pcs	1.99	----	----
Sales	22685614.35	24537.64	1,25,00,872	11547.55
Closing Stock				
(Fabrics)	264440.00	243.42	1,66,730	283.80
(Fabrics for Garments)	1478.00	1.48	----	----
(Graments Jeans)	525 Pcs	1.99	----	----
<b>Fabrics (Manufactured)</b>				
Opening Stock	3,33,671	109.64	0	0
Add: Manufacture	1016945	248.81	13,74,501	419.57
Less: Sales	1310992	466.97	10,40,830	341.48
Closing Stock	39624	14.63	3,33,671	109.64
<b>Yarn (Raw Material – Consumed)</b>				
Opening Stock (Kgs)	35,403.00	49.52	11,628.07	17.06
Purchases	132099.60	191.48	2,10,209.10	311.65
Less Return (Net Kgs)				
Consumption	161478.60	233.14	1,86,434.17	279.19
Closing Stock (Kgs)	6024.00	7.86	35,403.00	49.52

## 16. 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.

**For Praful M. Joshi**  
Chartered Accountant

**For Deshmukh & Associates**  
Chartered Accountants

**For First Winner Ind. Ltd.**

(Praful M. Joshi)  
Managing Director  
Proprietor  
M. No. 100/030276

(Deepen Kapadia)  
Director  
Partner  
M. No. 112565

Place : Mumbai

Dated : 14.08.2010

## BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010

<b>1. Registration Details</b>	:	
Registration No.	:	138778
State Code	:	11
Balance Sheet	:	31/03/2010
<b>2. Capital Raised During the Year.</b>	:	<b>(Rs. In Thousand)</b>
Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL
<b>3. Position of Mobilization &amp; deployment of fund</b>	:	<b>(Rs. In Thousand)</b>
Total Liabilities	:	12,56,818
Total Assets	:	12,56,818
Sources of Funds	:	
Paid Up Capital	:	1,77,328
Share Application Money	:	0
Reserve & Surplus	:	8,22,433
Deferred Tax Liability	:	49,403
Secured Loans	:	2,07,654
Unsecured Loans	:	0
Application of Funds.	:	
Net Fixed Assets	:	5,73,873
Investments	:	2,94,347
Net Current Assets	:	3,88,286
Miscellaneous Expenditure	:	312
Accumulated Losses	:	0
<b>4. Performance of The Company</b>	:	<b>( Rs. In Thousand )</b>
Turnover ( Gross Receipts)	:	26,84,015
Total Expenditure	:	26,27,874
Profit / (Loss) Before Tax	:	56,141
Profit / (Loss) After Tax	:	32,217
Earnings Per Shares ( In Rs.)	:	1.82
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                      Anita Patodia  
**Managing Director      Director**

Neha Tripathi  
**Company Secretary**

Date : 14<sup>th</sup> August 2010

## 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, 2010, 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, 2010 ;
  - (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. 100/030276

Place : Mumbai  
Date : 14.08.2010

For Deshmukh & Associates  
Chartered Accountants

(Deepen Kapadia)  
Partner  
Mno. 112565

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010**

(Amount in Rs.)

Particulars	Schedule	As at 31.03.2010	As at 31.03.2009
<b><u>SOURCES OF FUNDS</u></b>			
<b>Shareholder Funds</b>			
Share Capital	1	177,327,930	177,327,930
Share Application Money		143,500,000	-
Reserves & Surplus	2	1,029,725,997	982,412,978
		<u>1,350,553,927</u>	<u>1,159,740,908</u>
Minority Interest		16,077	15,513
<b>Borrowed Fund</b>			
Secured Loan	3	<u>743,099,337</u>	<u>677,255,200</u>
		743,099,337	677,255,200
<b>DEFERRED TAX (NET)</b>	4	<u>101,033,877</u>	<u>75,063,606</u>
TOTAL		<u><u>2,194,703,218</u></u>	<u><u>1,912,075,227</u></u>
<b><u>APPLICATION OF FUNDS</u></b>			
<b>Fixed Assets</b>			
Gross Block	5	1,249,175,414	1,216,489,698
Less:- Accumulated Depreciation		<u>116,007,941</u>	<u>61,456,477</u>
Net Block		<u>1,133,167,473</u>	<u>1,155,033,221</u>
<b>Investments</b>	6	<u>77,840,000</u>	<u>138,955,025</u>
<b><u>Current Assets, Loans &amp; Advances</u></b>			
Inventories		96,031,502	87,020,631
Sundry Debtors		1,595,672,699	641,478,704
Loan & Advances		156,486,415	160,543,157
Cash & Bank Balances		<u>4,183,461</u>	<u>3,576,472</u>
Sub Total		<u>1,852,374,077</u>	<u>892,618,963</u>
<b><u>Less :-Current Liabilities And Provisions</u></b>			
Current Liabilities	8	784,339,889	218,679,266
Provisions	9	<u>85,054,276</u>	<u>57,133,389</u>
		<u>869,394,165</u>	<u>275,812,655</u>
Net Current Assets		<u>982,979,912</u>	<u>616,806,309</u>
<b>Miscellaneous Expenditure</b>	10	<u>715,834</u>	<u>1,280,673</u>
(To the extend not written off or adjusted)			
TOTAL		<u><u>2,194,703,218</u></u>	<u><u>1,912,075,227</u></u>
Significant Accounting Policies	11		

Notes &amp; Schedules 1 TO 17 Forming part of Accounts

As per our report of even date attached

**For Praful M. Joshi**  
Chartered Accountants

**For Deshmukh & Associates**  
Chartered Accountants

**For FIRST WINNER INDUSTRIES LIMITED**  
**Rinku Patodia**  
Managing Director  
**Anita Patodia**  
Director

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

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

**Neha Tripathi**  
Company Secretary

Place : Mumbai  
Dated : 14.08.2010

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

(Amount in Rs.)

Particulars	Schedule	Year Ended 31.03.2010	Year Ended 31.03.2009
<b>INCOME</b>			
Sales & Income from Operations	12	5,691,077,539	2,883,565,293
Other Income	13	3,964,252	11,619,581
		<u>5,695,041,791</u>	<u>2,895,184,874</u>
<b>EXPENDITURE</b>			
Cost Of Material	14	5,259,974,067	2,571,698,299
Other Direct Expenses	15	117,315,250	52,634,061
Administrative And General Expenses	16	71,539,551	59,405,268
Finance Charges	17	89,674,262	64,571,431
Depreciation		54,945,866	32,656,807
		<u>5,593,448,996</u>	<u>2,780,965,866</u>
<b>PROFIT BEFORE TAX</b>		<b>101,592,795</b>	<b>114,219,008</b>
Provision For Taxation			
Current Tax		17,889,296	12,559,165
Fringe Benefit Tax		-	398,014
Deferred Tax		25,970,271	39,742,823
Excess/Short Provision For Earlier Years		(80,649)	(5,804)
<b>PROFIT AFTER TAX</b>		<b>57,652,579</b>	<b>61,513,202</b>
Balance brought forward From Previous Year		230,124,486	168,611,284
<b>AVAILABLE FOR APPROPRIATION</b>		<b>287,777,065</b>	<b>230,124,486</b>
Appropriations:			
Proposed Dividend		8,866,397	-
Tax on Proposed Dividend		1,472,598	-
Minority Interest in Current Year's Profit		565	
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>277,437,505</b>	<b>230,124,486</b>
Basic / Diluted Earning per share (Rs.)		<b>3.25</b>	<b>3.76</b>
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

**For Deshmukh & Associates**  
Chartered Accountants

**For FIRST WINNER INDUSTRIES LIMITED**  
**Rinku Patodia**  
Managing Director  
**Anita Patodia**  
Director

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

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

**Neha Tripathi**  
Company Secretary

Place : Mumbai  
Dated : 14.08.2010

**CONSOLIDATED CASH FLOW STATEMENT AS ON 31ST MARCH 2010**

(Amount in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
<b>Cash Flow from Operating Activities</b>		
Net Profit before Taxes	101,592,795	114,219,008
Adjustments for		
Depreciation	54,945,866	32,656,807
Interest Income	(2,550,261)	(7,014,272)
Dividend Income	(173,298)	(3,504,097)
Rental Income	(103,500)	-
Interest Expenses	81,354,275	58,040,617
Preliminary Expenses W/off	414,839	414,839
Loss on Sale of Motor Car	730,588	24,894
<b>Operating Profit Before Working Capital Changes</b>	<b>236,211,304</b>	<b>194,837,799</b>
(Increase) / Decrease in Inventories	(9,010,871)	(25,849,761)
(Increase) / Decrease in Sundry Debtors	(954,193,995)	(186,916,010)
(Increase) / Decrease Loans & Advances	15,642,311	(17,624,682)
Increase in Sundry Creditors	565,660,623	55,245,327
Cash generated from Operations	(145,690,628)	19,692,674
Income Tax Paid	(11,973,622)	(35,076,584)
<b>Net Cash from Operating Activities</b>	<b>(157,664,250)</b>	<b>(15,383,910)</b>
<b>Cash flows from Investing Activities</b>		
Purchases/Additions of Fixed Assets	(33,770,706)	(529,118,788)
Sale proceeds of Assets Sold	110,000	786,953
(Purchase) / Sales of Investments	61,115,025	(138,705,025)
Preliminary Expenses Incurred	-	(827,855)
Dividend Earned	173,298	3,504,097
Interest Income Earned	2,550,261	7,014,272
Rental Income	103,500	-
<b>Net cash used in Investing Activities</b>	<b>30,281,378</b>	<b>(657,346,346)</b>
<b>Cash flows from Financing Activities</b>		
Proceeds from Issuance of Share Capital	-	646,154,033
Share Application Money Received	143,500,000	-
Interest Expenses on Long Term Borrowings	(81,354,275)	(58,040,617)
Proceeds from Long Term Borrowings	65,844,137	84,656,188
<b>Net Cash from Financing Activities</b>	<b>127,989,862</b>	<b>672,769,604</b>
Net Increase / (Decrease) in Cash & equivalents	606,990	39,348
Cash & Equivalents at the beginning of the year	3,576,472	3,537,124
Cash & equivalents at the end of the year	4,183,461	3,576,472

## 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

**For Deshmukh & Associates**  
Chartered Accountants

**For FIRST WINNER INDUSTRIES LIMITED**  
**Rinku Patodia**  
Managing Director  
**Anita Patodia**  
Director

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

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

**Neha Tripathi**  
Company Secretary

Place : Mumbai  
Dated : 14.08.2010

**Schedule Annexed To and Forming Part Of Consolidated Balance Sheet as at 31.03.2010**

(Amount in Rs.)

PARTICULARS	As at 31.03.2010	As at 31.03.2009
<b>Schedule '1'</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
2,00,00,000 (2,00,00,000) Equity Share of Rs.10/- each	200,000,000	200,000,000
	<u>200,000,000</u>	<u>200,000,000</u>
<b>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL</b>		
1,77,32,793 Equity Share of Rs.10/- each	177,327,930	177,327,930
<b>TOTAL</b>	<u>177,327,930</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	24,650,580
Add:- Addition During The Year	-	769,754,945
Less:- Utilised for IPO Expenses	-	42,101,522
<b>Sub Total- a</b>	<u>752,304,003</u>	<u>752,304,003</u>
<b>b) Profit &amp; Loss Account</b>		
Opening balance	230,108,975	168,611,284
Add:- Profit For The Year	47,313,019	61,513,204
<b>Sub Total- b</b>	<u>277,421,994</u>	<u>230,108,975</u>
<b>TOTAL (a+b)</b>	<u>1,029,725,997</u>	<u>982,412,978</u>
<b>Schedule '3'</b>		
<b>Secured Loan</b>		
Working Capital Limits from SBI (Secured by Stocks, Debtors & Other Fixed and Current assets)	164,476,586	143,829,558
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)	22,769,735	22,740,154
Term Loan (SBI) (Due within 1 Year Rs.9,24,48,000/-) (Secured with Factory building and plant & machinery)	388,893,396	459,575,155
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)	38,549,989	49,434,274
Car Loan (Due within 1 Year 17,24,486)	4,050,982	1,676,059
<b>TOTAL</b>	<u>743,099,337</u>	<u>677,255,200</u>
<b>Schedule '4'</b>		
<b>DEFERRED TAX</b>		
Opening Balance	75,063,606	35,320,783
Add: Addition During The Year	25,970,271	39,742,823
<b>TOTAL</b>	<u>101,033,877</u>	<u>75,063,606</u>



## Schedule "5" Consolidated Fixed Assets (At cost less Depreciation ) as on 31-03-2010

(Amt. in Rs.)

Description of Assets	Gross Block			Depreciation			Net Block			
	As at 01.04.2009	Additions during the year	Deductions during the year	As at 31.03.2010	Up to 31.03.2009	Adjustments	Provided for the period ended 31.03.2010	Total Up to 31.03.2010	As at 31.03.2010	As at 31.03.2009
Factory Building	176448252	9,805,856		186254108	7,421,290		5,951,759	13,373,049	172,881,059	169,026,962
Factory Building Unit 2 (N-66)	111159360	40,501		111199861	406,828		3,713,004	4,119,832	107,080,029	110,752,532
Godowns	5986890	-		5986890	473,864		97,586	571,450	5,415,440	5,513,026
Office Premises	4915526	16,600		4932126	307,419		80,376	387,795	4,544,332	4,608,108
Staff Quarters	649200	-		649200	13,343		10,582	23,925	625,275	635,857
Plot at Palghar	392880	-		392880	-		-	-	392,880	392,880
Plant & Machinery	711787445	10,785,504		722572949	47,640,013		33,932,848	81,572,861	641,000,088	664,147,432
Plant & Machinery Expansion (Unit 2)	179119836	1,961,340		181081176	931,835		8,595,046	9,526,881	171,554,295	178,188,001
Electrical Installations	10346682	1,443,592		11790274	1,162,778		672,399	1,835,177	9,955,097	9,183,904
Electrical Installation Unit 2	722152	1,353,075		2075227	3,692		92,740	96,432	1,978,796	718,461
Vehicle	6625325	4,916,528	1,234,990	10306863	992,812	394,402	810,621	1,409,031	8,897,832	5,632,513
Furniture & Fixtures	3776588	1,494,161		5270749	458,159		303,575	761,734	4,509,015	3,318,429
Furniture & Fixture Unit 2	352630	-		352630	2,253		22,321	24,574	328,056	350,377
Other Assets	665903	545,834		1211737	68,524		46,356	114,880	1,096,857	597,379
Air Conditioner & Refrigerator	609401	61,990		671391	31,471		29,613	61,084	610,307	577,930
Computers	2919560	1,507,793		4427353	1,542,198		587,040	2,129,238	2,298,115	1,377,362
Capital Work In Progress (Plant & Machinery)	12068	-	12,068	0	-		-	-	-	12,068
<b>Total</b>	<b>1216489698</b>	<b>33,932,774</b>	<b>1,247,058</b>	<b>1,249,175,414</b>	<b>61,456,477</b>	<b>394,402</b>	<b>54,945,866</b>	<b>116,007,941</b>	<b>1,133,167,473</b>	<b>1,155,033,221</b>
Previous Year	687263925	553,992,725	24,766,952	1216489698	23,574,955	81,113	32,656,807	61,456,477	1,155,033,221	658,383,142

**Schedule Annexed To and Forming Part Of Consolidated Balance Sheet as at 31.03.2010**

PARTICULARS	As at 31.03.2010	As at 31.03.2009
<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)	-	61,115,025
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)	30,000,000	30,000,000
	<b>77,840,000</b>	<b>138,955,025</b>
<b>Schedule '7'</b>		
<b>Current Assets, Loans &amp; Advances</b>		
Inventories		
Raw Material	786,036	4,951,751
Work In Process	-	-
Finished Goods	95,245,466	82,068,880
	<b>TOTAL</b>	<b>87,020,631</b>
	<b>96,031,502</b>	<b>87,020,631</b>
<b>Sundry Debtors (Unsecured considered good )</b>		
1) Due for more than six months	-	106,070
2) Others	1,595,672,699	641,372,634
	<b>TOTAL</b>	<b>641,478,704</b>
	<b>1,595,672,699</b>	<b>641,478,704</b>
<b>Loan &amp; Advances, Deposits</b>		
Advances for Capital Goods	30,492,262	31,622,754
Advances for Expenses	203,561	371,517
Advances for Property	6,352,573	-
Advances for Rent	103,588	161,927
Advances Others	9,891,579	11,949,042
Advance Tax	28,507,005	21,909,394
Self Assessment Tax	25,387,369	22,318,716
Tax Deducted at Sources	4,025,919	2,106,614
Input Vat (Capital Goods) / Tuff Subsidy Receivable	6,967,762	19,743,739
Staff Advances	626,647	536,780
Stores & Spares (Stock)	3,039,440	3,995,364
Fixed Deposit With State Bank Of India	29,768,470	31,504,270
Fixed Deposit With State Bank Of Indore	6,518,076	5,923,839
Sundry Deposits	4,055,602	5,725,297
Other Advances & Deposits	546,562	2,673,903
	<b>TOTAL</b>	<b>160,543,157</b>
	<b>156,486,415</b>	<b>160,543,157</b>
<b>Cash and Bank Balances</b>		
Cash In Hand	2,102,078	1,992,293
Balance in current A/C (State Bank of Indore)	(634,635)	1,564,519
Balance in Current A/c (Bank of India)	7,600	6,024
Balance in Current A/c (Union Bank of India)	5,586	-
State Bank of Indore Current Account	573,431	13,635
In Current Account	2,129,401	-
	<b>TOTAL</b>	<b>3,576,472</b>
	<b>4,183,461</b>	<b>3,576,472</b>

**Schedule Annexed To and Forming Part Of Consolidated Balance Sheet as at 31-03-2010**

PARTICULARS	As at 31.03.2010	As at 31.03.2009
<b><u>Schedule '8'</u></b>		
<b><u>Current Liabilities &amp; Provisions</u></b>		
<b>Sundry Creditors</b>		
a) For Goods	738,359,833	164,903,470
b) For L/C	29,951,340	29,923,035
c) For Expenses	7,461,443	12,668,676
d) For Capital Goods & Others	7,921,080	9,869,895
e) Others	646,193	1,314,190
<b>TOTAL</b>	<b>784,339,889</b>	<b>218,679,266</b>
<b><u>Schedule '9'</u></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	-
Provision for Fringe Benefit Tax (2007-2008)	80,000	80,000
Provision for Fringe Benefit Tax (2008-2009)	90,610	398,014
Provision for Income Tax	31,484,057	23,865,594
Proposed Dividend	8,866,397	-
Tax on Proposed Dividend	1,472,598	-
<b>TOTAL</b>	<b>85,054,276</b>	<b>57,133,389</b>
<b><u>Schedule '10'</u></b>		
<b>Miscellaneous Expenditure</b>		
Preliminary Expenses. ( To the extent not written off or adjusted )	1,130,673	1,617,657
Add:- Addition During the Year	-	677,855
Less:- Written off during the year	414,839	414,839
Less:- IPO Exp. Adjusted against Share Premium A/c.	-	750,000
	<b>715,834</b>	<b>1,130,673</b>
Preoperative Exp.	-	150,000
<b>TOTAL</b>	<b>715,834</b>	<b>1,280,673</b>

## Schedule Annexed To and Forming Part Of Consolidated Balance Sheet as at 31-03-2010

PARTICULARS	Year Ended 31.03.2010	Year Ended 31.03.2009
<b>Schedule '12'</b>		
<b><u>Sales &amp; Income from Operations</u></b>		
Sales of Products Traded	5,324,319,900	2,678,847,259
Sales of Products Manufacture	46,697,347	34,148,058
Job Work Charges	320,060,292	163,746,165
Sale of Spots	-	6,823,811
	<b>5,691,077,539</b>	<b>2,883,565,293</b>
<b>Schedule '13'</b>		
<b><u>Other Income</u></b>		
Discount Received	315,697	86,304
Dividend Received	173,298	3,504,097
Sundry creditor w/off	237	-
Insurance Claim Received	-	815,828
F.D. Interest	2,501,615	6,969,731
Other Interest Received	48,646	25,117
Rent received	103,500	-
Rebat & claim	8,218	-
Interest on Security Deposit with MSEB	-	19,424
Sale of Scrap	504,659	194,081
Verification Fees	-	5,000
Other Incomes	308,382	-
	<b>3,964,252</b>	<b>11,619,581</b>
<b>Schedule '14'</b>		
<b><u>Cost Of Goods Sold</u></b>		
Opening Stock	85,194,601	60,925,377
Add: Purchases	5,270,181,677	2,589,848,441
Add: Purchases of Spots	-	6,119,082
Less: Closing Stock	95,402,211	85,194,601
<b>TOTAL</b>	<b>5,259,974,067</b>	<b>2,571,698,299</b>
<b>Schedule '15'</b>		
<b><u>Direct Expenses</u></b>		
Beam Drawing Charges	3,177,479	2,564,204
Beam Draping Charges	187,785	7,920
Beam Leasing Charges	927,241	510,408
Diesel & Petrol (DG Set)	13,538,421	81,368
Furnes Oil	5,449,359	3,140,403
Mending Charges	2,729,699	1,678,727
Beam Piecing Charges	377,298	15,780
Job Work Charges Paid	49,648,685	29,411,861
Water Charges	287,101	208,337
Boiler Water & Liquid Oxygen	102,504	24,524
Reconing charges	1,280	-
Tesing Fees	1,827	1,864
Electricity Exp.	13,219,756	14,314,733
Other direct expenses	17,300,000	-
Loading & uploading charges	53,000	-
Piecing charges	233,356	-
Wages & Labour Charges	9,749,061	315,148
Repairs & Maintenance	279,688	253,191
Gardening Exp.	7,620	5,593
Polution Control Fees	44,090	100,000
	<b>117,315,250</b>	<b>52,634,061</b>

**Schedule Annexed To and Forming Part Of Consolidated Balance Sheet as at 31-03-2010**

PARTICULARS	Year Ended 31.03.2010	Year Ended 31.03.2009
<b>Schedule '16'</b>		
<b>Administrative and General Expenses</b>		
Advertisement Exp.	269,945	236,779
AMC Charges	117,947	78,643
Audit Fees	190,268	187,510
Annual General Meeting Exp.	21,722	-
Appeal Filing Fees	2,000	-
NSDL Fees	18,007	-
NSE Listing Fees	49,635	-
BSE Fees	33,090	-
Discount & Brokerage Paid	4,019,398	875,582
Business Promotion Expenses	1,004,582	449,968
Computer Expenses	47,988	250
Conveyance Expenses	1,228,702	930,094
Coolie & Carriage Expenses	154,805	48,531
Courier & Postage Charges	350,501	182,727
Contribution to providend fund	334,936	-
Custodian Fees	33,090	-
Sales Tax (CST 2% on Cotton Yarn)	-	25,062
Diwali Gifts	-	42,004
Donation	1,605,000	2,149,600
Ducting Charges	-	14,700
Electricity Exp	425,225	243,704
Erection charges	14,080	-
Franking Exp	259,500	28,220
Freight Charges Other	-	1,980
Office & General Expenses	816,564	772,839
Grampanchayat Tax	185,818	1,500
House Keeping Charges	471,789	96,493
Inspection charges	2,206	46,000
Insurance Charges	868,326	718,613
Interest on TDS	992	-
Internet Expenses	46,447	33,127
Legal & Professional Charges	108,222	387,025
Licence Fees	70,784	36,318
Loss on sale of Car	730,588	24,894
Communication costs	397,418	-
Custom duty	6,562	-
Membership & Subscription	7,000	6,000
Packing Charges	334,197	191,397
Petrol Expenses	559,064	307,836
Pollution Control Fees	-	8,600
Pooja Expenses	117,246	38,498
Preliminary Expenses Written off	414,839	414,839
Printing & Stationery Charges	1,154,580	699,770

**Schedule Annexed To and Forming Part Of Consolidated Balance Sheet as at 31-03-2010**

PARTICULARS	Year Ended 31.03.2010	Year Ended 31.03.2009
Professional Fees	1,636,093	1,420,284
Professional Tax	5,000	7,500
Rate Difference	202,947	8,057
Rent & Other Taxes	223,645	151,600
Repairs & Maintenance Expenses	2,729,164	2,214,236
Repairs & Maintenance Plat and Machinery	520,589	473,855
ROC Fees	19,315	25,827
Room Rent & Society Maintenance	603,845	572,092
Sales Tax	-	60
Shop & Establishment Exp. (Licence Fees)	-	2,500
Octroi charges	2,037	-
Sitting Fees Charges	240,000	105,000
Software Exp.	3,610	5,510
Stamp Duty Charges	387,385	425,270
Sundry Debtors W/off	28,323	171,817
Telephone Charges	752,305	1,153,692
Travelling Expenses	1,283,972	1,176,874
Vehical Expenses	327,138	877,108
Salaries & Wages	25,425,805	30,041,967
Staff Welfare Expenses	2,739,001	1,371,822
Directors' Remuneration	900,000	962,000
Labour Charges	213,375	397,174
Security & Service Ch.	50,977	1,166,271
Stores & Spares Used	15,625,141	6,264,800
Transportation Charges	348,799	401,114
Boiler Operation Charges	-	46,747
Motor car expenses	324,998	-
Miscellaneous Expenses	441,908	665,906
Society Maintenance	31,116	17,083
<b>TOTAL</b>	<b>71,539,551</b>	<b>59,405,268</b>
<b>Schedule '17'</b>		
<b>Finance Charges</b>		
Bank Charges	1,543,777	1,345,405
Loan Processing Charges, Mortgage Charges	2,294,357	1,535,000
Interest On Car Loan	250,367	191,780
Bank Interest on CC A/c.	42,926,875	22,689,412
Bank Interest on SLOC A/c.	3,179,289	2,803,361
Bank Interest on Term Loan	34,997,744	28,608,177
Factoring Interest	-	3,747,887
Factoring Charges (Service Charges)	-	264,159
Bank Commission	4,481,853	3,386,250
<b>TOTAL</b>	<b>89,674,262</b>	<b>64,571,431</b>

## SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS - 31ST MARCH 2010

### Schedule 11: Significant Accounting Policies & Notes forming part of Consolidated Financial Statements for the year ended 31st March 2010

#### 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 31.03.10
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 2010.

##### (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	6.00
Anita R. Patodia	Executive Director	Directors Remuneration	3.00
Ramshyam Textile Industries Ltd.	Wholly owned Subsidiary Company	Corporate Guarantee given	1,088.00
		Job Work Charges	63.48
		Received	12.05
First Winner Lifestyle Ltd.	Wholly owned Subsidiary Company	Corporate Guarantee given	4,486.00
		Job Work Charges	28.94
		Received	286.63
		Paid	

#### Contingent Liabilities

[ Rs. In lacs ]

Particulars	31.03.2010	31.03.2009
Bank Guarantees	76.05	111.80
Corporate Guarantee given to bankers on behalf on subsidiary company:		
Ramshyam Textile Industries Ltd.	1,088.00	1,251.00
First Winner Lifestyle Pvt. Ltd.	4,486.00	4,372.00
<b>Total</b>	<b>5,650.05</b>	<b>5,697.75</b>

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	2009-10	2008-09
Net Profit as per Profit & Loss Account (Rs.)	5,76,85,726	6,15,75,002
Weighted average number of equity shares	1,77,32,793	1,63,57,782
Basic and diluted Earning per share (Rs.)	3.25	3.76
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	2009-10	2008-09
Deferred Tax Liabilities:		
Related to Fixed Assets (Rs.)	10,10,33,877	7,50,76,591
Deferred Tax Assets (Rs.)	---	(12,985)
Net Deferred Tax Liabilities (Rs.)	10,10,33,877	7,50,63,606

**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.**

As per our report of even date attached

**For Praful M. Joshi**  
Chartered Accountants

**For Deshmukh & Associates**  
Chartered Accountants

**For FIRST WINNER INDUSTRIES LIMITED**  
**Rinku Patodia**  
Managing Director  
**Anita Patodia**  
Director

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

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

**Neha Tripathi**  
Company Secretary

Place : Mumbai  
Dated : 14.08.2010

**FIRST WINNER LIFESTYLE LIMITED****Directors' Report**

The Directors have pleasure in presenting their Eighth Annual Report and Accounts for the year ended March 31, 2010

**FINANCIAL RESULTS**

	2009-2010	2008-2009
	Rupees	Rupees
Profit before depreciation and tax	62180712	70238864
Less: Depreciation	22108824	11696307
Profit after depreciation but before tax	40071888	58542557
Less: Provision for tax	6672332	6632872
Deferred tax	10970590	18183538
Fringe Benefit tax	--	90610
Short provision of earlier year	--	8769
Profit after tax	22428966	33626768
Add: Balance brought forward from previous year	80554267	46927499
Balance carried forward	102983233	80554267

**DIVIDEND**

The directors do not recommend payment of dividend keeping in view the requirement of surplus funds for your Company's future growth. They trust the shareholders will appreciate their efforts for the future growth of your Company.

**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.

**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.

**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.

**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.

**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, 2010 and of the profit or loss 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 a going concern basis.

#### **AUDITORS**

The Auditors M/s. Praful M. Joshi, Chartered Accountants, holds office until the conclusion of the forthcoming Annual General Meeting and recommended for re-appointment.

#### **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,  
For First Winner Lifestyle Limited,

Rinku Patodia  
Chairman

Mumbai, July 30, 2010

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

#### **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:

##### **[A] CONSERVATION OF ENERGY:**

The Company has taken the necessary steps to minimize the energy consumption and conserve the same to the fullest extent possible.

##### **[B] TECHNOLOGY ABSORPTION:**

The constant efforts are made by the Company to upgrade the technology so as to improve the quality of the products.

##### **[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:**

1. Foreign Exchange earned: NIL
2. Foreign Exchange used: NIL

By Order of the Board of Directors,  
For First Winner Lifestyle Limited,

Rinku Patodia  
Chairman

Mumbai, July 30, 2010

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

## Auditors' Report

To

The Members of

First Winner Lifestyle Ltd.

We have audited the attached Balance Sheet of Firstwinner Lifestyle Limited [Formally known as Real Gold Exports Private Limited] as at 31<sup>st</sup> March 2010, 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 2010 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 so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2010;
    - ii) in so far as it relates to the Profit & Loss Account, of the profit for the year ended on that date.

For Praful M. Joshi  
Chartered Accountants

Place : Mumbai  
Date : 30.07.2010

(Praful M. Joshi- Proprietor)  
Membership No. 100/030276

**Annexure to the Auditors Report for year ended 31<sup>st</sup> March 2010**

(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, there are adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of fixed assets. To the best of our knowledge, no major weakness in internal control system were either reported or noticed by us during the course of our audit.
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.  
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. In our opinion and according to the information and explanations given to us, the company has not accepted the public deposit. Hence the provisions of section 58A and 58AA of the Companies Act, 1956 or any other relevant provision of the act and the rules made there under are not applicable.
7. In our opinion the company has an internal audit system commensurate with the size and nature of its business.
8. We have been informed by the management that the central government has prescribed maintenance of cost records for the company under section 209(1)(d) of the Companies Act, 1956.
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. 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 2010 for a period of more than six months from the date of becoming payable.  
b) According to the information and explanations given to 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. Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in payment of dues to financial institutions or banks. The company has not issued any debentures.
12. In our opinion and according to the information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/ Society. Thereof, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
14. In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
15. According to the information and explanations given to us, the company has given guarantee for loans taken by group of companies from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, the company has raised new term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we are of the opinion that no funds raised on short term basis have been used for long term investment.
18. During the year, the company has made preferential allotment of shares to parties and companies 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. The company has not raised any money through public issue during the year.
21. In our opinion an according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For Praful M. Joshi  
Chartered Accountants

Place : Mumbai  
Date : 30.07.2010

(Praful M. Joshi- Proprietor)  
Membership No. 100/030276

**BALANCE SHEET AS AT 31ST MARCH 2010**

Particulars	Schedule	As at 31.03.2010 (Amt. in Rs.)	As at 31.03.2009 (Amt. in Rs.)
<b><u>SOURCES OF FUNDS</u></b>			
<b>Shareholder Funds</b>			
Share Capital	1	20,750,000	20,750,000
Share Application Money		80,000,000	-
Reserves & Surplus	2	269,233,233	246,804,267
		<u>369,983,233</u>	<u>267,554,267</u>
<b>Borrowed Funds</b>			
Secured Loan	3	383,269,714	385,359,205
		<u>383,269,714</u>	<u>385,359,205</u>
<b>DEFERRED TAX</b>	4	40,406,035	29,435,445
<b>TOTAL</b>		<u>793,658,982</u>	<u>682,348,918</u>
<b><u>APPLICATION OF FUNDS</u></b>			
<b>Fixed Assets</b>			
Gross Block	5	500,755,673	488,772,893
Less:-Depreciation		36,110,408	14,395,985
<b>Net Block</b>		<u>464,645,266</u>	<u>474,376,908</u>
<b>Investments</b>	6	30,170,000	30,170,000
<b><u>Current Assets, Loans &amp; Advances</u></b>	7	514,472,143	238,650,001
<b><u>Less :-Current Liabilities And Provisions</u></b>			
Current Liabilities	8	201,758,417	53,778,180
Provision For Fringe Benefit Tax		90,610	90,610
Provision For Taxation		14,091,566	7,419,234
		<u>215,940,593</u>	<u>61,288,023</u>
<b>Net Current Assets</b>		<u>298,531,549</u>	<u>177,361,978</u>
<b>Miscellaneous Expenditure</b>	9	312,167	440,032
(To the extend not written off or adjusted)			
<b>TOTAL</b>		<u>793,658,982</u>	<u>682,348,918</u>

As per our report of even date attached

**For Praful M. Joshi**  
Chartered Accountants

(Praful M. Joshi - Proprietor)  
Membership No. 100/030276  
Place: Mumbai  
Date: 30.07.2010

**For First Winner Lifestyle Ltd.**  
(Formerly Known as Realgold Exports Pvt. Ltd.)

**Director****Director**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

Particulars	Schedule	Period Ended 31.03.2010 (Amt. in Rs.)	Period Ended 31.03.2009 (Amt. in Rs.)
<b>INCOME</b>			
Sales & Other Income	10	<u>1,685,133,233</u>	<u>789,994,842</u>
		<u>1,685,133,233</u>	<u>789,994,842</u>
<b>EXPENDITURE</b>			
Cost Of Material	11	1,548,299,120	680,215,126
Administrative And Other Expenses	12	38,063,197	17,829,591
Finance Charges	13	36,590,204	21,711,262
Depreciation For The Year		<u>22,108,824</u>	<u>11,696,307</u>
		<u>1,645,061,345</u>	<u>731,452,287</u>
<b>PROFIT BEFORE TAX</b>		<b>40,071,888</b>	<b>58,542,557</b>
<b>Provision For Taxation</b>			
Current Tax (MAT)		6,672,332	6,632,872
Fringe Benefit Tax		-	90,610
Deferred Tax		10,970,590	18,183,538
Less: Short Provision of Earlier Year		<u>-</u>	<u>8,769</u>
<b>PROFIT AFTER TAX</b>		<b>22,428,966</b>	<b>33,626,769</b>
Balance brought forward From Previous Year		<u>80,554,267</u>	<u>46,927,499</u>
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<u><b>102,983,233</b></u>	<u><b>80,554,267</b></u>
Basic / Diluted Earning per share (Rs.)		<b>10.81</b>	<b>20.23</b>
Significant Accounting Policies			
Notes & Schedules 1 TO 14 forming part of Accounts	14		
As per our report of even date attached			

As per our report of even date attached

**For Praful M. Joshi**  
Chartered Accountants

**For First Winner Lifestyle Ltd.**  
(Formerly Known as Realgold Exports Pvt. Ltd.)

(Praful M. Joshi - Proprietor)  
Membership No. 100/030276  
Place: Mumbai  
Date: 30.07.2010

**Director**

**Director**



**SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2010**

SCHEDULE	PARTICULARS	As at 31.03.2010 (Amt. in Rs.)	As at 31.03.2009 (Amt. in Rs.)
'1'	<b><u>AUTHORISED SHARE CAPITAL</u></b>		
	1,20,00,000 (Last Year 120,00,000) Equity Share of Rs.10/- each	<u>120,000,000</u>	<u>120,000,000</u>
		<u>120,000,000</u>	<u>120,000,000</u>
	<b><u>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL</u></b>		
	20,75,000 (Last Year 20,75,000 ) Equity Share of Rs.10/- each	<u>20,750,000</u>	<u>20,750,000</u>
	<b>TOTAL Rs.</b>	<u>20,750,000</u>	<u>20,750,000</u>
'2'	<b><u>RESERVE AND SURPLUS</u></b>		
	<b><u>a) Securities Premium Account</u></b>		
	As Per Last Balance Sheet	<u>166,250,000</u>	<u>98,750,000</u>
	Add:- Addition During the year	<u>-</u>	<u>67,500,000</u>
	<b>Sub Total : a :</b>	<u>166,250,000</u>	<u>166,250,000</u>
	<b><u>b) Profit &amp; Loss Account</u></b>		
	Opening balance	<u>80,554,267</u>	<u>46,927,499</u>
	Add:- Profit For The Year	<u>22,428,966</u>	<u>33,626,768</u>
	<b>Sub Total : b :</b>	<u>102,983,233</u>	<u>80,554,267</u>
	<b>TOTAL : ( a + b ) :</b>	<u>269,233,233</u>	<u>246,804,267</u>
'3'	<b><u>SECURED LOAN</u></b>		
	Cash Credit - SBI	<u>97,015,305</u>	<u>60,853,256</u>
	SLOC A/c.- SBI	<u>7,580,911</u>	<u>7,580,905</u>
	(Secured by Hypothecation against Stocks & Receivables)		
	Term Loan - SBI		
	(Secured by Mortgage of Factory Building & Hypothecation of Plant & Machinery. The Loan repayable in next One year is of Rs.5,97,00,000/-, During previous year Rs.4,47,00,000/-). (The Credit facilities availed from SBI is Personally guaranteed by the directors)	<u>276,736,778</u>	<u>316,797,040</u>
	Term Loan - Car - Kotak Mahindra Prime Ltd.	<u>1,936,720</u>	<u>128,005</u>
	(Secured by Hypothecation Motor car. The loan repayable in next One Year Rs.6,70,495/- & during previous year Rs.3,61,261/-).		
	<b>TOTAL Rs.</b>	<u>383,269,714</u>	<u>385,359,205</u>
'4'	<b><u>DEFERRED TAX LIABILITES</u></b>		
	Opening Balance	<u>29,435,445</u>	<u>11,251,907</u>
	Add: Addition During The Year	<u>10,970,590</u>	<u>18,183,538</u>
	<b>TOTAL Rs.</b>	<u>40,406,035</u>	<u>29,435,445</u>

**SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2010**

**SCHEDULE '5' : FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS ON 1/04/09	ADDITION	DEDUCTION	AS ON 31/03/2010	AS ON 1/04/09	FOR THE Period	DEDUCTION 31/03/2010	AS ON 31/03/2010	AS ON 31/03/09
Furnitures & Fixtures	993,309	1,226,804	-	2,220,113	49,119	122,140	-	2,048,854	944,190
Computers	1,297,970	288,434	-	1,596,404	754,475	250,264	-	591,665	543,495
Electric Instalation	2,928,240	997,956	-	3,926,196	101,161	183,451	-	3,641,584	2,827,079
Television	18,000	-	-	18,000	5,553	855	-	11,592	12,447
Other Assets	122,015	33,760	-	155,775	5,103	7,105	-	143,567	116,912
Vehicle	1,272,922	2,889,505	1,234,990	2,927,437	330,823	208,949	394,402	2,782,067	942,099
Godown	2,456,330	-	-	2,456,330	185,272	40,038	-	2,231,020	2,271,058
Factory Building	109,051,566	7,421,497	-	116,473,063	2,440,320	3,700,305	-	110,332,437	106,611,247
Plant & Machinery	370,386,428	349,815	-	370,736,243	10,523,968	17,584,025	-	342,628,250	359,862,460
Air Conditioner	246,113	-	-	246,113	192	11,690	-	234,231	245,921
<b>TOTAL Rs.</b>	<b>488,772,893</b>	<b>13,217,770</b>	<b>1,234,990</b>	<b>500,755,673</b>	<b>14,395,986</b>	<b>22,108,824</b>	<b>394,402</b>	<b>464,645,266</b>	<b>474,376,908</b>
Prev. Year	264,737,417	247,909,468	23,873,992	488,772,893	2,699,678	11,696,307	-	474,376,908	262,037,738

**SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2010**

<b>SCHEDULE</b>	<b>PARTICULARS</b>	<b>As at 31.03.2010 (Amt. in Rs.)</b>	<b>As at 31.03.2009 (Amt. in Rs.)</b>
<b>'6'</b>	<b><u>INVESTMENTS</u></b>		
	UTI Infrastructure (NAV Rs.9.20 per Unit)	<b>25,000</b>	25,000
	UTI India Lifestyle Fund (G) (NAV Rs.17.10 per Unit)	<b>100,000</b>	100,000
	UTI Wealth Builder Fund Series II (NAV Rs.17.10 per Unit)	<b>45,000</b>	45,000
	Share Investment in Rikosh Fashions Pvt. Ltd. (Unquoted)	<b>30,000,000</b>	<b>30,000,000</b>
	<b>TOTAL Rs.</b>	<b>30,170,000</b>	<b>30,170,000</b>
<b>'7'</b>	<b><u>CURRENT ASSETS, LOANS &amp; ADVANCES</u></b>		
	<b>A : CURRENT ASSETS</b>		
	<b>INVENTORIES</b>		
	Finished Goods Fabrics	<b>68,810,948</b>	40,898,064
	<b>SUNDRY DEBTORS ( Unsecured considered good )</b>		
	1) Due for more than six months	-	-
	2) Debtors	<b>412,873,570</b>	162,318,717
	<b>Cash and Bank Balances</b>		
	With Schedule Bank		
	- FDR A/C with State Bank of Bikaner & Jaipur	-	-
	- FDR A/C with State Bank of India	<b>11,399,608</b>	10,644,365
	- FDR A/C with State Bank of Indore	<b>4,134,281</b>	3,804,107
	State Bank of Indore Current Account	<b>573,431</b>	<b>13,635</b>
		<b>16,107,320</b>	<b>14,462,107</b>
	Cash In Hand	<b>352,233</b>	<b>281,097</b>
	<b>SUB-TOTAL [ A ] Rs.</b>	<b>498,144,072</b>	<b>217,959,985</b>
	<b>B : LOAN, ADVANCES &amp; DEPOSITS</b>		
	Deposits	<b>1,388,415</b>	1,447,087
	Income Tax / Advance Tax \ TDS	<b>9,119,602</b>	2,831,702
	VAT & TUFF Subsidy Receivable	<b>5,423,967</b>	15,753,014
	Advances	<b>396,087</b>	<b>658,213</b>
	<b>SUB-TOTAL [ B ] Rs.</b>	<b>16,328,071</b>	<b>20,690,016</b>
	<b>TOTAL [ A+B ] Rs.</b>	<b>514,472,143</b>	<b>238,650,001</b>

**SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2010**

SCHEDULE	PARTICULARS	As at 31.03.2010 (Amt. in Rs.)	As at 31.03.2009 (Amt. in Rs.)
'8'	<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
	<b>SUNDRY CREDITORS</b>		
	<b>For Goods</b>		
	Sundry Creditors for Goods	197,229,903	45,081,000
	Sundry Creditors for Expenses	2,411,816	2,520,965
	Sundry Creditors for Capital Goods	1,996,493	6,098,121
	TDS Payable	103,862	67,794
	Profession Tax Payable	15,650	10,300
	M VAT Payable	693	-
	<b>TOTAL Rs.</b>	<b>201,758,417</b>	<b>53,778,180</b>
'9'	<b>MISCELLANEOUS EXPENDITURE</b>		
	Preliminary Expenses.	440,032	43,152
	Add:- Addition During the Year	-	524,745
	Less:- W/off during the year ( To the extent not written off or adjusted )	127,865	127,865
	<b>TOTAL Rs.</b>	<b>312,167</b>	<b>440,032</b>

**SCHEDULE ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH 2010**

SCHEDULE	PARTICULARS	Period Ended 31.03.2010 (Amt. in Rs.)	As at 31.03.2009 (Amt. in Rs.)
'10'	<b>SALES &amp; OTHER INCOME</b>		
	<b>SALES</b>		
	Fabrics Sales	1,581,241,527	737,262,554
	Job Work Charges	102,491,399	51,328,834
	<b>Total Sales (A) Rs.</b>	<b>1,683,732,926</b>	<b>788,591,388</b>
	<b>OTHER INCOME</b>		
	Insurance Claim Received	-	721,517
	Interest on Fixed Deposits	1,208,872	634,752
	Other Interest Received	-	25,117
	Scrap Sale	17,350	22,068
	Interest on I T Refund	48,646	-
	Rent Received	103,500	-
	Discount Received	21,939	-
	<b>Total Other Income (B) Rs.</b>	<b>1,400,307</b>	<b>1,403,454</b>
	<b>Total (A) + (B) Rs.</b>	<b>1,685,133,233</b>	<b>789,994,842</b>

**SCHEDULE ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH 2010**

SCHEDULE	PARTICULARS	Period Ended 31.03.2010 (Amt. in Rs.)	As at 31.03.2009 (Amt. in Rs.)
'11'	<b><u>COST OF MATERIAL SOLD</u></b>		
	Opening Stock - Fabrics	40,898,064	28,692,461
	Add: Fabric Purchase	1,576,212,004	692,420,729
		1,617,110,068	721,113,190
	Less:- Closing Stock - Fabrics	68,810,948	40,898,064
	<b>TOTAL Rs.</b>	<b>1,548,299,120</b>	<b>680,215,126</b>
'12'	<b><u>ADMINISTRATIVE AND GENERAL EXPENSES</u></b>		
	<b><u>Direct Expenses</u></b>		
	Power & Fuel	9,249,651	4,874,362
	Beam Drawing Charges	862,640	824,730
	Beam Leasing Charges	424,812	147,623
	Labour Charges	480,652	315,148
	Loading & Unloading Charges	10,500	-
	Job Wrok Charges Paid	2,910,355	-
	Other Direct Expesnes	3,600,000	-
	Mending Charges	1,014,773	668,027
	Repairs & Maintenance	279,688	253,191
	Salary & Wages	9,268,409	4,778,682
	Security Service Charges	-	324,083
	Stores & Spares Consumed	2,307,712	110,825
	Transportation	25,390	8,410
	Gardening Exp.	7,620	5,593
	House Keeping Exp.	428,831	74,756
	Inspection Charges	-	22,000
	Maharashtra Polution Control Fees	-	100,000
	Packing Marterial Exp.	-	624
	Water Charges	69,405	55,983
	Administrative Exp.		
	Salaries	1,802,574	1,408,857
	Directors' Remuneration	-	32,000
	Staff Welfare Expenses	188,571	191,635
	Auditor's remuneration		
	Audit Fees	27,575	27,575
	Advertisement Exp.	3,000	-
	Brokerage Paid	91,844	94,712
	Business Promotion Expenses	620,421	398,508
	Car Insurance	-	524
	Collie & Cartage	29,045	928

**SCHEDULE ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH 2010**

SCHEDULE	PARTICULARS	Period Ended 31.03.2010 (Amt. in Rs.)	As at 31.03.2009 (Amt. in Rs.)
	Conveyance Expenses	449,629	293,431
	Courier & Postage Charges	86,572	58,125
	Computer Exp.	2,000	-
	Custom Duty	6,562	-
	Dicount	-	11,295
	Donation	534,000	752,000
	General Exp. & Office Exp.	284,720	263,340
	Grampanchayat Tax	95,050	
	Insurance Charges	387,558	296,663
	Income Tax Appeal Filing Fees	1,000	-
	Licence Fees	15,184	15,028
	Membership & Subscription	3,000	6,000
	Petrol & Diesel Expenses	98,770	87,221
	Pooja Exp	31,263	25,490
	Preliminary Expenses Written off	127,865	127,865
	Printing & Stationery Charges	251,545	212,149
	Professional Fees	452,461	328,081
	Professional Tax Paid	2,500	2,500
	Rent	149,895	78,800
	ROC Fees	2,686	8,177
	BST Paid (Sales Tax)	-	40
	Octroi Charges	2,037	-
	Stamp Duty & Franking Charges	47,410	191,380
	Telephone Charges	305,121	185,921
	Travelling Expenses	143,884	8,598
	Vehical Expenses	148,430	158,711
	Loss on sale of Car	730,588	-
	<b>TOTAL Rs.</b>	<b>38,063,197</b>	<b>17,829,591</b>
<b>'13'</b>	<b><u>FINANCE CHARGES</u></b>		
	Bank Charges	424,038	713,430
	Bank Commission	1,399,650	1,331,925
	Bank Interest on SLOC	960,665	976,640
	Bank Interest on Term Loan	22,300,876	10,767,850
	Interest on Car Loan	52,999	30,179
	Loan Processing Charges	1,535,500	170,000
	Mortgage Charges	-	15,000
	Bank Interest	991,647	7,706,238
	<b>TOTAL Rs.</b>	<b>36,590,204</b>	<b>21,711,262</b>

**SCHEDULE : 14 : Forming part of Balance Sheet as at 31.03.2010****SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION OF ACCOUNT****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. 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, discounts and rebates.

**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.

**3. 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

**4. 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.

**5. Inventories**

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

**6. Investment:**

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

**7. 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.

**8. 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.

**9. Borrowing Costs :**

Borrowing cost if any which are directly attributable to the acquisition/construction of Qualifying Assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**10. 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.

**11. 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.

**12. 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.

**13. 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.

**SCHEDULE : 14 : Forming part of Balance Sheet as at 31.03.2010****SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION ACCOUNT.****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 2010.**

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	2009-10 [Rs.]	2008-09 [Rs.]
Net Profit as per Profit & Loss Account	2,24,28,966	3,36,26,768
Weighted average number of equity shares	20,75,000	16,62,500
Basic and diluted Earning per share	10.81	20.23
Face value per share	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	2009-2010	Current year	2008-2009
Deferred Tax Liabilities	4,40,60,035	1,09,70,590	2,94,35,445
Related to Fixed Assets	4,40,60,035	1,09,70,590	2,94,35,445
Deferred Tax Assets	NIL	NIL	NIL
Net Deferred Tax Liabilities	4,40,60,035	1,09,70,590	2,94,35,445

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.
First Winner Industries Ltd.	Holding Company	Job Work Received Paid	2,86,63,361 28,94,235
Ramshyam Textile Ind. Ltd.	Group Company	Job Work Received Paid	2,17,446 16,120

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	31.03.2010	31.03.2009
Bank Guarantees	37.00	37.00
Total	37.00	37.00

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. The Company does not possess information as to which of its suppliers are Ancillary Industrial Undertakings/Small Scale Industrial Undertaking holding permanent registration certificate issued by the Directorate of Industries of a State or Union Territory
10. In the opinion of the Board, sundry debtors, loans and advances and other current assets 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.

11. **Foreign Currency Transactions**

The company has not incurred foreign currency transaction during the year.

12. **Payments to Auditors**

Particulars	2009-10	2008-09
Audit fees	Rs.27,575	Rs. 27,575
Tax & Other Matter	Nil	Rs. 56,180

## 13. Managerial Remuneration

Particulars	2009-10	2008-09
Directors remunerations	NIL	Rs.32,000

14. The company has given corporate guarantee for loans taken by group of company i.e. M/s. Ramshyam Textile Industries Ltd. Rs. 10.88 Crore.
15. The company has taken corporate guarantee for loans taken from SBI amounting to 44.86 Crores, corporate guarantee given by Holding Company i.e. by M/s. First Winner Industries Ltd. & group Companies i.e. M/s, Rikosh Fashions Pvt. Ltd. & Solitaire Texfab & Traders Pvt. Ltd.
16. 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	2009-10	2008-09
A. Licenced Capacity	124.42 Lac Mtrs	124.42 Lac Mtrs
B. Installed Capacity	124.42 Lac Mtrs	124.42 Lac Mtrs
C. Actual Performance	85.14 Lac Mtrs	43.98 Lac Mtrs

## Information of major traded materials

Particulars	2009-10		2008-09	
	Qty (Lac Mtr.)	Value (Rs. in Lac)	Qty (Lac Mtr.)	Value (Rs. in Lac)
<b>Fabrics</b>				
Opening Stock	2.64	408.98	2.26	286.92
Purchases	160.71	15762.12	94.04	6924.21
Sales	158.55	15812.42	93.66	7372.63
Closing Stock	4.81	688.11	2.64	408.98

17. During the year, the company has not made preferential allotment of equity shares to company cover in the register maintained under section 301 of the Companies Act, 1956.
18. 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.

Signature to Balance Sheet and Profit & Profit & Loss Account

**For Praful M. Joshi**  
Chartered Accountants

(Praful M. Joshi - Proprietor)  
Membership No. 100/030276  
Place: Mumbai  
Date: 30.07.2010

**For First Winner Lifestyle Ltd.**  
(Formerly Known as Realgold Exports Pvt. Ltd.)

**Director**

**Director**

## BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010

<b>1. Registration Details</b>	:	
Registration No.	:	138238
State Code	:	11
Balance Sheet	:	31/03/2010
<b>2. Capital Raised During the Year.</b>	:	<b>(Rs. In Thousand)</b>
Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL
<b>3. Position of Mobilization &amp; deployment of fund</b>	:	<b>(Rs. In Thousand)</b>
Total Liabilities	:	7,93,659
Total Assets	:	7,93,659
Sources of Funds	:	
Paid Up Capital	:	20,750
Share Application Money	:	80,000
Reserve & Surplus	:	2,69,233
Deferred Tax Liability	:	40,406
Secured Loans	:	3,83,270
Unsecured Loans	:	0
<b>Application of Funds</b>	:	
Net Fixed Assets	:	4,64,645
Investments	:	30,170
Net Current Assets	:	2,98,532
Miscellaneous Expenditure	:	312
Accumulated Losses	:	0
<b>4. Performance of The Company</b>	:	<b>(Rs. In Thousand)</b>
Turnover ( Gross Receipts)	:	16,85,133
Total Expenditure	:	16,45,061
Profit / (Loss) Before Tax	:	40,042
Profit / (Loss) After Tax	:	22,429
Earnings Per Shares ( In Rs.)	:	10.81
Dividend Rate Included Special	:	NIL
On Preference Shares	:	NIL
On Equity Shares	:	NIL
<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 Lifestyle Ltd

Rinku Patodia  
Director

Anita Patodia  
Director

Date : 30<sup>th</sup> July, 2010

**RAMSHYAM TEXTILES INDUSTRIES LIMITED****Directors' Report**

The Directors have pleasure in presenting their Eleventh Annual Report and Accounts for the year ended March 31, 2010.

**FINANCIAL RESULTS**

	<b>2009-2010 Rupees</b>	<b>2008-2009 Rupees</b>
Profit before depreciation and tax	10124972	7115977
Less: Depreciation	5418579	5402019
Profit before taxation/(Loss)	4706393	2313958
Less: Provision for tax	762673	238338
Deferred tax	1396373	1916899
Fringe Benefit tax	--	148000
Add: Excess Provision for FBT (2008-09)	9433	
Profit after tax/(Loss)	2547347	10721
Add: Balance Brought Forward	38087250	38076529
Balance Carried Forward	40644030	38087250

**DIVIDEND**

The directors do not recommend payment of dividend to conserve the resources.

**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.

**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.

**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.

**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.

**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, 2010 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 a going concern basis.

#### **DIRECTORS**

In terms of the provisions in the Articles of Association Mr. Rinku Patodia, Director retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

#### **COMPLIANCE CERTIFICATE**

In terms of Section 383A (1) of the Companies Act, 1956 the Compliance Certificate issued by the Practicing Company Secretary M/s. Nishant Jawasa & Associates is attached with this Board Report.

#### **AUDITORS**

The Auditors M/s. Praful M. Joshi, Chartered Accountants, be appointed as the auditors of the company until the conclusion of the forthcoming Annual General Meeting and is recommended for re-appointment.

#### **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 of Directors  
of Ramshyam Textile Industries Limited

Rinku Patodia  
Chairman

Mumbai, June 29, 2010.

Registered Office:  
605, Business Classic,  
Chincholi Bunder Road, Malad (West),  
Mumbai-400 064

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#### **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

##### **[A] CONSERVATION OF ENERGY:**

The Company has taken the necessary steps to minimize the energy consumption and conserve the same to the fullest extent possible.

##### **[B] TECHNOLOGY ABSORPTION:**

The constant efforts are made by the Company to upgrade the technology so as to improve the quality of the products.

##### **[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:**

1. Foreign Exchange earned ---Nil---
2. Foreign Exchange used ---Nil---

By Order of the Board of Directors  
of Ramshyam Textile Industries Limited

Rinku Patodia  
Chairman

Mumbai, June 29, 2010.

Registered Office:  
605, Business Classic,  
Chincholi Bunder Road, Malad (West),  
Mumbai-400 064

## Auditors' Report

To  
The Members of  
Ramshyam Textile Industries Ltd..

We have audited the attached Balance Sheet of Ramshyam Textile Industries Ltd. as at 31<sup>st</sup> March 2010, 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 2010 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 so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2010;
    - ii) in so far as it relates to the Profit & Loss Account, of the profit for the year ended on that date.

For Praful M. Joshi  
Chartered Accountants

(Praful M. Joshi- Proprietor)  
Membership No. 100/030276

Place : Mumbai  
Dated: 29.06.2010

**Annexure to the Auditors Report**

(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, there are adequate internal control systems commensurate with the size of the Company and nature of its business for the purchase of fixed assets. To the best of our knowledge, no major weakness in internal control system were either reported or noticed by us during the course of our audit.
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.
- 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. In our opinion and according to the information and explanations given to us, the company has not accepted the public deposit. Hence the provisions of section 58A and 58AA of the Companies Act, 1956 or any other relevant provision of the act and the rules made there under are not applicable.
7. In our opinion the company has an internal audit system commensurate with the size and nature of its business.
8. We have been informed by the management that the central government has prescribed maintenance of cost records for the company under section 209(1)(d) of the Companies Act, 1956.
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. 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 2010 for a period of more than six months from the date of becoming payable.
- b) According to the information and explanations given to 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. Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in payment of dues to financial institutions or banks. The company has not issued any debentures.
12. In our opinion and according to the information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/ Society. Thereof, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
14. In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
15. According to the information and explanations given to us, the company has given guarantee for loans taken by group of companies from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, the company has not raised new term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we are of the opinion that no funds raised on short term basis have been used for long term investment.
18. During the year, the company has not made any preferential allotment of shares to parties and companies 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. The company has not raised any money through public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For Praful M. Joshi  
Chartered Accountants

(Praful M. Joshi- Proprietor)  
Membership No. 100/030276

Place : Mumbai  
Dated: 29.06.2010



**Balance Sheet as on 31st March 2010**

Particulars	Schedules	As at 31.03.2010 (Amt. in Rs.)	As at 31.03.2009 (Amt. in Rs.)
<b>Sources of Funds :</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	6,078,500	6,078,500
Share Application Money		57,500,000	
Reserves and Surplus	2	79,693,530	77,136,750
<b>Loan Funds</b>			
Secured Loans	3	84,204,912	101,417,593
<b>Deferred Tax Liability (Net)</b>		11,148,562	9,752,189
<b>Total Rs.</b>		<u>238,625,504</u>	<u>194,385,033</u>
<b>Application of Funds :</b>			
<b>Fixed Assets</b>			
Gross Block	4	114,731,548	114,577,778
Less : Depreciation		21,661,490	16,242,911
Net Block	<b>Total Rs.</b>	<u>93,070,058</u>	<u>98,334,867</u>
<b>Current Assets, Loans and Advances</b>			
Inventories	5	629,291	1,826,030
Sundry Debtors	6	279,981,591	113,682,303
Cash and Bank balances	7	8,244,058	6,217,930
Loans and Advances	8	19,762,979	19,618,597
		308,617,919	141,344,860
<b>Less : Current Liabilities and Provisions</b>	9	163,062,474	45,294,694
<b>Net Current Assets</b>	<b>Total Rs.</b>	<u>145,555,446</u>	<u>96,050,166</u>
		<u>238,625,504</u>	<u>194,385,033</u>
Significant Accounting Policies and Notes on Accounts	15		

As per our report of even date attached

**For Praful M. Joshi**  
Chartered Accountants

**For Ramshyam Textile Industries Limited**

**Director**

**Director**

(Praful M. Joshi - Proprietor)  
Membership No. 100/030276

Place: Mumbai  
Date: 29.06.2010

**Profit and Loss Account for the year ended 31st March 2010**

Particulars	Schedules	Year ended 31.03.2010 (Amt. in Rs.)	Year ended 31.03.2009 (Amt. in Rs.)
<b>Income</b>			
Income from Operations	10	625,956,229	464,147,172
Other Income	11	472,569	515,703
<b>Total Rs.</b>		<b>626,428,798</b>	<b>464,662,875</b>
<b>Expenditure</b>			
Purchases		580,387,595	426,083,337
Personnel Cost	12	5,703,391	7,060,772
Manufacturing, Administrative and Other Expenses	13	18,043,056	9,875,172
Interest and Financial Charges	14	12,169,785	13,927,617
Depreciation		5,418,579	5,402,019
<b>Total Rs.</b>		<b>621,722,405</b>	<b>462,348,917</b>
<b>Profit \ (Loss) before Taxation</b>		<b>4,706,393</b>	<b>2,313,958</b>
<b>Less : Provision for Tax</b>			
Income Tax MAT		762,673	238,338
Deferred Tax		1,396,373	1,916,899
Fringe Benefit Tax		-	148,000
<b>Profit after Tax</b>		<b>2,547,347</b>	<b>10,721</b>
Add: Excess Provision for FBT (2008-09)		9,433	-
Balance of Profit \ (Loss) brought forward from last year		38,087,250	38,076,529
Balance carried forward to Balance Sheet		40,644,030	38,087,250
Basic & Diluted Earning per share (Rs.)		<b>4.19</b>	<b>0.02</b>
Significant Accounting Policies and Notes on Accounts	15		

As per our report of even date attached

**For Praful M. Joshi**  
Chartered Accountants

(Praful M. Joshi - Proprietor)  
Membership No. 100/030276

Place: Mumbai  
Date: 29.06.2010

**For Ramshyam Textile Industries Limited**

**Director**

**Director**

## Schedules forming part of the Balance Sheet as on 31st March 2010

Particulars	As at 31.03.2010 (Amt. in Rs.)	As at 31.03.2009 (Amt. in Rs.)
<b><u>Schedule : 1 : Share Capital</u></b>		
<b>Authorised</b>		
11,00,000 (Previous Year 11,00,000) Equity Shares of Rs.10/- each	11,000,000	11,000,000
<b>Total Rs.</b>	<b>11,000,000</b>	<b>11,000,000</b>
<b>Issued, Subscribed &amp; Paid up</b>		
6,07,850 (Previous Year 6,07,850) Equity Shares of Rs.10/- each fully paid-up	6,078,500	6,078,500
<b>Total Rs.</b>	<b>6,078,500</b>	<b>6,078,500</b>
<b><u>Schedule : 2 : Reserves &amp; Surplus</u></b>		
Share Premium Account	39,049,500	39,049,500
<b>Sub-total Rs.</b>	<b>39,049,500</b>	<b>39,049,500</b>
Profit and Loss Account	40,644,030	38,087,250
<b>Sub-total Rs.</b>	<b>40,644,030</b>	<b>38,087,250</b>
<b>Total Rs.</b>	<b>79,693,530</b>	<b>77,136,750</b>
<b><u>Schedule : 3 : Secured Loans (Refer Note No. II(1) of Schedule 17)</u></b>		
Bank Cash Credit - SBI	45,202,541	49,454,183
[Secured by Hypothecation of Receivables]		
Short term Loan -SLOC- SBI	6,085,395	6,070,343
[Secured by Hypothecation of Receivables]		
Term Loan - SBI	32,590,300	45,426,962
[Secured by Mortgage of Factory Building & Hypothecation of Plant & Machinery]		
(Due within 1 Year Rs.1,38,00,000/-, Previous year Rs.1,38,00,000/-)		
The Credit facilities from SBI are personally guaranteed by the Directors		
Term Loan - for Vehicle	326,676	466,105
[Secured by way of Hypothecated of Vehicle]		
(Due within 1 Year Rs.1,11,726/-, Previous year Rs.1,39,429/-)		
<b>Total Rs.</b>	<b>84,204,912</b>	<b>101,417,593</b>

**Schedule 4**  
**Fixed Assets (At cost less Depreciation)**

(Amt. in Rs.)

Description of Assets	Gross Block		Depreciation			Net Block		
	As at 01.04.2009	Additions during the period	As at 31.03.2010	Up to 01.04.2009	for year ended	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Factory Buildings	12,283,251	-	12,283,251	1,232,400	410,261	1,642,661	10,640,590	11,050,851
Plant & Machinery	97,743,444	127,800	97,871,244	14,199,303	4,645,814	18,845,117	79,026,127	83,544,141
Electrical Installations	1,833,351	-	1,833,351	361,469	116,051	477,520	1,355,831	1,471,882
Furniture & Fittings	490,835	4,270	495,105	95,405	31,327	126,732	368,373	395,430
Vehicles	1,895,529	-	1,895,529	276,778	180,075	456,853	1,438,676	1,618,751
Office Equipments	187,962	-	187,962	27,367	8,929	36,296	151,666	160,595
Computers	143,406	21,700	165,106	50,189	26,122	76,311	88,795	93,217
<b>Total</b>	<b>114,577,778</b>	<b>153,770</b>	<b>114,731,548</b>	<b>16,242,911</b>	<b>5,418,579</b>	<b>21,661,490</b>	<b>93,070,058</b>	<b>98,334,867</b>
<b>Previous year</b>	113,638,354	939,424	114,577,778	10,840,892	5,402,019	16,242,911	98,334,867	102,797,462

Particulars	As at 31.03.2010 (Amt. in Rs.)	As at 31.03.2009 (Amt. in Rs.)
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>A : CURRENT ASSETS</b>		
<b><u>Schedule 5 : Inventories</u></b>		
<i>(As taken, valued and certified by the management)</i>		
Stores and Spares	629,291	1,826,030
<b><u>Schedule 6 : Sundry Debtors (Unsecured, Considered good)</u></b>		
Due for more than six months	-	106,070
Others	279,981,591	113,576,233
<b>Sub-total Rs.</b>	<u>279,981,591</u>	<u>113,682,303</u>
<b><u>Schedule 7 : Cash and Bank Balance</u></b>		
Cash in Hand	166,074	687,255
<b><u>Bank Balances with scheduled Bank</u></b>		
In Current account	2,129,401	-
In Fixed Deposit Account	5,948,583	5,530,675
<b>Sub-total Rs.</b>	<u>8,244,058</u>	<u>6,217,930</u>
<b>Sub-total : A:</b>	<u>288,854,940</u>	<u>121,726,263</u>
<b>B : LOANS &amp; ADVANCES</b>		
<b><u>Schedule 8 : Loans and Advances</u></b>		
Advance recoverable in cash or kind or for value to be received	145,101	172,234
Advance Tax and TDS	17,637,403	17,327,692
Deposits	436,680	387,380
TUFS Subsidy Receivable	1,543,795.00	1,731,291
<b>Sub-total : B:</b>	<u>19,762,979</u>	<u>19,618,597</u>
<b>TOTAL [A + B] Rs.</b>	308,617,919	141,344,860
<b><u>Schedule 9 : Current Liabilities Amd Provisions</u></b>		
<b>Current Liabilities</b>		
Sundry Creditors	145,759,021	27,799,641
Other Liabilities	87,442	893,716
<b>Sub-total Rs.</b>	<u>145,846,463</u>	<u>28,693,357</u>
<b>Provisions</b>		
Provisions for Taxation	17,136,011	16,373,338
Provision for Fringe Benefit Tax	80,000	80,000
Provision for Fringe Benefit Tax (2009-10)	-	148,000
<b>Sub-total Rs.</b>	<u>17,216,011</u>	<u>16,601,338</u>
<b>Total Rs.</b>	<u>163,062,474</u>	<u>45,294,694</u>

**Schedules forming part of the Profit and Loss Account for the year ended 31st March 2010**

Particulars	Year ended 31.03.2010 (Amt. in Rs.)	Year ended 31.03.2009 (Amt. in Rs.)
<b><u>Schedule 10 : Income from Operations</u></b>		
Sales	590,157,862	430,061,292
Job Work (TDS Rs.2,86,621/-; Previous year Rs.2,74,685/-)	35,798,367	34,085,880
<b>TOTAL Rs.</b>	<b>625,956,229</b>	<b>464,147,172</b>
<b><u>Schedule 11 : Other Income</u></b>		
Interest On Fixed Deposit with Bank (TDS Rs.46,443/-; Previous year Rs.1,02,241/-)	464,351.00	457,670
Interest On Security Deposit with M.S.E.B. (TDS Rs.Nil; Previous year RsNIL/-)	-	-
Rebat & Claim	8,218.00	-
Insurance Claim	-	58,033
<b>TOTAL Rs.</b>	<b>472,569</b>	<b>515,703</b>
<b><u>Schedule 12 : Personal Cost</u></b>		
Salaries & Wages	5,050,776	6,493,473
Contribution to Provident Fund	334,936.00	195,059
Staff Welfare Expenses	317,679	342,240
Directors Remuneration	-	30,000
<b>TOTAL Rs.</b>	<b>5,703,391</b>	<b>7,060,772</b>
<b><u>Schedule 13 : Manufacturing ,Administrative and Other Expenses</u></b>		
Stores & Spares Consumed	1,484,862.00	290,889
Power & Fuel	3,692,444	3,151,928
Beam Drawing and Leasing charges	607,378	631,580
Job Charges Paid	7,066,051.00	769,652
Other Direct Exp.	1,600,000.00	-
Mending Charges	414,390.00	366,172
Rent, Rates and Taxes	73,750	69,200
Repairs & Maintenance-Building	37,851.00	54,717
Repairs & Maintenance-Plant and Machinery	520,589.00	473,855
Repairs & Maintenance-Others	66,441.00	106,101
Security Charges	50,977.00	265,008
Insurance Charges	81,149.00	91,030
Communication Costs	397,418	571,151

<b>Particulars</b>	<b>Year ended 31.03.2010 (Amt. in Rs.)</b>	<b>Year ended 31.03.2009 (Amt. in Rs.)</b>
M.P.C.B. (Envirement Polution Exp.)	44,090	
Travelling & Conveyance	331,459	416,379
Legal & Professional Fees	108,222	341,275
Motor Car Expenses	324,998	600,528
Advertisement and Sales Promotions	115,270	123,234
Auditors' Remuneration	27,575.00	27,575
Miscellaneous Expenses	441,908	665,906
Discount Allowed, Rate Diff.	189,004.00	132,960
General Expenses	232,830	325,966
Ducting Charges	-	14,700
Donations	132,000.00	300,000
Stamp Duty Paid	2,400.00	33,030
Packing Charges	-	1,182
Profession Tax	-	2,500
Sundry Drs. Written Off	-	48,653
	<b>18,043,056</b>	<b>9,875,172</b>
 <b>Schedule 14 : Interest and Financial Charges</b>		
Bank Charges	202,794	265,669
Interest on Cash Credit	6,596,841	6,829,228
L/C Bank Commission	699,825	722,400
Interest on Term Loan	5,544,420	8,014,635
Interest on Short term loan (SLOC)	999,789	777,745
Interest on Car Loan	41,815	60,491
Bank Processing Charges	340,000	340,000
	<b>14,425,484</b>	<b>17,010,168</b>
Less: TUFS Subsidy on Interest on Term Loan	2,255,699	3,082,551
	<b>12,169,785</b>	<b>13,927,617</b>

**SCHEDULE : 15 : NOTES FORMING PART OF BALANCE SHEET AS AT 31.03.2010****1. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION****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 returns.

**(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 assets 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. Assets leased out under operating leases are capitalized. Rental income is recognized on accruals basis over the lease term.

**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. 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.

**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 2010.**

1. The previous year's figure have been reworked, regrouped, rearranged and reclassified wherever necessary.
2. 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	2009-10	2008-2009
Net Profit as per Profit & Loss Account (Rs.)	25,47,347	10,721
Weighted average number of equity shares	6,07,850	6,07,850
Basic and diluted Earning per share (Rs.)	4.19	0.02
Face value per share (Rs.)	10	10

3. 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	2009-2010	Current year	2008-2009
Deferred Tax Liabilities	1,11,48,562	13,96,373	97,52,189

4. 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.
First Winner Lifestyle Ltd.	Group Co.	Job Work Charges Paid Job Work Charges Recd.	2,17,446 16,120
First Winner Industries Ltd.	Holding Co.	Job Work Charges Paid Job Work Charges Recd.	63,47,678 12,05,130
Rikosh Fashions Pvt. Ltd.	Group of Co.	Job Work Charges Paid	5,00,927

5. 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.

6. Contingent Liabilities: (Rs. in lacs)

Particulars	31.03.2010	31.03.2009
Bank Guarantees (Sales Tax Registration Purpose)	0.05	0.05
Total	0.05	0.05

7. Segment Reporting:

The company operates in only one reportable segment i.e. textile. Hence segment reporting is not applicable to the company.

8. The Company does not possess information as to which of its suppliers are Ancillary Industrial Undertakings/Small Scale Industrial Undertaking holding permanent registration certificate issued by the Directorate of Industries of a State or Union Territory.
9. In the opinion of the Board, sundry debtors, loans and advances and other current assets 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.

10. Foreign Currency Transactions:

The company has not incurred any foreign currency capital expenditure or revenue expenditure during the year.

11. Payments to Auditors:

Particulars	2009-10	2008-09
Audit fees	27,575	27,575
Tax & other matter	-	-
Total	27,575	27,575

12. Managerial Remuneration:

Particulars	2009-10	2008-09
Directors remunerations	NIL	Rs.30,000
Sitting fees	NIL	NIL
Total	NIL	Rs.30,000

13. The company has not given corporate guarantee for loans taken by group of companies.
14. The company has received corporate guarantee for loans borrowed from SBI amounting to Rs.10.88 Crores. The Corporate guarantee issued by group companies M/s. First Winner Industries Ltd., M/s. First Winner Lifestyle Ltd., M/s. Rikosh Fashions Pvt. Ltd. & Solitaire Texfab & Traders Pvt. Ltd.
15. 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	2009-10	2008-09
A. Licensed Capacity	42.24 Lac Mtrs	42.24 Lac Mtrs
B. Installed Capacity	42.24 Lac Mtrs	42.24 Lac Mtrs
C. Actual Performance	31.78 Lac Mtrs	27.87 Lac Mtrs

## 16. Information of major traded materials:

Particulars	2009-10		2008-09	
	Qty in Mtrs.	Value in Rs.	Qty in Mtrs.	Value in Rs.
Fabrics				
Opening Stock	Nil	Nil	Nil	Nil
Purchases	55,04,975	58,03,87,595	55,76,669	42,60,83,337
Sales	55,04,975	59,00,77,527	55,76,669	43,00,61,292
Closing Stock	Nil	Nil	Nil	Nil

## 17. During the year, the company has not made preferential allotment of equity shares to company cover in the register maintained under section 301 of the Companies Act, 1956.

Signature to Balance Sheet and Profit &amp; Profit &amp; Loss Account

For Praful M. Joshi  
Chartered Accountant,(Praful M. Joshi – Proprietor)  
Membership No.100/030276Place : Mumbai  
Dated : 29.06.2010

For Ramshyam Textile Industries Ltd.

(Director) (Director)

Place : Mumbai  
Dated : 29.06.2010

## BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010

1. Registration Details	:	
Registration No.	:	124366
State Code	:	11
Balance Sheet	:	31/03/2010
2. Capital Raised During the Year.	:	(Rs. In Thousand)
Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL
3. Position of Mobilization & deployment of fund	:	(Rs. In Thousand)
Total Liabilities	:	2,38,626
Total Assets	:	2,38,626
Sources of Funds	:	
Paid Up Capital	:	6,079
Share Application Money	:	57,500
Reserve & Surplus	:	79,694
Deferred Tax Liability	:	11,149
Secured Loans	:	84,205
Unsecured Loans	:	0
Application of Funds.	:	
Net Fixed Assets	:	93,070
Investments	:	NIL
Net Current Assets	:	1,45,555
Miscellaneous Expenditure	:	NIL
Accumulated Losses	:	0
4. Performance of The Company	:	(Rs. In Thousand)
Turnover (Gross Receipts)	:	6,26,429
Total Expenditure	:	6,21,722
Profit / (Loss) Before Tax	:	4,706
Profit / (Loss) After Tax	:	2,547
Earnings Per Shares (In Rs.)	:	4.19
Dividend Rate Included Special	:	NIL
On Preference Shares	:	NIL
On Equity Shares	:	NIL
5. Generic Names of the Principal Product	:	
Service of the Company	:	
(ITC Code )	:	55131910
Production Description	:	:Manufacturing & Trading In Fabrics

**For Ramshyam Textile Industries Ltd**

Rinku Patodia  
**Director**

Anita Patodia  
**Director**

Date : 29<sup>th</sup> June, 2010

## PAL TRADING COMPANY PRIVATE LIMITED

### Directors' Report

The Directors have pleasure in presenting their First Annual Report and Accounts for the year ended March 31, 2010.

#### FINANCIAL RESULTS

	2009-2010 Rupees	2008-2009 Rupees
Profit before depreciation and tax	699565	301933
Less: Depreciation	26178	1634
Profit after depreciation but before tax	673387	300299
Less: Provision for tax	183458	73022
Deferred tax	39114	36884
Fringe Benefit Tax	--	9944
Less: Short Provisions For earlier years	512	--
Profit after tax	450303	180449
Add: Balance brought forward	180449	--
Balance carried forward	630752	180449

#### DIVIDEND

The directors do not recommend payment of dividend keeping in view the requirement of surplus funds for your Company's future growth. They trust the shareholders will appreciate their efforts for the future growth of your Company.

#### 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.

#### 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.

#### 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. 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.

#### 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, 2010 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**

In terms of the provisions in the Articles of Association Mrs. Anita Patodia, Director retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

#### **COMPLIANCE CERTIFICATE**

In terms of Section 383A (1) of the Companies Act, 1956 the Compliance Certificate issued by the Practicing Company Secretary M/s. Nishant Jawasa & Associates is attached with this Board Report.

#### **AUDITORS**

The Auditors M/s. Praful M. Joshi, Chartered Accountants, be appointed as the auditors of the company until the conclusion of the forthcoming Annual General Meeting and is recommended for re-appointment.

#### **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 of Directors  
of Pal Trading Company Private Limited

Mumbai, July 30, 2010.  
Registered Office:  
605, Business Classic,  
Chincholi Bunder Road, Malad (West),  
Mumbai-400 064.

Rinku I. Patodia  
Chairman

#### **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

##### **[A] CONSERVATION OF ENERGY:**

The Company has taken the necessary steps to minimize the energy consumption and conserve the same to the fullest extent possible.

##### **[B] TECHNOLOGY ABSORPTION:**

The constant efforts are made by the Company to upgrade the technology so as to improve the quality of the products.

##### **[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:**

1. Foreign Exchange earned - Nil -
2. Foreign Exchange used - Nil -

For and on behalf of the Board of Directors  
of Pal Trading Company Private Limited

Mumbai, July 30, 2010.  
Registered Office:  
605, Business Classic,  
Chincholi Bunder Road, Malad (West),  
Mumbai-400 064.

Rinku I. Patodia  
Chairman

## AUDITORS REPORT

To  
THE MEMBERS OF  
PAL TRADING COMPANY PRIVATE LIMITED

We have audited the attached Balance Sheet of **PAL TRADING COMPANY PRIVATE LIMITED** as at 31<sup>st</sup> March, 2010, and also 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 auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, is given in annexure separately.

Further to our comments in the Annexure referred to in paragraph above I report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books;
- c) the Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts;
- d) in our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e) Directors of the Company do not, prima facie, have any disqualification as referred to clause (g) of sub section (1) of section 274 of the Companies Act 1956 which is based on written representation received from them.
- f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010 and
  - ii) in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date.

For Praful M. Joshi  
Chartered Accountants

Place : Mumbai  
Date : 30.07.2010

(Praful M. Joshi- Proprietor)  
Membership No. 100/030276

### ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

- i
  - (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.
- ii
  - (a) As explained to us, inventory has been physically verified by the management at regular intervals during the year.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.

- iii. The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence sub-clauses (b), (c), (d), (e), (f) & (g) of clause 4(iii) are not applicable to the Company during the year under report.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, I have not observed any major weaknesses in internal controls.
- v. (a) In our opinion and according to the information and explanations given to us, the transactions that made need to be entered into the register maintained under section 301 of Companies Act, 1956 have been so entered.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA Of the Companies Act, 1956.
- vii. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii. In our opinion, The provisions of section 209 (1) (d) of the Companies Act, 1956 in respect of maintenance of cost records as may be prescribed by the Central Government, are not applicable to the Company.
- ix. According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. According to the information and explanation given to us, there are no undisputed amount payable in respect of Such statutory dues which have remained outstanding as at 31<sup>st</sup> March, 2010 for a period of more than six months from the date they become payable
- x. The Company has no accumulated losses has not incurred cash losses in the current financial year.
- xi. The Company did not have any repayment due to any financial institution, debenture holders or bank.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xiv. In our opinion and according to the explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. According to the information and explanations given to us, the company has not raised any term loan. Therefore, clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xvii. Based on the information and explanation given to us and on an overall examination of the balance sheet of the company, in our opinion, there are no fund raised on a short-term basis which have been used for the long-term investment.
- xviii. During the year under report, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix. According to the information and explanations given to us, the company had not issued debenture. Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xx. During the year, company had not raised any money by public issues. Therefore, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year under report.

For Praful M. Joshi  
Chartered Accountants

Place : Mumbai  
Date : 30.07.2010

(Praful M. Joshi- Proprietor)  
Membership No. 100/030276



**BALANCE SHEET AS AT 31ST MARCH 2010**

Particulars	Schedules	As at 31.03.2010 (Amt. in Rs.)	As at 31.03.2009 (Amt. in Rs.)
<b>SOURCES OF FUNDS</b>			
<b>Shareholder Funds</b>			
Share Capital	1	7,850,000	7,850,000
Share Application Money		6,000,000	-
Reserves & Surplus	2	70,380,752	69,930,449
<b>Loan Funds</b>			
Secured Loans	3	67,971,136	70,129,716
Differed Tax Liabilities		75,998	36,884
<b>TOTAL Rs.</b>		<b><u>152,277,886</u></b>	<b><u>147,947,049</u></b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	4	1,607,126	1,590,526
Less : Depreciation		27,812	1,634
<b>Net Block</b>		<b>1,579,314</b>	<b>1,588,892</b>
<b>Current Assets, Loans &amp; Advances</b>			
Sundry debtors	5	320,091,999	171,212,151
Loans & Advances		4,950,479	4,619,149
Cash & bank balances		279,031	520,577
<b>Sub Total Rs.</b>		<b><u>325,321,509</u></b>	<b><u>176,351,877</u></b>
<b>Less :-Current Liabilities And Provisions</b>			
Current Liabilities	6	174,458,323	30,033,242
Provision For Taxation		256,480	82,966
<b>Sub Total Rs.</b>		<b><u>174,714,803</u></b>	<b><u>30,116,208</u></b>
<b>Net Current Assets Rs.</b>		<b>150,606,706</b>	<b>146,235,669</b>
<b>Miscellaneous Expenditure</b>	7	<b>91,866</b>	<b>122,488</b>
(To the extend not written off or adjusted)			
<b>TOTAL Rs.</b>		<b><u>152,277,886</u></b>	<b><u>147,947,049</u></b>
Significant Accounting Policies	11		
Notes & Schedules 1 TO 11 Form part of Accounts			

As per our report of even date attached

**For Praful M. Joshi**  
Chartered Accountants

**For Pal Trading Company Pvt. Ltd.**

(Praful M. Joshi - Proprietor)  
Membership No. 100/030276

**Director**

**Director**

Place: Mumbai  
Date: 30.07.2010

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

Particulars	Schedules	Year ended 31.03.2010 (Amt. in Rs.)	Year ended 31.03.2009 (Amt. in Rs.)
<b>INCOME</b>			
Sales		699,156,061	356,768,636
Othre Incomes		<u>308,382</u>	<u>60,160</u>
<b>TOTAL Rs.</b>		<b>699,464,443</b>	<b>356,828,796</b>
<b>EXPENDITURE</b>			
Cost of Goods Sold	8	686,066,523	351,033,773
Administrative and General Expenses	9	1,276,189	906,635
Finance Charges	10	11,422,165	4,586,455
Depreciation		<u>26,178</u>	<u>1,634</u>
<b>TOTAL Rs.</b>		<b>698,791,056</b>	<b>356,528,497</b>
<b>PROFIT BEFORE TAX</b>		<b>673,387</b>	<b>300,299</b>
<b>Provision For Taxation</b>			
Current Tax		183,458	73,022
Differred Tax Liabilites		39,114	36,884
Fringe Benefit Tax		<u>-</u>	<u>9,944</u>
<b>PROFIT AFTER TAX</b>	<b>TOTAL Rs.</b>	<b>450,815</b>	<b>180,449</b>
Less:- Short Provision for FBT (Asst. Yr. 2009-10)		512	
Balance brought forward from previous year		<u>180,449</u>	<u>-</u>
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>630,752</b>	<b>180,449</b>
Significant Accounting Policies & Notes to account As per our report of even date attached Notes & Schedules 1 TO 11 Form part of Accounts	11		

As per our report of even date attached

**For Praful M. Joshi**  
Chartered Accountants

(Praful M. Joshi - Proprietor)  
Membership No. 100/030276

Place: Mumbai  
Date: 30.07.2010

**For Pal Trading Company Pvt. Ltd.**

**Director**

**Director**

**SCHEDULES FORMING PART OF BALANCE SHEET FOR YEAR ENDED 31ST MARCH 2010**

PARTICULARS	As at 31.03.2010 (Amt. in Rs.)	As at 31.03.2009 (Amt. in Rs.)
<b>Schedule : 1 : Share Capital</b>		
Authorised		
800000 Equity Shares of Rs.10/- each	<u>8,000,000</u>	<u>8,000,000</u>
	<u>8,000,000</u>	<u>8,000,000</u>
Issued, Subscribed & Paid up		
785000 Equity Shares of Rs.10/- each fully paid-up	<u>7,850,000</u>	<u>7,850,000</u>
<b>TOTAL Rs.</b>	<u><u>7,850,000</u></u>	<u><u>7,850,000</u></u>
<b>Schedule : 2 : Reserves &amp; Surplus</b>		
Reserves and Surplus		
Share Premium Account		-
Opening Balance	69,750,000	
Addition during the year	-	69,750,000
<b>SUB-TOTAL Rs.</b>	<u><u>69,750,000</u></u>	<u><u>69,750,000</u></u>
Profit and Loss Account		
Transfer from Profit & Loss a/c	<u>630,752</u>	180,449
<b>SUB-TOTAL Rs.</b>	<u><u>630,752</u></u>	<u><u>180,449</u></u>
<b>TOTAL Rs.</b>	<u><u>70,380,752</u></u>	<u><u>69,930,449</u></u>
<b>Schedule : 3 : Secured Loan</b>		
Cash Credit - SBI	<u>67,971,136</u>	70,129,716
[Secured against Stock in Trade & Receivables]		
[Personally guranteed by Directors]		
<b>TOTAL Rs.</b>	<u><u>67,971,136</u></u>	<u><u>70,129,716</u></u>

**SCHEDULE '4' : FIXED ASSETS**

(Amt. in Rs.)

PARTICULARS	GROSS BLOCK				DEPRICIATION				NET BLOCK	
	AS ON 1/04/09	ADDITION	DEDUCTION	AS ON 31/03/10	AS ON 1/04/09	FOR THE YEAR	DEDUCTION	UPTO 31/03/10	AS ON 31/03/10	AS ON 31/03/09
Office Premises	1,590,526	16,600	-	1,607,126	1,634	26,178	-	27,812	1,579,314	1,588,892
<b>TOTAL</b>	<b>1,590,526</b>	<b>16,600</b>	<b>-</b>	<b>1,607,126</b>	<b>1,634</b>	<b>26,178</b>	<b>-</b>	<b>27,812</b>	<b>1,579,314</b>	<b>1,588,892</b>
Previous Year	-	1,590,526	-	1,590,526	-	1,634	-	1,634	1,588,892	-

**SCHEDULES FORMING PART OF BALANCE SHEET FOR YEAR ENDED 31ST MARCH 2010**

PARTICULARS	As at 31.03.2010 (Amt. in Rs.)	As at 31.03.2009 (Amt. in Rs.)
<b>Schedule: 5 : Current Assets &amp; Loans Advances</b>		
<b>A : Current Assets</b>		
<b>Sundry Debtors ( Unsecured considered good )</b>		
1) Due for more than six months	-	-
2) Others	320,091,999	171,212,151
<b>Sub-Total Rs.</b>	<u>320,091,999</u>	<u>171,212,151</u>
<b>Cash and Bank Balances</b>		
Cash In Hand	279,031	520,577
<b>Sub-Total Rs.</b>	<u>279,031</u>	<u>520,577</u>
<b>Sub-Total : A :</b>	<u>320,371,030</u>	<u>171,732,728</u>
<b>B : Loans &amp; Advances</b>		
Advance tax A.Y. 2009-10	50,000	50,000
Fixed Deposit With Bank	4,816,766	4,547,763
Reliance Energy Deposit	1,760	-
The Tata Power Co. (Deposit)	8,550	-
Prepaid Insurance	5,374	8,989
Self Asst. Tax (Asst. Yr. 2009-10)	16,253	-
T D S (A.Y.2009-10)	12,397	12,397
T D S (A.Y.2010-11)	39,379	-
<b>Sub-Total : B :</b>	<u>4,950,479</u>	<u>4,619,149</u>
<b>TOTAL Rs.</b>	<u>330,830,050</u>	<u>182,012,180</u>
<b>Schedule : 6 : Current Liabilities &amp; Provisions</b>		
<b>Current Liabilities &amp; Provisions</b>		
<b>Sundry Creditors</b>		
a) For Goods	174,384,908	29,954,290
b) For Expenses	73,415	78,952
<b>TOTAL Rs.</b>	<u>174,458,323</u>	<u>30,033,242</u>
<b>Schedule : 7 : Miscellaneous Expenditure</b>		
Preliminary Expenses.	122,488	153,110
Less:- 1/5 Written Off	30,622	30,622
<b>TOTAL Rs.</b>	<u>91,866</u>	<u>122,488</u>

## SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH 2010

PARTICULARS	As at 31.03.2010 (Amt. in Rs.)	As at 31.03.2009 (Amt. in Rs.)
<b>Schedule : 8 : Cost of Goods Sold</b>		
<b>Cost Of Goods Sold</b>		
Opening Stock	-	-
Add: Purchases	686,066,523	351,033,773
Less: Closing Stock	-	-
<b>TOTAL Rs.</b>	<b>686,066,523</b>	<b>351,033,773</b>
<b>Schedule : 9 : Administrative &amp; General Expenses</b>		
Audit Fees	19,303	16,545
Brokeage	68,326	28,004
Conveyance Expenses	85,923	41,615
Couroier & Postage Exps	88,799	46,631
Donation	-	42,000
Electricity Expenses	37,461	1,142
Franking Charges	2,850	1,310
Insurance Charges	11,557	4,494
Office & General Expenses	106,580	60,138
Preliminary Exp. W/ off	30,622	30,622
Printing & Stationery Charges	89,226	41,287
Professional Fees	4,000	38,818
Pooja Expenses	73,362	-
R O C Fees	3,500	1,600
Repairs & Maintenance Exps	97,421	48,475
Salaries	337,446	188,633
Staff Welfare Expenses	97,251	48,083
Society Maintenance	31,116	17,083
Stamp Duty Charges	-	200,660
Telephone Charges	91,446	49,495
<b>TOTAL Rs.</b>	<b>1,276,189</b>	<b>906,635</b>
<b>Schedule : 10 : Finance Charges</b>		
Bank Charges	333,815	54,197
Bank Comission	1,061,025	406,350
Bank Interest	9,812,147	3,705,908
L/C Discounting Charges	215,178	-
Processing Fees	-	400,000
Mortgage Charges	-	20,000
<b>TOTAL Rs.</b>	<b>11,422,165</b>	<b>4,586,455</b>

**SCHEDULE '11': SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR YEAR ENDED 31<sup>ST</sup> MARCH 2010.****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. 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, discounts and rebates.

**ii) Interest**

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

**3. 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

**4. 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.

**5. Inventories**

Inventories at the end of year was Nil.

**6. Foreign Exchange Transaction**

No foreign Exchange Transaction carried out by the company during the year.

**7. 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.

**8. 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.

**NOTES ON ACCOUNT FOR YEAR ENDED 31<sup>ST</sup> MARCH 2010.**

1. 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.
2. 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.
3. 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.

## 4. Segment Reporting

The company operates in only one reportable segment i.e. textile. Hence segment reporting is not applicable to the company.

5. The Company does not possess information as to which of its suppliers are Ancillary Industrial Undertakings/Small Scale Industrial Undertaking holding permanent registration certificate issued by the Directorate of Industries of a State or Union Territory

## 6. Foreign Currency Transactions

No Foreign Currency transaction is carried out by the company.

## 7. Payments to Auditors

Particulars	2009-10	2008-09
Audit fees	Rs.19,303/-	Rs.16,545/-

8. Managerial Remuneration : No remuneration paid to Director.

9. 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.)

**Information of major traded materials:**

Particulars	2009-10		2008-09	
	Qty ( Mtr.)	Value ( Rs.)	Qty. ( Mtr.)	Value (Rs.)
Opening Stock	---	---	---	---
Purchases	6042769	68,60,66,523	2418060	35,10,33,773
Sales	6042769	69,91,56,061	2418060	35,67,68,636
Closing Stock	---	---	---	---

10. 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.

Signature to Balance Sheet and Profit & Profit & Loss Account

**For Praful M. Joshi**  
Chartered Accountants

(Praful M. Joshi - Proprietor)  
Membership No. 100/030276

Place: Mumbai  
Date: 30.07.2010

**For Pal Trading Company Pvt. Ltd.**

**Director**

**Director**

## BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010

1. Registration Details	:	
Registration No.	:	184901
State Code	:	11
Balance Sheet	:	31/03/2010
2. Capital Raised During the Year.	:	(Rs. In Thousand)
Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL
3. Position of Mobilization & deployment of fund	:	(Rs. In Thousand)
Total Liabilities	:	1,52,278
Total Assets	:	1,52,278
Sources of Funds	:	
Paid Up Capital	:	7,850
Share Application Money	:	6,000
Reserve & Surplus	:	70,381
Deferred Tax Liability	:	76
Secured Loans	:	67,971
Unsecured Loans	:	0
Application of Funds.	:	
Net Fixed Assets	:	1,579
Investments	:	NIL
Net Current Assets	:	1,50,607
Miscellaneous Expenditure	:	92
Accumulated Losses	:	0
4. Performance of The Company	:	( Rs. In Thousand )
Turnover ( Gross Receipts)	:	6,99,464
Total Expenditure	:	6,98,791
Profit / (Loss) Before Tax	:	673
Profit / (Loss) After Tax	:	450
Earnings Per Shares ( In Rs.)	:	0.57
Dividend Rate Included Special	:	NIL
On Preference Shares	:	NIL
On Equity Shares	:	NIL
5. Generic Names of the Principal Product	:	
Service of the Company	:	
(ITC Code )	:	55131910
Production Description	:	Trading In Fabrics

**For Pal Trading Company Private Limited**

**Rinku Patodia  
Director**

**Anita Patodia  
Director**

Date: 30<sup>th</sup> July 2010



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## 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 8<sup>th</sup> Annual General Meeting of the  
Company to be held on Monday, the 27<sup>th</sup> September, 2010 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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