
10th Annual Report
2011-12



FIRST WINNER



Message from Managing Director



I am obliged to present the Tenth Annual Report of the Company. I very much appreciate your trust and confidence in the organization. As you may be aware that the cotton growth during this year was low, which resulted into high raw material price which has affected to our profitability for the year 2011-2012 as compared to last year 2010-2011.

You are also aware that due to the global recession & economic crises, the prices at all the sector has increased i.e. labour, raw material, fuel, power, oil, colour chemicals, etc., which has a direct impact on profitability as well as marketing.

This global crises has also affected our overall profitability, however with our strict measures for cost control such as energy conservation, higher productivity, reduction in employment which has allowed us to maintain the satisfactory results.

Our new venture of yarn dyeing which has started during this year & the same is in full swing. The yarn dyeing is mainly used for captive consumption of dyed yarn as well as job work of yarn dyeing. I am proud to say that we have established as a good yarn dyer in the market.

I am very much confident that the upcoming year should be a good year for all of us & we will have encouraging results.

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. Avani Gandhi

Auditors

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

&

M/S Deshmukh & Associates, Chartered Accountants, Mumbai

Bankers

State Bank of India

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 Tenth Annual General Meeting of the members of First Winner Industries Limited will be held on Friday, the 28th September, 2012 at Goregaon Sports Club, Link Road, Malad (West), Mumbai – 400064 at 11.00 a.m. to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012, 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 appoint a director in place of Mrs. Anita Patodia, who retires by rotation and being eligible, seeks reappointment.
3. To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next 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.”

31st August, 2012

Registered Office:

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

By Order of the Board
First Winner Industries Ltd

sd/ –
Rinku Patodia
Managing Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. (A copy of the proxy form is attached).
2. Proxies in order to be effective must be received by the Company at the registered office address not less than 48 hours before the commencement of the meeting.
3. Members are requested to notify any change in their address at the Registered Office of the Company immediately.
4. The Register of Members and Share Transfer Register shall remain closed with effect from Friday, the 21st September, 2012 to Friday, the 28th September, 2012 (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. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
8. As required by Clause 49 of the Listing Agreement, members are informed that Mrs. Anita Patodia holds 24,35,130 equity shares in the Company and the additional information in respect of the said Director recommended for re-election at the AGM is appearing in the Corporate Governance Report annexed to the Directors' Report.

31st August, 2012

Registered Office:

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

By Order of the Board
First Winner Industries Ltd

Rinku Patodia
Managing Director

DIRECTORS' REPORT

Dear Shareholders,

The Directors have pleasure in presenting their Tenth Annual Report and Accounts for the year ended March 31, 2012.

FINANCIAL RESULTS

	2011-12 Rupees	2010-11 Rupees
Profit before depreciation and tax	66902956	89955896
Less: Depreciation	44639692	29057353
Profit after depreciation but before tax	22263264	60898543
Less: Provision for tax	4482110	12916346
Deferred tax	7541618	20943432
Fringe Benefit tax	-	-
Less: Short provision for earlier year	47380	(45302)
Profit after tax	10192156	27084068
Add: Balance brought forward from previous year	145552298	133180053
Appropriation:		
Proposed Dividend	-	12616397
Tax on Proposed Dividend	-	2095426
Add: Excess provision for tax of previous year	5351634	-
Balance carried forward	161096088	145552298

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.

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, 2012 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

Mrs. Anita Patodia is liable to retire by rotation at the ensuing annual general meeting and being eligible offer herself for re-appointment and your directors recommend the re-appointment in the interest of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE

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

AUDITORS

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

SUBSIDIARIES

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 Textile Business and have same business line as ours and 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

As you all know year 2011-2012 was a year of global crises & had an experience of huge economic crises. Practically there was a recession in all global market. Textile industries also as a whole suffered a lot. This situation made us to take very strict measures & to arrest the huge losses. Our quick action on this regard like reduction in employment, giving higher allocation of work, introduction of high value product, increase in our own fabric sales instead of relying on job work, cost control on fuel & power has helped us and this will make a batter tomorrow for an upcoming year.

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.

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

For and on behalf of the Board
First Winner Industries Limited

sd/-
Rinku Patodia
Chairman

Mumbai, August 31, 2012.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overall review of the economy

The global economy is struggling for revival of growth after experiencing weak performance in the second half of 2011 and first quarter of 2012. With slowing demand from developed economies, the global textile and apparel industry will see robust demand from developing economies that will witness higher economic growth. The current global textile and apparel industry has evolved as distinct consumption and production hubs. Production was earlier located in developed economies such as USA and UK but over the years the manufacturing has shifted to economies such as India, China, Bangladesh etc. due to the latter's cost advantage.

Industry Structure and Developments

Indian Textile Industry has a very strong presence in the entire value chain and it contributes about 11% to industrial production, 14% to the manufacturing sector, 4% to the GDP and 12% to the Country's total export earnings. The Industry provides direct employment to over 35 million people and the 2nd largest provider of employment after agriculture. It is the 2nd largest producer and exporter of cotton & yarn with 18% share in the world market.

Opportunities and Threats

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

Opportunities:-

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

Threats:-

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

Segment wise Performance

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

Internal Control

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

Human Resources/ Industrial Relations Front

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

Cautionary Statement

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

ANNEXURE TO THE DIRECTORS' REPORT

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

FORM A

Form for disclosure of particulars with respect to Conservation of Energy

(A) Power and Fuel Consumption:-

		2011-12	2010-11
1.	Electricity		
	a. Purchased Units (KWH)	6096560	4267995
	Total Amount (Rs.)	23554934	14607012
	Average Rate/Unit (Rs.)	3.86	3.42
	b. Own Generation		
	i) Through diesel generator	N.A.	N.A.
	Units (KWH)		
	Units/Lt. of Diesel		
	Cost/ Unit (Rs.)		
	ii) Through Steam Turbine/ Generator	N.A.	N.A.
2.	Diesel*		
	Quantity (ltr.)	99595	16800
	Total Amount	507281	683507
	Average Rate	43.75	40.68
3.	Furnace Oil **		
	Quantity (kg.)	370601	234592
	Total Cost	17418247	7984690
	Rate/ Unit	48.00	34.036
4.	Others/ Internal Generation	N.A.	N.A.

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

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

(B) Consumption per unit production

	2011-12	2010-11
Fabric (in mtrs.)*	14610417	14281000
Electricity	0.42	0.30
Diesel**	N.A.	N.A.
Furnace Oil**	N.A.	N.A.
Others	N.A.	N.A.

Note: * Fabric exclude yarn dying job work(in KGs) = 284254.212 kg.

**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 is 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. Modification of Yarn Dying Process:
Process has been modified for reduction in process time. This helps for higher production and lowering down cost of power & fuel.
2. Changes made for saving of Energy:
 - a. All H-plant supply & return air drive converted to inverter drive, so that motor speed vary according to relative humidity.
 - b. All Ac Motors drive converted to inverter drive such that warping machine to save of consumption.
 - c. Spray pump motor converted to inverter drive to change the speed according to Rh.
 - d. T/L 80 walts change to 58 walts inside the looms.
 - e. All fluorescent choke converted to electronic choke.

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:

- | | |
|-----------------------------------|------------------|
| 1. Foreign Exchange earned RUPEES | : 64,98,800/- |
| 2. Foreign Exchange used – EURO | : 11,05,000 |
| i. e. RUPEES | : 7,30,43,705/ – |

For and on behalf of the Board
First Winner Industries Limited

Mumbai, 31th August, 2012

sd/ –
Rinku Patodia
Chairman

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, 2012	March 31, 2012	March 31, 2012
2	(a) Issued, subscribed and paid up Capital of Subsidiary (b) Extent of interest of FWIL in Capital of Subsidiary	Rs. 2,14,53,500 21,45,270 equity Shares of Rs.10 each (99.99%)	Rs. 2,82,50,000 28,24,980 equity shares of Rs.10 each (99.99%)	Rs. 1,22,50,000 12,24,980 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, 2012 (b) Previous financial years of the Subsidiary since it became Subsidiary of FWIL	Rs. 43,81,935 Rs. 86,18,411	Rs. 81,77,583 Rs. 2,39,54,121	Rs. 8,33,536 Rs. 11,94,636
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, 2012 (b) Previous financial years of the Subsidiary since it became Subsidiary of FWIL	Nil Nil	Nil 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"> ● Fixed Assets; ● Investments; ● Money lent by it; ● Moneys borrowed by it for any purpose other than of meeting. ● Current liabilities. 	<ul style="list-style-type: none"> ● Fixed Assets; ● Investments; ● Money lent by it; ● Moneys borrowed by it for any purpose other than of meeting. ● Current liabilities. 	<ul style="list-style-type: none"> ● Fixed Assets; ● Investments; ● Money lent by it; ● Moneys borrowed by it for any purpose other than of meeting ● Current liabilities.

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

sd/-
Rinku I. Patodia
Managing Director

sd/-
Anita R. Patodia
Executive Director

sd/-
Avani Gandhi
Company Secretary

CORPORATE GOVERNANCE REPORT

Company's philosophy on Code of Governance

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

Board Composition and particulars of Directors

Board Composition

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

Director	Category	No. of Board Meetings attended	Attendance at previous AGM on 28/09/2011	No. of Outside directorship held *	No. of Membership/ chairmanship in Committees
Dr. M. K. Sinha	Non – Executive, Independent	3	Present	2	Nil
Mr. B. G. Agarwal	Non – Executive, Independent	5	Present	-	Nil
Mr. Anil Gupta	Non – Executive, Independent	4	Present	5	Nil
Mr. Rinku Patodia	Executive	15	Present	2	Nil
Mrs. Anita Patodia	Executive	15	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 2011-2012, 15 Board Meetings were held on 04.05.2011, 06.05.2011, 30.05.2011, 16.06.2011, 10.08.2011, 31.08.2011, 02.11.2011, 15.11.2011, 21.11.2011, 05.12.2011, 20.12.2011, 09.01.2012, 14.02.2012, 20.03.2012 and 24.03.2012.

DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT

Mrs. Anita Patodia is liable to retire by rotation and being eligible offer herself for reappointment.

Mrs. Anita Patodia, aged 33 years has completed her Diploma in fashion designing from CVTI Institute of Fashion Technology, Mumbai. She is also a Director of the Company since 10.03.2007. She is engaged in assisting selection and designing of fabrics and also has the experience of over ten years.

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:

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

The terms of reference of the Audit Committee include:

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

During the financial year 2011-2012, Five Audit Committee Meetings were held on 06.05.2011, 10.08.2011, 31.08.2011, 15.11.2011 and 14.02.2012.

Name of Director	No. of committee Meetings held	No. of committee Meetings attended
Dr. M.K. Sinha	5	3
Mr. B.G. Agarwal	5	5
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	Member	Non-Executive Independent Director

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

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

During the year no meeting of the remuneration committee was held.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

Shareholders/ Investors Grievance Committee is headed by Shri Anil Gupta, a Non Executive Independent Director with Shri M. K. Sinha and Shri B. G. Agarwal the other two members. Ms. Avani Gandhi, Company Secretary is the Compliance Officer. The Company appointed "Link Intime India Pvt. Ltd." (Formerly known as Intime Spectrum Registry Limited) as its Registrar and Share Transfer Agent for the redressal of investor's grievance and share transfer process. The RTA has acted upon all valid share transfers received during the year 2011-2012. 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.

During the year, the meetings of Shareholders\ Investor Grievance Committee were held on 10.08.2011 and 14.02.2012.

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

GENERAL BODY MEETING

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

Financial Year	Date	Location of the Meeting	Time
2010-2011	28.09.2011	Goregaon Sports Club, Link Road, Malad (West), Mumbai	11.00 A.M.
2009-2010	27.09.2010	Goregaon Sports Club, Link Road, Malad (West), Mumbai	11.00 A.M.
2008-2009	24.09.2009	Goregaon Sports Club, Link Road, Malad (West), Mumbai	11.30 A.M.

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 Official news releases and notices etc. are sent to the BSE and NSE where the equity shares of the company are listed.

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

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting:

DATE: 28th September, 2012.

TIME: 11.00 A.M.

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

List of shares held in Suspense Account

Sr. 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
				50	

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

Financial Calendar

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

Dates of Book Closure: 21.09.2012 to 28.09.2012 (both days inclusive)

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 2012-13.

Market Price Data

Share price during the financial year 2011-12 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, 2011	29.25	20.05	29.40	19.70
May, 2011	20.95	15.70	20.90	15.20
June, 2011	17.30	14.15	17.90	14.00
July, 2011	20.40	15.10	20.15	14.70
August, 2011	19.10	14.00	20.35	12.25
September, 2011	17.54	14.00	16.80	14.00
October, 2011	19.45	14.35	19.40	14.10
November, 2011	17.90	14.50	18.00	14.10
December, 2011	15.85	12.55	16.40	11.55
January, 2012	15.80	12.60	16.65	12.00
February, 2012	18.00	14.20	18.90	14.00
March, 2012	15.40	12.66	15.55	12.15

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 31.03.12 (No. of shares)	% of Total Issued Capital
NSDL	48091839	95.74%
CDSL	2133951	4.24%
Physical	7003	0.02%
Total No. of shares	50232793	100.00%

Share Transfer System & Registrars and Transfer Agents (RTA)

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

Distribution of Shareholding as on 31st March, 2012

Range of shares	Number of shares	No. of shareholders	% to total shares
1 to 500	301869	2167	0.6009
501 to 1000	194681	233	0.3876
1001 to 2000	203295	132	0.4047
2001 to 3000	128421	51	0.2557
3001 to 4000	81187	23	0.3370
4001 to 5000	82010	17	0.3720
5001 to 10000	258576	37	0.6075
10001 and above	48982754	85	96.0426
Total	50232793	2745	100.0000

Shareholding Pattern:

S. No.	Category	No. of Shares held	% of Share Holding
1.	Promoters	5962635	11.8700
2.	Corporate Bodies (Promoter Co.)	18884465	37.5939
3.	Public	2532990	5.0425
4.	Clearing Member	52738	0.1050
5.	Other Bodies Corporate	22669385	45.1287
6.	Foreign Inst. Investor	--	--
7.	Non Resident Indians	92864	0.1849
8.	Non Resident (Non Repatriable)	594	0.0012
9.	Office Bearers	37122	0.0739
	TOTAL	50232793	100.00

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: info@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

Registered Office

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

For and on behalf of the Board
First Winner Industries Limited

sd/-
Rinku Patodia
Managing Director

Mumbai, 31st August, 2011

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 31st day of March 2012 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

sd/-

Rinku Patodia
Managing Director

Mumbai, 31st August, 2012

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

To the Members of First Winner Industries Limited,

We have examined the compliance of conditions of Corporate Governance by First Winner Industries Limited (the Company) for the year ended 31st March 2012 as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange(s) in India.

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

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

On the basis of the records maintained by the Company we state that as at 31st March 2012, there were no investor grievances pending with the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Deshmukh & Associates**
Chartered Accountants

For **Praful M. Joshi**
Chartered Accountants

sd/ –

Deepen Kapadia – Partner]
Membership No. 112565

Place : Mumbai

Dated : 31.08.2012

sd/-

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

Auditors' Report

To

The Members of
First Winner Industries Ltd.

We have audited the attached Balance Sheet of First Winner Industries Ltd. as at 31st March 2012, the Statement of Profit & Loss 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 Statement of Profit & Loss dealt with by this report are in agreement with the books of account;
 - d. In our opinion the Balance Sheet and the Statement of Profit and Loss 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 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March 2012 from being appointed as a Director in terms of section 274(1)(g) of the companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
 - ii) In the case Statement of Profit & Loss, of the profit for the year ended on that date and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Deshmukh & Associates
Chartered Accountants

For Praful M. Joshi
Chartered Accountants

sd/ –
[Deepen Kapadia – Partner]
Membership No. 112565

sd/-
[Praful M. Joshi – Proprietor]
Membership No. 30276

Place : Mumbai
Dated : 31/08/2012

Annexure to the Auditors Report for year end 31.03.2012

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

- 1 a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us the management has physically verified the fixed assets during the year and no material discrepancies were noticed on such verification.
- c) In our opinion and as per the information and explanations given to us, the Company has not disposed off any substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- 2 a) As explained to us, inventories have been physically verified by the management at reasonable intervals.
- b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of inventory records, we are of the opinion that the company is maintaining proper records of inventory. As explained to us, no material discrepancies have been noticed on physical verification of inventories as compared to book records.
- 3 a) The Company has not taken any loans, secured or unsecured from companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b) The Company has not given any loans, secured or unsecured from companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us during the course of audit, there are adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory & fixed assets and for the sale of Goods. Further on basis of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India, we neither come across nor have we have been informed of any instance of major weakness in the aforesaid internal control systems.
5. a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contract or arrangements, that needed to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered in the register required to be maintained under that section.
- b) In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and material and sale of goods, material and services made in pursuance of contract or arrangement entered in the register maintained under section 301 and aggregating during the year to Rs. 5,00,000 (Rs. Five Lacs Only) or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time for such goods, material and services have been made with other parties.
6. The Company has not accepted any deposits from the public, with in meaning of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 including the Companies (Acceptance of Deposit) Rules 1975.
7. In our opinion the company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the Cost Accounting records, maintained by the Company pursuant to the Rules prescribed by the Central Government for the maintenance of the cost records under the clause (d) of the sub-section (1) of section 209 of the Act, and are of the opinion that, prima facie, the prescribed records have been maintained. We are, however, not required to make a detailed examination of such books and records.
9. a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2012 for a period of more than six months from the date of becoming payable.
- b) According to the information and explanations given to us and as per books and record examined by us, there are no such statutory dues, which have not been deposited on account of any dispute.

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

For Deshmukh & Associates
Chartered Accountants

For Praful M. Joshi
Chartered Accountants

sd/ –
[Deepen Kapadia – Partner]
Membership No. 112565

sd/-
[Praful M. Joshi – Proprietor]
Membership No. 30276

Place : Mumbai
Dated : 31/08/2012

BALANCE SHEET AS AT 31st MARCH 2012

Note No.	PARTICULARS	As at 31/03/2012	As at 31/03/2011
	EQUITY AND LIABILITIES		
	Shareholders' funds		
2	Share capital	502,327,930	252,327,930
3	Reserves and surplus	1,325,349,511	1,059,805,721
	Sub-total	1,827,677,441	1,312,133,651
	Non-current liabilities		
4	Long-term borrowings	258,967,628	252,769,901
5	Deferred tax liabilities (net)	77,888,332	70,346,714
	Sub-total	336,855,959	323,116,615
	Current liabilities		
6	Short-term borrowings	280,631,309	266,520,620
7	Trade payables	698,654,300	233,303,964
8	Other current liabilities	104,924,969	97,334,382
9	Short-term provisions	4,482,110	30,857,814
	Sub-total	1,088,692,688	628,016,780
	TOTAL	3,253,226,088	2,263,267,046
	ASSETS		
	Non-current assets		
10	Fixed assets		
	Tangible assets	1,076,266,613	741,808,134
	Capital work-in-progress	285,880	36,210,684
	Sub-total	1,076,552,493	778,018,818
11	Non-current investments	839,847,300	459,847,300
12	Long-term loans and advances	35,682,980	265,228,179
13	Other non-current assets	630,000	790,449
	Sub-total	876,160,280	725,865,928
	Current assets		
	Current investments		
14	Inventories	94,046,978	122,296,339
15	Trade receivables	1,142,605,764	613,957,552
16	Cash and Bank Balance	43,742,905	16,564,414
17	Short-term loans and advances	7,166,179	6,014,860
18	Other current assets	12,951,489	549,135
	Sub-total	1,300,513,315	759,382,300
	TOTAL	3,253,226,088	2,263,267,046
1	Accompanying Notes are an integral part of the financial statements		

As per our Report of even date

For Praful M Joshi
Chartered Accountant
[FRN : 108056W]

For DESHMUKH & ASSOCIATES
Chartered Accountants
[FRN : 102375W]

For **First Winner Industries Limited**

Director

Director

[PRAFUL M JOSHI - Proprietor]
Membership No. 100/030276

[Deepen M Kapadia - Partner]
Membership No. 112565

Company Secretary

Place : Mumbai
Date : 31/08/2012

Place : Mumbai
Date : 31/08/2012

STATEMENT OF PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31st MARCH 2012

Note No.	PARTICULARS	YEAR ENDED 31/03/2012	YEAR ENDED 31/03/2011
A	INCOME FROM OPERATIONS		
19	Revenue from operations	3,491,339,621	3,098,262,400
20	Other income	3,677,669	2,150,128
	TOTAL REVENUE:	3,495,017,290	3,100,412,527
	EXPENDITURE		
21	Cost of Sales	3,088,561,243	2,895,785,659
22	Changes in inventories of Finished Goods	32,925,987	(95,997,688)
23	Employee benefits expense	38,812,562	26,731,129
24	Finance costs	61,327,739	47,955,593
25	Depreciation and amortization expense	44,800,141	29,628,705
26	Other expenses	206,326,356	135,410,586
	TOTAL EXPENDITURE:	3,472,754,026	3,039,513,984
	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)	22,263,264	60,898,543
	Exceptional items	-	-
	Profit / (Loss) before extraordinary items and tax	22,263,264	60,898,543
	Extraordinary items	-	-
	Profit / (Loss) before tax	22,263,264	60,898,543
	Tax expense:		
	Current Tax		
	Current tax expense for current year (MAT)	4,482,110	12,916,346
	Current tax expense relating to prior years	47,380	(45,302)
	Deferred tax	7,541,618	20,943,432
		Sub-total	Sub-total
		12,071,108	33,814,476
	Profit from continuing operations	10,192,156	27,084,068
B	DISCONTINUING OPERATIONS		
	Profit / (Loss) from discontinuing operations	Sub-total	Sub-total
		-	-
	Profit / (Loss) for the year	TOTAL	TOTAL
		10,192,156	27,084,068
27	Earnings per Eq.Share of face value of Rs. Each.		
	Basic	0.20	1.07
	Diluted	0.32	1.30
	Earnings Per share Excluding Extraordinary Item		
	Basic	0.20	1.07
	Diluted	0.32	1.30
1	Accompanying Notes are an integral part of the financial statements		

As per our Report of even date

For Praful M Joshi
Chartered Accountant
[FRN : 108056W]

For DESHMUKH & ASSOCIATES
Chartered Accountants
[FRN : 102375W]

For First Winner Industries Limited

Director

Director

[PRAFUL M JOSHI - Proprietor]
Membership No. 100/030276

[Deepen M Kapadia - Partner]
Membership No. 112565

Company Secretary

Place : Mumbai
Date : 31/08/2012

Place : Mumbai
Date : 31/08/2012

CASH FLOW STATEMENT AS ON 31ST MARCH 2012

Particulars	As at 31.03.2012	As at 31.03.2011
Cash Flow from Operating Activities		
Net Profit before Taxes	22,263,264	60,898,543
Adjustments for		
Depreciation	44,639,692	29,057,353
Interest Income	(2,213,890)	(990,486)
Preliminary Expenses W/off	160,449	571,352
Interest Expenses	61,327,739	47,955,593
(Profit)/Loss on sale of assets	676,004	(3,120)
Operating Profit Before Working Capital Changes	126,853,257	137,489,235
(Increase) / Decrease in Inventories	28,249,360	(95,705,076)
(Increase) / Decrease in Trade Receivables	(528,648,212)	(31,232,013)
(Increase) / Decrease in Short Term Loans & Advances	3,877,638	(107,206)
(Increase) / Decrease in Other Current assets	(12,402,354)	2490305
Increase / (Decrease) in Trade Payables	465,350,336	-22609589
Increase / (Decrease) in Other Current Liabilities	7,590,586	4,784,314
Increase / (Decrease) in Provisions	(26,375,704)	-
Cash generated from Operations	64,494,907	(4,890,029)
Income Tax Paid	(5,076,337)	(14,648,062)
Net Cash from Operating Activities	59,418,570	(19,538,091)
Cash flows from Investing Activities		
Purchases/Additions of Fixed Assets	(344,882,879)	(233,596,213)
Sale proceeds of Assets Sold	1,025,000	396,000
(Purchase) / Sales of Trade Investments	(380,000,000)	(165,500,000)
Increase in Fixed Deposits with Bank	(22,109,903)	(5,274,661)
Preliminary Expenses Incurred	-	(1,050,000)
Interest Income Earned	2,213,890	990,486
Net cash used in Investing Activities	(743,753,891)	(404,034,388)
Cash flows from Financing Activities		
Proceeds from Issuance of Share Capital	500,000,000	300,000,000
Proceeds from Long Term Borrowings	6,197,727	85,590,865
Proceeds from Short Term Borrowings	14,110,690	312,233,016
Reduction in Long Term Advances & Deposits	230,423,231	(215,337,772)
Dividend Paid	-	(10,338,994)
Interest Paid	(61,327,739)	(47,955,593)
Net Cash from Financing Activities	689,403,909	424,191,522
Net Increase / (Decrease) in Cash & equivalents	5,068,588	619,043
Cash & Equivalents at the beginning of the year	1,302,445	683,402
Cash & equivalents at the end of the year	6,371,033	1,302,445

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

For Praful M Joshi
Chartered Accountant
[FRN : 108056W]

For DESHMUKH & ASSOCIATES
Chartered Accountants
[FRN : 102375W]

For First Winner Industries Limited

Director

Director

[PRAFUL M JOSHI - Proprietor]
Membership No. 100/030276

[Deepen M Kapadia - Partner]
Membership No. 112565

Company Secretary

Place : Mumbai
Date : 31/08/2012

Place : Mumbai
Date : 31/08/2012

Notes on Financial Statements for the Year ended 31st March 2012

1.00 SIGNIFICANT ACCOUNTING POLICIES

1.01 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.

1.02 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.

1.03 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.

a 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.

b Interest

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

c Dividends

Revenue is recognized as and when received

1.04 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

1.05 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

1.06 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.

1.07 Investment:

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

1.08 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.

1.09 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 & when incurred.

Notes on Financial Statements for the Year ended 31st March 2012

1.10 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.

1.11 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.

1.12 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.

1.13 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

1.14 Intangible Assets :

Intangible assets are capitalized if specific criteria are met and are amortized 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.

1.15 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.

1.16 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.

2.00 SHARE CAPITAL

2.01 Authorized Share Capital

Particulars	As at 31/03/2012	As at 31/03/2011
51,000,000 Equity shares of Rs. 10/- each with voting rights (P.Y. 35,000,000)	510,000,000	350,000,000
	510,000,000	350,000,000

2.02 Issued Subscribed and Paid up

Particulars	As at 31/03/2012	As at 31/03/2011
50,232,793 Equity shares of Rs. 10/- each with voting rights (PY 25,232,793)	502,327,930	252,327,930
TOTAL :	502,327,930	252,327,930

Notes on Financial Statements for the Year ended 31st March 2012

2.03 Details of Shares held by Share holders holding more than 5% of the aggregate shares in the company

Particulars	As at 31st March 2012		As at 31st March 2011	
	Number of Share	% held	Number of Share	% held
Name of the Share Holders				
Rinku Patodia	3527505	7.02%	3527505	13.98%
Anita Patodia	2435130	4.85%	2435130	9.65%
Solitaire Textfab & Traders Pvt. Ltd.	3865865	7.70%	1165865	4.62%
Rikosh Fashions Pvt. Ltd.	3806500	7.58%	1106500	4.39%
Bhagwat Textiles Pvt. Ltd.	3800000	7.56%	1100000	4.36%
Starwood Exports Pvt. Ltd.	3712100	7.39%	1012100	4.01%
First Winner Textile (India) Pvt. Ltd.	3700000	7.37%	1000000	3.96%

2.04 The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31st March 2012		As at 31st March 2011	
	Number of Share	Amount	Number of Share	Amount
Eq.Sh.at the beginning of year	25232793	252,327,930	17732793	177,327,930
Add: Shares issued	25000000	250,000,000	7500000	75,000,000
Less: Shares cancelled	-	-	-	-
Eq.Sh. at the end of the year	<u>50232793</u>	<u>502,327,930</u>	<u>25232793</u>	<u>252,327,930</u>

3.00 RESERVES & SURPLUS

3.01 Securities Premium Reserves:

	As at 31/03/2012	As at 31/03/2011
As per last Balance Sheet	914,253,423	689,253,423
Add: On issue of shares	250,000,000	225,000,000
Sub-Total (a) :	<u>1,164,253,423</u>	<u>914,253,423</u>

3.02 Profit & Loss Accounts:

	As at 31/03/2012	As at 31/03/2011
As per last Balance Sheet	145,552,298	133,180,053
Add: Profit for the year	10,192,156	27,084,068
	<u>155,744,454</u>	<u>160,264,121</u>
Less: Appropriations:		
- Transferred to General Reserves		
- Excess Provisions for Tax of Previous years	5,351,634	-
- Proposed Dividend on Equity Shares [Dividend per Share Rs.NIL (Previous year Re.0.50)]	-	12,616,397
- Tax on Dividend	-	2,095,426
Sub-Total (b) :	<u>161,096,088</u>	<u>145,552,298</u>
TOTAL :	<u>1,325,349,511</u>	<u>1,059,805,721</u>

Notes on Financial Statements for the Year ended 31st March 2012

4.00 LONG TERM BORROWINGS:

	As at 31/03/2012	As at 31/03/2011
SECURED - TERM LOANS		
From Banks		
Term Loan from State Bank of India	247,658,829	232,529,298
Term Loan from State Bank of Indore	11,308,799	20,047,952
From Financial Institutions		
Term Loan - Car from Kotak Mahindra Prime Ltd.	-	192,651
Sub-Total (a) :	<u>258,967,628</u>	<u>252,769,901</u>
TOTAL :	<u>258,967,628</u>	<u>252,769,901</u>

4.01 Term loan are secured by

- a Term loan from State Bank of India secured by way of First Mortgage / Charge on Immovable Properties & all Plant & machinery of the company situated at C-9/1 & N/66 MIDC Tarapur Boisar Dist Thane-401506.
- b Term loan from State Bank of Indore secured by way of First Mortgage / Charge on Immovable Properties & all Plant & machinery situated at C-9/1 MIDC Tarapur Boisar Dist Thane-401506. of the Company having Pari-passu Charge with State Bank of India.
- c Term loan - Car from Kotak Mahindra Prime Ltd secured by way of hypothecation /Charge on Motor Vehicle.
- d Term Loans from State Bank of India & State Bank of Indore are personally guaranteed by Mr. Rinku Patodia - Managing Director and Mrs. Anita Patodia - Director of the Company.

4.02 Rate of Interest & Maturity Profile of Term Loan are set out as follows:

Term Loan	Rate of Interest	2012-13	2013-14	2014-15	Beyond 4 Years
S B I	13.75%	86,988,000	86,988,000	71,194,000	84,850,000
SB Indore	13.75%	9,474,000	9,474,000	1,551,147	-
K. Mahindra	11.00%	192,651	-	-	-

4.03 There is no default reported, in respect of repayment of Term Loans and Interest payable on term loan.

5.00 DEFERRED TAX LIABILITIES (Net)

Particulars	As at 31/03/2012	As at 31/03/2011
Deferred Tax Liabilities:		
- Related to Depreciation	77,888,332	70,346,714
Deferred Tax Assets:		
- Disallowances under the Income Tax Act 1961	-	-
TOTAL :	<u>77,888,332</u>	<u>70,346,714</u>

6.00 SHORT TERM BORROWINGS:

Particulars	As at 31/03/2012	As at 31/03/2011
Secured - Working Capital Loans from Banks	280,631,309	266,520,620
TOTAL :	<u>280,631,309</u>	<u>266,520,620</u>

6.01 Working Capital Loans are secured by hypothecation of present and future stock of Raw Materials Stock-in-process Finished Goods Stores and Spares (not relating to plant & machinery) Book Debts Outstanding monies Claims Receivables bills material in transit etc.

Notes on Financial Statements for the Year ended 31st March 2012

6.02 Working Capital Loans from State Bank of India and State Bank of Indore are personally guaranteed by Mr. Rinku Patodia - Managing Director and Mrs. Anita Patodia - Director of the Company.

6.03 There was no default reported in repayment and/or Interest on due date, for Working Capital Credit facility.

7.00 TRADE PAYABLES:

Particulars	As at 31/03/2012	As at 31/03/2011
Acceptance	22,483,149	29,987,058
Other than acceptance	676,171,151	203,316,906
TOTAL :	<u>698,654,300</u>	<u>233,303,964</u>

7.00 TRADE PAYABLES:

Particulars	As at 31/03/2012	As at 31/03/2011
- Micro Small and Medium Enterprises	-	-
- Others	698,654,300	233,303,964
TOTAL :	<u>698,654,300</u>	<u>233,303,964</u>

7.02 The details of amount outstanding to Micro Small and Medium Enterprises is based on available information with the Company.

8.00 OTHER CURRENT LIABILITIES

Particulars	As at 31/03/2012	As at 31/03/2011
Current maturities of Long Term Debt - St Bank of India (12 Month)	86,988,000	75,648,000
Current maturities of Long Term Debt - State Bank of Indore	9,474,000	9,474,000
Current maturities of Long Term Debt - HDFC Car Loan	-	180,156
Current maturities of Long Term Debt - Kotak Mahindra Car Loan	192,651	884,779
Creditors for Capital Expenditures -	7,602,655	10,696,693
Other Payable - include Statutory dues Deposit & Advances etc	667,663	450,754
TOTAL :	<u>104,924,969</u>	<u>97,334,382</u>

9.00 SHORT TERM PROVISIONS:

Particulars	As at 31/03/2012	As at 31/03/2011
Provision for Income Tax (Current. Year)	4,482,110	12,871,044
Provision for Income Tax (Old)	-	15,891,344
Proposed Dividend	-	-
Tax on Dividend	-	2,095,426
TOTAL :	<u>4,482,110</u>	<u>30,857,814</u>

10.00 FIXED ASSETS:

Particulars	As at 31/03/2012	As at 31/03/2011
Gross Block	1,207,610,915	829,073,715
Less Accumulated Depreciation	131,344,302	87,265,581
Net Block	1,076,266,613	741,808,134
Capital Work in Progress	285,880	36,210,684
TOTAL :	<u>1,076,552,493</u>	<u>778,018,818</u>

Notes on Financial Statements for the Year ended 31st March 2012

NOTE : 10 : FIXED ASSETS

(Amt. in Rs.)

Description of Assets	Gross Block			Depreciation / Amortisation			Net Block			
	As at 01.04.2011	Additions during the year	Deductions during the year	As at 31.03.2012	Up to 31.03.2011	Adjustments	Provided for the period ended 31.03.2012	Total Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
TANGIBLE ASSETS:										
OWN ASSETS:										
Plot At Wada	-	5,452,160	-	5,452,160	-	-	-	-	5,452,160	-
Factory Building	57,836,111	-	-	57,836,111	7,515,759	-	1,931,726	9,447,485	48,388,626	50,320,352
Factory Building Unit 2 (N-66)	111,199,861	82,983,924	-	194,183,785	7,833,907	-	9,056,276	16,890,183	177,293,602	103,365,954
Godowns	3,530,560	-	-	3,530,560	403,688	-	57,548	461,236	3,069,324	3,126,872
Office Premises	3,325,000	-	-	3,325,000	414,181	-	54,198	468,378	2,856,622	2,910,821
Staff Quarters	649,200	-	-	649,200	34,507	-	10,582	45,089	604,111	614,693
Plot at Palghar	-	-	-	-	-	-	-	-	-	-
Plant & Machinery	254,893,327	147,245	-	255,040,572	46,701,745	-	12,072,721	58,774,466	196,266,106	208,191,582
Plant & Machinery Expansion (Unit 2)	181,081,176	-	-	181,081,176	18,128,237	-	8,601,356	26,729,593	154,351,583	162,952,939
Plant & Machinery Expansion 2 (Unit 2)	192,318,179	282,728,732	-	475,046,911	775,859	-	10,818,212	11,594,071	463,452,839	191,542,320
Electrical Installations	6,344,818	102,760	-	6,447,578	1,456,274	-	405,279	1,861,553	4,586,025	4,886,544
Electrical Installation Unit 2	2,075,227	5,736,758	-	7,811,985	195,005	-	99,133	294,138	7,517,847	1,880,223
Vehicle	6,154,610	331,570	2,261,977	4,224,203	1,381,128	560,973	494,887	1,315,042	2,909,161	4,773,482
Furniture & Fixtures	2,928,357	423,127	-	3,351,484	640,595	-	190,189	830,784	2,520,700	2,287,762
Furniture & Fixture Unit 2	352,630	1,493,568	-	1,846,198	46,895	-	24,109	71,004	1,775,194	305,735
Other Assets	1,803,428	574,841	-	2,378,269	119,820	-	94,629	214,449	2,163,820	1,683,608
Air Conditioner & Refrigerator	587,778	242,501	-	830,279	72,848	-	34,116	106,964	723,315	514,930
Computers	3,993,453	581,991	-	4,575,444	1,545,134	-	694,732	2,239,866	2,335,578	2,448,319
Sub-Total : A :	829,073,715	380,799,177	2,261,977	1,207,610,915	87,265,583	560,973	44,639,692	131,344,302	1,076,266,613	741,808,134
INTANGIBLE ASSETS:										
Software	-	-	-	-	-	-	-	-	-	-
Sub-Total : B :	-	-	-	-	-	-	-	-	-	-
TOTAL (A + B) :	829,073,715	380,799,177	2,261,977	1,207,610,915	87,265,583	560,973	44,639,692	131,344,302	1,076,266,613	741,808,134
PREVIOUS YEAR:	632,081,066	197,385,529	392,880	829,073,715	58,208,232	-	29,057,349	87,265,581	741,808,134	573,872,834
Capital Work in Progress (Expansion)	36,210,684	479,877,477	515,802,281	285,880	-	-	-	-	285,880	36,210,684
Total	865,284,399	860,676,654	518,064,258	1,207,896,795	87,265,583	560,973	44,639,692	131,344,302	1,076,552,493	778,018,818

Notes on Financial Statements for the Year ended 31st March 2012

11.00 NON CURRENT INVESTMENTS:

11.01 Trade Investments

In Equity Shares - Wholly own Subsidiaries Unquoted Fully paid up

	As at 31/03/2012	As at 31/03/2011
Number Name of Company		
2145270 Ramshyam Textile Ind. Ltd.	313,577,700	63,577,700
2824980 First Winner Lifestyle Ltd..	312,999,800	242,999,800
1224980 Pal Trading Co. Pvt. Ltd.	165,599,800	105,599,800
Sub-Total : a	<u>792,177,300</u>	<u>412,177,300</u>
In Equity Shares - Associate Company Unquoted Fully paid up		
475000 Solitaire Texfeb & Traders Pvt. Ltd.	47,500,000	47,500,000
Sub-Total : b :	<u>47,500,000</u>	<u>47,500,000</u>

11.02 Other Investments

	As at 31/03/2012	As at 31/03/2011
In Mutual Fund - Quoted fully paid up		
4000 SBI Infrastructure Fund	40,000	40,000
5000 SBI Capital Protection Oriented Fund	50,000	50,000
1000 SBI One India Fund	10,000	10,000
2500 UTI Infrastructure	25,000	25,000
4500 UTI Wealth Builder Fund Series II	45,000	45,000
Sub-Total : c :	<u>170,000</u>	<u>170,000</u>
Total Non Current Investment (a+b+c) :	<u>839,847,300</u>	<u>459,847,300</u>
Aggregate Amount of quoted investments	170,000	170,000
Market Value of quoted Investments	238,617	256,516
Aggregate Amount of unquoted investments	839,677,300	459,677,300

12.00 LONG TERM LOANS AND ADVANCES:

	As at 31/03/2012	As at 31/03/2011
(Unsecured and Considered Good)		
Advances for Capital Goods (Expansion)	-	231,079,662
Advances for Property (Capital Nature)	16,876,806	14,785,597
Other Loans and Advances		
- Advances for Expenses	462,247	517,299
- Advances for Rent	52,183	99,812
- Advances Others	14,024,909	14,825,246
- Staff Advances	738,735	878,916
- Sundry Deposits	3,528,100	3,041,647
TOTAL:	<u>35,682,980</u>	<u>265,228,179</u>

Notes on Financial Statements for the Year ended 31st March 2012

12.01 ADVANCES GIVEN TO RELATED PARTIES - NATURE OF ADVANCE Nil Nil

13.00 NON CURRENT ASSETS

	As at 31/03/2012	As at 31/03/2011
Unamortized Expenses:		
Current portion of Share issue expenses	630,000	790,449
TOTAL:	630,000	790,449

14.00 INVENTORIES

	As at 31/03/2012	As at 31/03/2011
- Raw Material	5,170,051	493,424
- Finished Goods	88,876,927	121,802,915
TOTAL:	94,046,978	122,296,339

14.01 ITEM WISE / VALUE WISE Finished Goods

	As at 31/03/2012	As at 31/03/2011
Finished Goods		
Traded Goods	72,112,781	110,642,283
Readymade Garments	4,908,680	3,167,380
Mfg. Fabrics	3,309,212	450,546
Gray Fabrics	6,996,109	-
Garment Fabrics & Treams	1,550,145	7,542,706
Raw Material		
Cotton Yarn	5,170,051	493,424
TOTAL:	94,046,978	122,296,339

15.00 TRADE RECEIVABLES

	As at 31/03/2012	As at 31/03/2011
(Unsecured and Considered Good)		
Over six months	29,866,207	21,005,942
Others	1,112,739,557	592,951,610
TOTAL:	1,142,605,764	613,957,552

16.00 CASH AND BANK BALANCE

16.01 Balance with Banks

	As at 31/03/2012	As at 31/03/2011
- Balances in current A/C	5,848,543	569,075

Notes on Financial Statements for the Year ended 31st March 2012

16.02 Cash on Hand 522,489 733,370

16.03 Fixed Deposit with Bank

	As at 31/03/2012	As at 31/03/2011
- Fixed Deposit With State Bank Of India	32,195,990	10,505,567
- Fixed Deposit With State Bank Of Indore	5,175,882	4,756,402
TOTAL:	43,742,905	16,564,414

16.04 Balance with bank include the Unclaimed dividend of Rs. 0/= (Previous year Rs. 0/=)

16.05 Fixed Deposit with Banks include deposit of Rs. 4720000/= (Previous year Rs.4500000/=) with maturity less than 12 months)

17.00 SHORT TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

(Loans and Advances of nature having maturity less than 12 Month)

17.01 Advance Income Tax (Net of Provisions)

Particulars	As at 31/03/2012	As at 31/03/2011
- Advance Tax	2,000,000	3,000,000
- Tax Deducted at Sources	3,028,957	2,907,654
- I T Refund Due	2,071,383	-

17.02 Balance with M Vat authorities

Particulars	As at 31/03/2012	As at 31/03/2011
- Input Vat Receivable (Garments)	65,839	107,206
	7,166,179	6,014,860

18.00 OTHER CURRENT ASSETS

Particulars	As at 31/03/2012	As at 31/03/2011
- Stores & Spares (Stock)	12,951,489	549,135
	12,951,489	549,135

19.00 REVENUE FROM OPERATIONS:

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Sale of Products		
- Finished Goods	104,305,803	4,184,282
- Traded Goods	3,113,857,157	2,852,287,995
Income from Services	273,176,661	241,790,123
TOTAL:	3,491,339,621	3,098,262,400

Notes on Financial Statements for the Year ended 31st March 2012

19.01 PARTICULARS OF SALE OF PRODUCTS

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
(Break-up in major products of sale – Value – should tally with sale of products)		
Finished (Mfg. Fabric) Goods	101,375,985	4,184,282
Traded (Fabric) Goods	3,096,135,156	2,850,543,835
Garments	21,543,631	1,744,160
Job Work Charges Received	272,284,849	241,790,123
TOTAL:	3,491,339,621	3,098,262,400

20.00 OTHER INCOME:

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Interest From Current Investment		
F.D. Interest	2,213,890	990,486
Other non-operating income		
Discount Received	902,978	587,330
Insurance Claim Received	8,722	5,589
Sale of Scrap	552,079	563,603
Profit on sale of Spot	–	3,120
TOTAL:	3,677,669	2,150,128

21.00 COST OF MATERIAL CONSUMED

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Inventories of Raw material (At commencement)	493,424	786,036
Add: Purchases		
– Indigenous	3,093,237,870	2,897,636,177
– Imported	–	–
Sub-Total :	3,093,731,294	2,898,422,213
Less: Purchase Incentives	–	2,143,130
Inventories of Raw Material (At close)	5,170,051	493,424
TOTAL :	3,088,561,243	2,895,785,659

22.00 CHANGES IN INVENTORIES OF FINISHED GOODS

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Inventories Goods (At close)		
– Finished Goods	88,876,927	121,802,915
Inventories Goods (At commencement)		
– Finished Goods	121,802,915	25,805,227
TOTAL :	32,925,987	(95,997,688)

Notes on Financial Statements for the Year ended 31st March 2012

23.00 EMPLOYEE BENEFITS EXPENSE:

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Salaries & Wages	33,381,632	23,098,012
Contribution to Provident Fund & Other funds	1,170,904	785,672
Staff Welfare Expenses	4,260,026	2,847,445
TOTAL :	38,812,562	26,731,129

24.00 FINANCE COSTS

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Interest Expenses		
Bank Interest on CC A/c.	41,673,945	33,589,427
Bank Interest on SLOC A/c.		199,589
Bank Interest on Term Loan	11,264,757	9,446,785
Interest On Car Loan	102,430	185,435
L C Discounting Charges	4,994,202	1,137,631
Bank Charges	534,731	502,519
Loan Processing Charges Mortgage Charges etc	1,200,000	1,788,032
Bank Commission	1,557,675	1,106,175
TOTAL :	61,327,739	47,955,593

25.00 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Depreciation & Amortization Expenses	44,639,692	29,057,353
Preliminary Expenses Written off	160,449	571,352
TOTAL :	44,800,141	29,628,705

26.00 OTHER EXPENSES

26.01 Manufacturing Expenses

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Beam Draping Charges	24,795	5,220
Beam Drawing Charges	1,884,389	1,504,974
Beam Gaiting Exp	1,804,260	468,100
Beam Leasing Charges	641,316	556,521
Beam Piecing Charges	294,203	211,857
Boiler Water & Liquid Oxygen	131,322	147,963
Designing Charges	68,885	38,850
Diesel & Petrol (DG Set)	504,135	683,507
Electricity Exp.	20,614,734	14,890,807
Furness Oil	17,690,051	7,984,690
Garment Material Exp.	480,236	922,562
Job Work Process & Washing Charges (Garments)	5,071,366	819,484
Job Work Charges Paid	112,729,028	45,966,297

Notes on Financial Statements for the Year ended 31st March 2012

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Labeling Exp.	128,566	723,275
Labour Charges		403,859
Loading & Unloading Charges	101,408	133,500
Mending Charges	1,043,776	1,103,075
Other Direct Expenses	4,935,815	15,892,200
Packing Charges	1,278,805	838,795
Piecing Charges	5,472	–
Reckoning Charges	13,289	–
Coning Charges	119,947	
Stores & Spares Used	14,743,433	17,114,452
Testing Fees	5,236	5,570
Warping Charges		2,550
Water Charges	934,428	93,753
Sub-Total	185,248,895	110,511,861

26.02 Export Expenses

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Agency Charges	15,619	–
Freight Charges (Export)	206,562	–
Other Service Charges	40,758	–
Sub-Total	262,939	–

26.03 Selling & Distribution Expenses

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Advertisement Exp.	1,003,578	2,164,994
Business Promotion Expenses	1,179,724	1,527,008
Coolie & Cartage Expenses	723,467	180,922
Discount & Brokerage Claim Rebate Paid	3,210,088	1,715,179
Display Material	–	47,835
Rate Difference	27,706	69,190
Sampling Exp.	84,635	221,461
Transportation Charges	365,006	334,314
Sub-Total	6,594,204	6,260,903

Notes on Financial Statements for the Year ended 31st March 2012

26.04 Establishment Expenses

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
AMC Charges	276,617	149,082
Annual General Meeting Exp.	–	6,000
Audit Fees & Other charges	132,416	120,665
BSE Fees	–	93,204
Computer Expenses	91,779	180,849
Conveyance Expenses	321,087	1,874,416
Courier & Postage Charges	211,827	210,099
Custodial Fees	–	77,210
Directors' Remuneration	2,100,000	2,100,000
Keyman Insurance	483,964	
Donation	52,000	1,506,719
Loss on Sale of Car	676,004	
Electricity Exp	433,553	410,826
Franking Exp	11,820	157,540
Grampanchayat Tax	61,544	61,544
House Keeping Charges	222,601	208,777
Inspection charges	180,648	75,766
Insurance Charges	573,920	435,510
Internet Expenses	247,004	181,539
License Fees & Registration Fees	125,505	41,100
Membership & Subscription Exp.	20,626	60,507
NSDL Fees	59,562	3,309
Stock Exchange Listing Fees	473,855	104,785
Office & General Expenses	321,081	307,536
Petrol Expenses	302,125	448,545
Pooja Expenses	14,262	25,223
Printing & Stationery Charges	497,938	1,377,767
Professional Fees	973,817	3,823,563
Professional Tax	2,500	5,000
Repairs & Maintenance Expenses	2,103,917	2,038,932
ROC Fees	3,500	3,000
Room Rent & Society Maintenance	792,371	1,011,673
Shop & Establishment Exp. (License Fees)	7,240	2,440
Sitting Fees Charges	190,000	190,000
Software Exp.	5,100	2,500
Stamp Duty Charges	1,120,500	–
Sundry Debtors W/off	–	46,338
Telephone Charges	397,983	391,287
Travelling Expenses	528,369	659,857
Vehicle Expenses	203,284	244,715
Sub-Total	<u>14,220,318</u>	<u>18,637,822</u>
Total	<u>206,326,356</u>	<u>135,410,586</u>

Notes on Financial Statements for the Year ended 31st March 2012

26.05 VALUE OF RAW MATERIAL STORES PACKING MATERIAL CONSUMED

	Year: 2011-12		Year: 2010-11	
	Rs.	% of Consumption	Rs.	% of Consumption
Imported	–		–	
Indigenous	3,104,583,481	100.00%	2,913,738,906	100.00%
Total	<u>3,104,583,481</u>		<u>2,913,738,906</u>	

26.06 PAYMENT TO AUDITORS AS:

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
a) Auditors		
– Statutory Audit Fees	111,150	100,000
– Tax Audit Fees	21,266	20,665
b) Certification and Consultation Fees	68,605	42,060
TOTAL:	<u>201,021</u>	<u>162,725</u>

26.07 EXPENDITURE IN FOREIGN CURRENCY

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Capital Expenditure	73,043,705	246,579,175
Foreign Travel	14,393	373,380
TOTAL:	<u>73,058,098</u>	<u>246,952,555</u>

26.08 EARNINGS IN FOREIGN CURRENCY

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Revenue from Exports on FOB Basis	6,498,800	–
TOTAL:	<u>6,498,800</u>	<u>–</u>

26.09 MANEGERIAL REMUNERATION

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Director's Remuneration	2,100,000	2,100,000
Sitting fees to Directors	190,000	190,000
TOTAL:	<u>2,290,000</u>	<u>2,290,000</u>

26.10 EARNING PER SHARE

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Net Profit after Tax as per statement of Profit & Loss account attributable to Equity Share holder	10,192,156	27,084,068
Total No. of Shares Outstanding	50,232,793	25,232,793
Weighted Avg no. of Shares Outstanding	32,219,094	20,857,793
EPS	0.20	1.07
Diluted EPS	0.32	1.30

Notes on Financial Statements for the Year ended 31st March 2012

26.11 Discloser pursuant to Accounting Standard (AS) 15 (Revised) Employee Benefits

Short term employee benefits

The short term employee benefits payable wholly within twelve months of rendering service are classified as short term employee benefits. This benefits include compensated absence such as paid annual leave and sickness leave.

The undisclosed amount of short term employee benefits expected to be paid in exchange for the services rendered by employees recognized as an expense during the period.

Long Term Employee Benefits

The Company deposits the Provident fund liabilities regularly, as per the Provident Fund Act. The Company accounts the Gratuity on actual basis. No provision is made for outstanding Gratuity liability.

26.12 Segment Information:

The Company is considered to be a single segment company, engaged in business of Trading in Fabrics & Job work of weaving of fabrics. Consequently, the Company has in its primary segment only one reportable business segment. As per Accounting Standard – 17 “Segment Reporting”, if a Company is having single Segment the financial statement needed be presented only on the basis of financial statements. Accordingly, the information required to be presented under AS 17 “Segment Reporting” has been given in financial statements.

26.13 Related Party Transactions:

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 in Lakhs
Rinku I. Patodia	Managing Director	Director's Remuneration	12.00
Anita R. Patodia	Executive Director	Director's Remuneration	9.00
Ramshyam Textile Industries Ltd.	Subsidiary Company	Corporate Guarantee given	5,190.47
Ramshyam Textile Industries Ltd.	Subsidiary Company	Job Work Charges	
		Received	44.48
		Paid	18.43
First Winner Lifestyle Ltd.	Subsidiary Company	Corporate Guarantee given	3,487.43
First Winner Lifestyle Ltd.	Subsidiary Company	Job Work Charges	
		Received	215.55
		Paid	338.40

26.14 Contingent Liabilities

Particulars	– [Rupees in Lakhs] –		
	31/03/2012	31/03/2011	31/03/2010
a) Bank Guarantees	124.54	118.71	39.00
b) Corporate Guarantees given to bankers on behalf on subsidiary company:			
Ramshyam Textile Industries Ltd.	5,190.47	1,836.00	1,088.00
First Winner Lifestyle Pvt. Ltd.	3,487.43	4,689.00	4,486.00

26.15 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	Unit	31/03/2012	31/03/2011
A. Licensed Capacity	Meters in lacs	232.42	232.42
B. Installed Capacity	Meters in lacs	232.42	232.42
C. Actual Utilization of Capacity	Meters in lacs	146.10	142.81

26.16 The adoption of the Revised Schedule-VI does not impact recognition and measurement principles followed for preparation of Financial Statements and has no significant impact on the disclosures made in the Financial statement.

All Assets and Liabilities have been classified as Current or Non-Current as per the Company's normal operating cycles and other criteria set out in the Revised Schedule – VI to the Companies Act 1956, which is applicable from the Current year ended 31st March 2012.

26.17 Further the Board confirms that all transactions in which supporting evidence are missing are genuinely occurred for the business. No personal expenses of the directors are debited to any accounts.

26.18 Previous Year Regrouping

Previous year 's figures have been regrouped / restated wherever necessary to confirm to current years' Classification as per the Revised Schedule-VI notified under The Companies Act, 1956 which is applicable from the Current year.

As per our Report of even date

For Praful M Joshi
Chartered Accountant
[FRN : 108056W]

For DESHMUKH & ASSOCIATES
Chartered Accountants
[FRN : 102375W]

For **First Winner Industries Limited**

Director

Director

[PRAFUL M JOSHI - Proprietor]
Membership No. 100/030276

[Deepen M Kapadia - Partner]
Membership No. 112565

Company Secretary

Place : Mumbai
Date : 31/08/2012

Place : Mumbai
Date : 31/08/2012

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, 2012, the Consolidated Statement of Profit and Loss 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, 2012 ;
 - (b) In case of the consolidated Statement Profit and Loss, 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

For Deshmukh & Associates
Chartered Accountants

(Praful M. Joshi)
Proprietor
Mno. 30276

(Deepen Kapadia)
Partner
Mno. 112565

Place : Mumbai

Date : 31/08/2012

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2012

Note No.	PARTICULARS	As at 31/03/2012	As at 31/03/2011
EQUITY AND LIABILITIES			
Shareholders' funds			
2	Share capital	502,327,930	252,327,930
3	Reserves and surplus	1,580,052,296	1,301,386,810
	Sub-total	2,082,380,226	1,553,714,740
	Share application money pending allotment	2,500,000	75,000,000
	Sub-total	2,084,880,226	1,628,714,740
Non-current liabilities			
	Minority Interest	19,349	19,124
4	Long-term borrowings	608,735,984	433,288,409
5	Deferred tax liabilities (net)	144,439,255	131,340,621
6	Other long-term liabilities	50,000	50,000
	Sub-total	753,244,588	564,698,154
Current liabilities			
7	Short-term borrowings	881,542,865	647,593,411
8	Trade payables	1,780,034,314	680,654,524
9	Other current liabilities	204,256,792	151,347,912
10	Short-term provisions	37,018,659	74,304,796
	906,307,233 Sub-total	2,902,852,630	1,553,900,644
	TOTAL	5,740,977,445	3,747,313,538
ASSETS			
Non-current assets			
11	Fixed assets		
	Tangible assets	1,565,104,614	1,279,631,543
	Capital work-in-progress	39,959,118	36,210,684
	Sub-total	1,605,063,732	1,315,842,227
12	Non-current investments	82,990,000	79,490,000
13	Long-term loans and advances	492,859,023	273,671,947
14	Other non-current assets	731,461	1,110,345
	Sub-total	576,580,484	354,272,292
Current assets			
	Current investments		
15	Inventories	221,623,543	263,530,510
16	Trade receivables	3,202,673,777	1,702,856,646
17	Cash and Bank Balance	66,737,935	48,063,737
18	Short-term loans and advances	41,018,463	46,433,008
19	Other current assets	27,279,511	16,315,118
	Sub-total	3,559,333,229	2,077,199,019
	TOTAL	5,740,977,445	3,747,313,538

1 Accompanying Notes are an integral part of the financial statements

As per our Report of even date

For Praful M Joshi
Chartered Accountant
[FRN : 108056W]

For DESHMUKH & ASSOCIATES
Chartered Accountants
[FRN : 102375W]

For **First Winner Industries Limited**

Director

Director

[PRAFUL M JOSHI - Proprietor]
Membership No. 100/030276

[Deepen M Kapadia - Partner]
Membership No. 112565

Company Secretary

Place : Mumbai
Date : 31/08/2012

Place : Mumbai
Date : 31/08/2012

STATEMENT OF PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31st MARCH 2012

Note No.	PARTICULARS	YEAR ENDED 31/03/2012	YEAR ENDED 31/03/2011
A	INCOME FROM OPERATIONS		
20	Revenue from operations	9,661,097,794	7,950,517,702
21	Other income	7,282,203	4,803,961
	TOTAL REVENUE:	9,668,379,997	7,955,321,663
	EXPENDITURE		
22	Cost of Sales	8,987,267,860	7,564,704,175
23	Changes in inventories of Finished Goods	46,583,594	(168,420,911)
24	Employee benefits expense	63,685,865	49,013,223
25	Finance costs	170,367,091	117,189,484
26	Depreciation and amortization expense	72,102,863	57,719,170
27	Other expenses	280,013,707	218,532,512
	TOTAL EXPENDITURE:	9,620,020,978	7,838,737,653
	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)	48,359,018	116,584,010
	Exceptional items	(26,000)	-
	Profit / (Loss) before extraordinary items and tax	48,333,018	116,584,010
	Extraordinary items	-	-
	Profit / (Loss) before tax	48,333,018	116,584,010
	Tax expense:		
	Current Tax		
	Current tax expense for current year (MAT)	10,098,306	25,471,334
	Current tax expense relating to prior years	1,822,001	(569,631)
	Deferred tax	13,098,635	30,306,743
	Sub-total	25,018,941	55,208,446
	Profit from continuing operations	Sub-total 23,314,077	61,375,563
B	DISCONTINUING OPERATIONS		
	Profit / (Loss) from discontinuing operations	Sub-total -	-
	Profit / (Loss) for the year	TOTAL 23,314,077	61,375,563
		271,132	
28	Earnings per Eq.Share of face value of Rs. Each.		
	Basic	0.46	2.43
	Diluted	0.72	2.94
	Earnings Per share Excluding Extraordinary Item		
	Basic	0.46	2.43
	Diluted	0.72	2.94

1 **Accompanying Notes are an integral part of the financial statements**

As per our Report of even date

For Praful M Joshi
Chartered Accountant
[FRN : 108056W]

For DESHMUKH & ASSOCIATES
Chartered Accountants
[FRN : 102375W]

For **First Winner Industries Limited**

Director

Director

[PRAFUL M JOSHI - Proprietor]
Membership No. 100/030276

[Deepen M Kapadia - Partner]
Membership No. 112565

Company Secretary

Place : Mumbai
Date : 31/08/2012

Place : Mumbai
Date : 31/08/2012

CONSOLIDATED CASH FLOW STATEMENT AS ON 31ST MARCH 2012

Particulars	As at 31.03.2012	As at 31.03.2011
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxes	48,333,018	116,584,010
Adjustments for		
Depreciation	71,779,129	56,984,530
Interest Income	(5,238,606)	(3,490,904)
Other Income	(84,500)	(108,000)
Interest Expenses	142,519,265	99,883,274
Preliminary Expenses W/off	323,734	734,639
Loss / (Profit) on Sale of Investments	26,000	-
Loss / (Profit) on Sale of Assets	676,004	(3,120)
Operating Profit Before Working Capital Changes	258,334,044	270,584,429
(Increase) / Decrease in Inventories	41,906,967	(167,984,699)
(Increase) / Decrease in Trade Receivables	(1,499,817,131)	(107,183,947)
(Increase) / Decrease in Short Term Loans & Advances	28,002,592	(5,495,898)
(Increase) / Decrease in Other Current assets	(10,964,393)	(4,297,343)
Increase / (Decrease) in Trade Payables	1,099,379,790	(93,927,217)
Increase / (Decrease) in short Term Borrowings	233,949,454	469,451,864
Increase / (Decrease) in Other Current Liabilities	52,908,880	34,971,151
Increase / (Decrease) in Provisions	(42,032,810)	(32,071,625)
Cash generated from Operations	161,667,394	364,046,715
Income Tax Paid	(24,410,048)	(28,416,638)
Net Cash from Operating Activities	137,257,346	335,630,077
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases/Additions of Fixed Assets	(394,046,488)	(240,052,162)
Sale proceeds of Assets Sold	1,025,000	396,000
Sale proceeds of Investments Sold	974,000	-
Subsidy Received on Assets	31,400,000	-
(Purchase) / Sales of Investments	(4,500,000)	(1,650,000)
Preliminary Expenses Incurred	-	(1,129,150)
Interest Income Earned	5,238,606	3,490,904
Rental Income	84,500	108,000
Net cash used in Investing Activities	(359,824,382)	(238,836,408)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issuance of Share Capital	425,000,000	156,500,120
Share Application Money Received	2,500,000	75,000,000
Interest Expenses on Long Term Borrowings	(142,519,265)	(99,883,274)
Increase in long Term Advances & Deposits	(219,187,076)	(212,479,681)
Increase in long Term Fixed Deposits	(15,549,072)	(14,172,208)
Dividend Paid	-	(10,338,995)
Proceeds from Long Term Borrowings	175,447,575	7,070,857
Net Cash from Financing Activities	225,692,162	(98,303,181)
Net Increase / (Decrease) in Cash & equivalents	3,125,124	(1,509,512)
Cash & Equivalents at the beginning of the year	2,673,949	4,183,461
Cash & equivalents at the end of the year	5,799,073	2,673,949

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

For Praful M Joshi
Chartered Accountant
[FRN : 108056W]

For DESHMUKH & ASSOCIATES
Chartered Accountants
[FRN : 102375W]

For First Winner Industries Limited

Director

Director

[PRAFUL M JOSHI - Proprietor]
Membership No. 100/030276

[Deepen M Kapadia - Partner]
Membership No. 112565

Company Secretary

Place : Mumbai
Date : 31/08/2012

Place : Mumbai
Date : 31/08/2012

Notes on Consolidated Financial Statements for the Year ended 31st March 2012

1.00 SIGNIFICANT ACCOUNTING POLICIES

1.01 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.

1.02 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.

1.03 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.

a 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.

b Interest

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

c Dividends

Revenue is recognized as and when received

1.04 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

1.05 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

1.06 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.

1.07 Investment:

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

1.08 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.

1.09 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 & when incurred.

1.10 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.

Notes on Financial Statements for the Year ended 31st March 2012

1.11 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.

1.12 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.

1.13 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

1.14 Intangible Assets :

Intangible assets are capitalized if specific criteria are met and are amortized 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.

1.15 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.

1.16 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.

2.00 SHARE CAPITAL

Particulars	As at 31/03/2012	As at 31/03/2011
2.01 Authorized Share Capital		
51,000,000 Equity shares of Rs. 10/- each with voting rights (P.Y. 35,000,000)	<u>510,000,000</u>	<u>350,000,000</u>
	<u>510,000,000</u>	<u>350,000,000</u>
2.02 Issued Subscribed and Paid up		
50,232,793 Equity shares of Rs. 10/- each with voting rights (PY 25,232,793)	<u>502,327,930</u>	<u>252,327,930</u>
TOTAL :	<u>502,327,930</u>	<u>252,327,930</u>

2.03 Details of Shares held by Share holders holding more than 5% of the aggregate shares in the company

Particulars	As at 31st March 2012		As at 31st March 2011	
	Number of Share	% held	Number of Share	% held
Name of the Share Holders				
Rinku Patodia	3527505	7.02%	3527505	13.98%
Anita Patodia	2435130	4.85%	2435130	9.65%
Solitaire Texfab & Traders Pvt. Ltd.	3865865	7.70%	1165865	4.62%
Rikosh Fashions Pvt. Ltd.	3806500	7.58%	1106500	4.39%
Bhagwat Textiles Pvt. Ltd.	3800000	7.56%	1100000	4.36%
Starwood Exports Pvt. Ltd.	3712100	7.39%	1012100	4.01%
First Winner Textile (India) Pvt. Ltd.	3700000	7.37%	1000000	3.96%

Notes on Consolidated Financial Statements for the Year ended 31st March 2012

2.04 The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31st March 2012		As at 31st March 2011	
	Number of Share	Amount	Number of Share	Amount
Eq.Sh.at the beginning of year	25232793	252,327,930	17732793	177,327,930
Add: Shares issued	25000000	250,000,000	7500000	75,000,000
Less: Shares cancelled	-	-	-	-
Eq.Sh. at the end of the year	<u>50232793</u>	<u>502,327,930</u>	<u>25232793</u>	<u>252,327,930</u>

3.00 RESERVES & SURPLUS

3.01 Securities Premium Reserves:

Particulars	As at	
	31st March 2012	31st March 2011
As per last Balance Sheet	977,304,123	752,304,003
Add: On issue of shares	250,000,000	225,000,120
Sub-Total (a) :	<u>1,227,304,123</u>	<u>977,304,123</u>

3.02 Profit & Loss Accounts:

Particulars	As at	
	31st March 2012	31st March 2011
As per last Balance Sheet	324,082,687	277,421,994
Add: Profit for the year	23,314,077	61,375,563
	<u>347,396,764</u>	<u>338,797,558</u>
Less: Appropriations:		
- Minority Interest in Curr Year's Profit	225	3,048
- Transferred to General Reserves		
- Excess Provisions for Tax of Previous years	5,351,634	-
- Proposed Dividend on Equity Shares [Dividend per Share Rs.NIL (Previous year Re.0.50)]	-	12,616,397
- Tax on Dividend	-	2,095,426
Sub-Total (b) :	<u>352,748,173</u>	<u>324,082,687</u>
TOTAL :	<u>1,580,052,296</u>	<u>1,301,386,810</u>

4.00 LONG TERM BORROWINGS:

Particulars	As at	
	31st March 2012	31st March 2011
SECURED - TERM LOANS		
From Banks		
Term Loan from State Bank of India	597,427,185	412,309,922
Term Loan from State Bank of Indore	11,308,799	20,047,952
From Financial Institutions		
Term Loan for Vehicals from Kotak	-	930,535
Sub-Total (a) :	<u>608,735,984</u>	<u>433,288,409</u>
TOTAL :	<u>608,735,984</u>	<u>433,288,409</u>

Notes on Financial Statements for the Year ended 31st March 2012

4.01 Term loan are secured by

- Term loan from State Bank of India secured by way of First Mortgage / Charge on Immovable Properties & all Plant & machinery of the company. Factories situated at C 9/1 & N/66 MIDC Tarapur Boisar Dist Thane-401506.
- Term loan from State Bank of Indore secured by way of First Mortgage / Charge on Immovable Properties & all Plant & machinery of the Company. Factory situated at C 9/1 MIDC Tarapur Boisar Dist Thane-401506. of the Company having Pari-passu Charge with State Bank of India.
- Term loan from State Bank of India secured by way of First Mortgage / Charge on Factory premises & all Plant & machinery of the Subsidiary (FWLL) company. Factory situated at C 8/1, MIDC, Tarapur, Boisar, Dist. Thane-401506.
- Term loan from State Bank of India secured by way of First Mortgage / Charge on Factory premises & all Plant & machinery of the Subsidiary (RSTIL) company. Factory situated at N-48 & Gut No.213, MIDC, Tarapur, Boisar, Dist. Thane - 401506.
- Term loan - Car from Kotak Mahindra Prime Ltd secured by way of hypothecation /Charge on Motor Vehicle.
- Term Loans from State Bank of India & State Bank of Indore are personally guaranteed by Mr. Rinku Patodia - Managing Director and Mrs. Anita Patodia - Director of the Company.

4.02 Rate of Interest & Maturity Profile of Term Loan are set out as follows:

Term Loan	Rate of Interest	2012-13	2013-14	2014-15	Beyond 4 Years
S B I	13.75%	86,988,000	86,988,000	71,194,000	84,850,000
S B I	14.70%	29,700,000	29,700,000	2,473,000	-
S B I	14.65%	30,000,000	30,000,000	30,000,000	2,500,000
S B I	13.75%	4,600,000	-	-	-
S B I	13.90%	31,111,200	62,222,400	62,222,400	124,444,000
SB Indore	13.75%	9,474,000	9,474,000	1,551,147	-

4.03 There is no default reported for Payment of Installment of Term Loan and/or payment of interest.

5.00 DEFERRED TAX LIABILITIES (Net)

Particulars	As at 31st March 2012	As at 31st March 2011
Deferred Tax Liabilities:		
- Related to Depreciation	144,439,255	131,340,621
Deferred Tax Assets:		
- Disallowances under the Income Tax Act 1961	-	-
TOTAL :	144,439,255	131,340,621

6.00 OTHER LONG TERM LIABILITIES

Particulars	As at 31st March 2012	As at 31st March 2011
Trade / security deposits received	50,000.00	50,000.00
TOTAL :	50,000.00	50,000.00

7.00 SHORT TERM BORROWINGS:

Particulars	As at 31st March 2012	As at 31st March 2011
Secured - Working Capital Loans from Banks	863,778,934	633,928,450
SLOC A/C with SBI	6,080,194	13,664,961
SOD Facility from IDBI	1,678,192	-
Unsecured Loans	10,005,545	-
TOTAL :	881,542,865	647,593,411

7.01 Working Capital Loans are secured by hypothecation of present and future stock of Raw Materials Stock-in-process Finished Goods Stores and Spares (not relating to plant & machinery) Book Debts Outstanding monies Claims Receivables bills material in transit etc.

Notes on Consolidated Financial Statements for the Year ended 31st March 2012

7.02 Working Capital Loans from State Bank of India is personally guaranteed by Mr. Rinku Patodia - Managing Director and Mrs. Anita Patodia - Director of the Company.

7.03 There is no default reported for Payment of Installment of Term Loan and/or payment of interest.

8.00 TRADE PAYABLES:

Particulars	As at 31st March 2012	As at 31st March 2011
Acceptance	149,867,985	149,905,564
Other than acceptance	1,630,166,329	530,748,960
TOTAL :	1,780,034,314	680,654,524

8.01 TRADE PAYABLES:

Particulars	As at 31st March 2012	As at 31st March 2011
- Micro Small and Medium Enterprises	-	-
- Others	1,780,034,314	680,654,524
TOTAL :	1,780,034,314	680,654,524

8.02 The details of amount outstanding to Micro Small and Medium Enterprises is based on available information with the Company.

9.00 OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2012	As at 31st March 2011
Current maturities of Long Term Debt - St Bank of India (12 Month)	182,399,200	127,458,012
Current maturities of Long Term Debt - State Bank of Indore	9,474,000	9,474,000
Current maturities of Long Term Debt - HDFC Car Loan	-	180,156
Current maturities of Long Term Debt - Kotak Mahindra Car Loan	715,585	1,628,070
Creditors for Capital Expenditures -	8,301,506	10,697,466
Other Payable - include Statutory dues Deposit & Advances etc	3,366,501	1,910,208
TOTAL :	204,256,792	151,347,912

10.00 SHORT TERM PROVISIONS:

Particulars	As at 31st March 2012	As at 31st March 2011
Provision for Income Tax (Current. Year)	10,098,306	21,677,750
Provision for Income Tax (Old)	26,920,353	50,531,620
Proposed Dividend	-	-
Tax on Dividend	-	2,095,426
TOTAL :	37,018,659	74,304,796

11.00 FIXED ASSETS:

	As at 31st March 2012	As at 31st March 2011
Gross Block	1,809,315,237	1,452,624,009
Less Accumulated Depreciation	244,210,622	172,992,466
Net Block	1,565,104,614	1,279,631,543
Capital Work in Progress	39,959,118	36,210,684
TOTAL :	1,605,063,732	1,315,842,227

Notes on Financial Statements for the Year ended 31st March 2012

NOTE : 11 : FIXED ASSETS

Description of Assets	Gross Block			Depreciation / Amortisation			Net Block			
	As at 01.04.2011	Additions during the year	Deductions during the year	As at 31.03.2012	Up to 31.03.2011	Adjustments	Provided for the period ended 31.03.2012	Total Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
TANGIBLE ASSETS:										
OWN ASSETS:										
Air Conditioner & Refrigerator	833,891	397,001	-	1,230,892	96,420	-	50,258	146,679	1,084,213	737,471
Computers	5,872,501	610,791	-	6,483,292	2,916,641	-	1,001,418	3,918,059	2,565,233	2,955,860
Electrical Installations	14,218,722	6,921,753	-	21,140,475	2,716,726	-	843,897	3,560,623	17,579,852	11,501,996
Factory Buildings	297,901,196	82,983,924	-	380,885,120	27,436,740	-	15,292,101	42,728,841	338,156,279	270,464,456
Furniture & Fixtures	5,996,205	1,965,195	-	7,961,400	1,157,355	-	387,229	1,544,584	6,416,816	4,838,850
Godowns & Office Premises	16,961,262	724,714	-	17,685,976	1,177,117	-	279,358	1,456,475	16,229,501	15,784,145
Office Equipments	201,462	-	-	201,462	45,638	-	9,570	55,208	146,254	155,824
Other Assets	1,959,203	574,841	-	2,534,044	139,427	-	102,028	241,455	2,292,589	1,819,776
Plant & Machinery	1,096,983,982	282,875,977	31,400,000	1,348,459,959	134,820,152	-	52,671,121	187,491,272	1,160,968,684	962,163,830
Plot at Palghar	-	-	-	-	-	-	-	-	-	-
Plot At Wada	-	7,182,920	-	7,182,920	-	-	-	-	7,182,920	-
Plot At Wad	-	1,867,470	-	1,867,470	-	-	-	-	1,867,470	-
Staff Quarters	649,200	-	-	649,200	34,507	-	10,582	45,089	604,111	614,693
Television	18,000	103,900	-	121,900	7,263	-	3,312	10,575	111,325	10,737
Vehicle	11,028,388	4,144,719	2,261,977	12,911,130	2,444,482	560,973	1,128,255	3,011,764	9,899,366	8,583,906
Sub-Total : A :	1,452,624,012	390,353,205	33,661,977	1,809,315,240	172,992,468	560,973	71,779,129	244,210,624	1,565,104,614	1,279,631,544
INTANGIBLE ASSETS:										
Software	-	-	-	-	-	-	-	-	-	-
Sub-Total : B :	-	-	-	-	-	-	-	-	-	-
TOTAL (A + B) :	1,452,624,012	390,353,205	33,661,977	1,809,315,240	172,992,468	560,973	71,779,129	244,210,624	1,565,104,614	1,279,631,544
PREVIOUS YEAR:										
Capital Work In Progress (Expansion)	36,210,684	519,550,715	515,802,281	39,959,118	-	-	-	-	39,959,118	36,210,684
Total	1,488,834,696	909,903,920	549,464,258	1,849,274,358	172,992,468	560,973	71,779,129	244,210,624	1,605,063,732	1,315,842,228

Notes on Consolidated Financial Statements for the Year ended 31st March 2012

12.00 NON CURRENT INVESTMENTS:

12.01 Trade Investments

	As at 31st March 2012	As at 31st March 2011
In Equity Shares - Associate Company Unquoted Fully paid up		
630,000 Rikosh Fashions Pvt Ltd	31,650,000	31,650,000
475,000 Solitaire Texfeb & Traders Pvt. Ltd.	47,500,000	47,500,000
Sub-Total : a :	<u>79,150,000</u>	<u>79,150,000</u>

12.02 Other Investments

	As at 31st March 2012	As at 31st March 2011
In Mutual Fund - Quoted fully paid up		
4000 SBI Infrastructure Fund	40,000	40,000
5000 SBI Capital Protection Oriented Fund	50,000	50,000
1000 SBI One India Fund	10,000	10,000
350000 SBI Debt Fund Series	3,500,000	-
5000 UTI Infrastructure	50,000	50,000
10000 UTI India Lifestyle Fund (G)	100,000	100,000
9000 UTI Wealth Builder Fund Series II	90,000	90,000
	<u>3,840,000</u>	<u>340,000</u>
Total Non Current Investment (a+b) :	<u>82,990,000</u>	<u>79,490,000</u>
Aggregate Amount of quoted investments	3,840,000	340,000
Market Value of quoted Investments	3,840,000	340,000
Aggregate Amount of unquoted investments	79,150,000	79,150,000

13.00 LONG TERM LOANS AND ADVANCES:

	As at 31st March 2012	As at 31st March 2011
(Unsecured and Considered Good)		
Advances for Capital Goods (Expansion)	279,579,958	231,492,896
Advances for Property (Capital Nature)	16,876,806	14,785,597
Other Loans and Advances		
- Advances for Expenses	1,075,080	981,244
- Advances Others	178,209,254	15,170,708
- Staff Advances	861,418	975,734
- Sundry Deposits	16,256,507	10,265,768
TOTAL:	<u>492,859,023</u>	<u>273,671,947</u>

Notes on Financial Statements for the Year ended 31st March 2012

13.01 ADVANCES GIVEN TO RELATED PARTIES - NATURE OF ADVANCE

14.00 NON CURRENT ASSETS

	As at 31st March 2012	As at 31st March 2011
Unamortized Expenses:		
Current portion of Share issue expenses	731,461	1,110,345
TOTAL:	<u>731,461</u>	<u>1,110,345</u>

15.00 INVENTORIES

	As at 31st March 2012	As at 31st March 2011
- Raw Material	5,170,051	493,424
- Finished Goods	216,453,492	263,037,086
TOTAL:	<u>221,623,543</u>	<u>263,530,510</u>

15.01 ITEM WISE / VALUE WISE Finished Goods

	As at 31st March 2012	As at 31st March 2011
Finished Goods		
Traded Goods	199,689,345	251,876,454
Readymade Garments	4,908,680	3,167,380
Mfg. Fabrics	3,309,212	450,546
Gray Fabrics	6,996,109	-
Garment Fabrics & Treams	1,550,145	7,542,706
Raw Material		
Cotton Yarn	5,170,051	493,424
TOTAL:	<u>221,623,542</u>	<u>263,530,510</u>

16.00 TRADE RECEIVABLES

	As at 31st March 2012	As at 31st March 2011
(Unsecured and Considered Good)		
Over six months	49,096,375	37,585,317
Others	3,153,577,402	1,665,271,329
TOTAL:	<u>3,202,673,777</u>	<u>1,702,856,646</u>

17.00 CASH AND BANK BALANCE

17.01 Balance with Banks

	As at 31st March 2012	As at 31st March 2011
- Balances in current A/C	3,718,308	602,567

17.02 Cash on Hand

	As at 31st March 2012	As at 31st March 2011
	2,080,767	2,071,381

Notes on Consolidated Financial Statements for the Year ended 31st March 2012

17.03 Fixed Deposit with Bank

	As at 31st March 2012	As at 31st March 2011
- Fixed Deposit With State Bank Of India	50,885,033	36,142,724
- Fixed Deposit With State Bank Of Indore	10,053,827	9,247,065
TOTAL:	66,737,935	48,063,737

17.04 Balance with bank include the Unclaimed dividend of Rs. 0/= (Previous year Rs. 0/=)

17.05 Fixed Deposit with Banks include deposit of Rs. 4720000/= (Previous year Rs.4500000/=) with maturity less than 12 months)

Fixed Deposit with Banks include deposit of Rs. 13329338/= (Previous year Rs. Nil=) with maturity less than 12 months)

Fixed Deposit with Banks include deposit of Rs.50,13,427/= (Previous year Rs. 79,27,150/-) with maturity less than 12 months)

17.06 The Fixed Deposits with Bank are offered as Security for Issue of Letter of Credit and Bank Guarantee.

18.00 SHORT TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

(Loans and Advances of nature having maturity less than 12 Month)

18.01 Advance Income Tax

	As at 31st March 2012	As at 31st March 2011
- Advance Tax	10,500,000	8,300,000
- Tax Deducted at Sources	9,828,498	8,021,278
- S A Tax / Refund Due	20,624,126	29,991,640

18.02 Balance with M Vat authorities

- Input Vat Receivable (Garments)	65,839	120,090
	41,018,463	46,433,008

19.00 OTHER CURRENT ASSETS

	As at 31st March 2012	As at 31st March 2011
- Stores & Spares (Stock)	13,479,693	1,168,964
- Interest accrued on Investments & Processing Fees Receivable	-	1,497,950
- TUFF Subsidy Receivable	13,799,818	13,648,204
	27,279,511	16,315,118

Notes on Financial Statements for the Year ended 31st March 2012

20.00 REVENUE FROM OPERATIONS:

Particulars	YEAR ENDED 31/03/2012	YEAR ENDED 31/03/2011
Sale of Products		
- Finished Goods	104,305,803	4,184,282
- Traded Goods	9,103,501,263	7,500,029,410
Income from Services	453,290,728	446,304,010
TOTAL:	<u>9,661,097,794</u>	<u>7,950,517,702</u>

20.01 PARTICULARS OF SALE OF PRODUCTS

Particulars	YEAR ENDED 31/03/2012	YEAR ENDED 31/03/2011
(Break-up in major products of sale - Value - should tally with sale of products)		
Finished (Mfg. Fabric) Goods	101,375,985	4,184,282
Traded (Fabric) Goods	9,085,779,262	7,498,285,250
Garments	215,43,631	1,744,160
Job Work Charges Received	452,398,916	446,304,010
TOTAL:	<u>9,661,097,794</u>	<u>7,950,517,702</u>

21.00 OTHER INCOME:

Particulars	YEAR ENDED 31/03/2012	YEAR ENDED 31/03/2011
Interest From Current Investment		
F.D. Interest	5,238,606	3,413,403
Other non-operating income		
Discount Received	1,398,296	632,745
Insurance Claim Received	8,722	5,589
Sale of Scrap	636,579	671,603
Other income	-	80,621
TOTAL:	<u>7,282,203</u>	<u>4,803,961</u>

22.00 COST OF MATERIAL CONSUMED

Particulars	YEAR ENDED 31/03/2012	YEAR ENDED 31/03/2011
Inventories of Raw material (At commencement)	493,424	786,036
Add: Purchases		
- Indigenous	8,991,944,487	7,566,554,693
- Imported	-	-
Sub-Total :	<u>8,992,437,911</u>	<u>7,567,340,729</u>
Less: Purchase Incentives	-	2,143,130
Inventories of Raw Material (At close)	5,170,051	493,424
TOTAL:	<u>8,987,267,860</u>	<u>7,564,704,175</u>

23.00 CHANGES IN INVENTORIES OF FINISHED GOODS

Particulars	YEAR ENDED 31/03/2012	YEAR ENDED 31/03/2011
Inventories Goods (At close)		
- Finished Goods	216,453,492	263,037,086
Inventories Goods (At commencement)		
- Finished Goods	263,037,086	94,616,175
TOTAL:	<u>46,583,594</u>	<u>(168,420,911)</u>

Notes on Consolidated Financial Statements for the Year ended 31st March 2012

24.00 EMPLOYEE BENEFITS EXPENSE:

Particulars	YEAR ENDED 31/03/2012	YEAR ENDED 31/03/2011
Salaries & Wages	56,490,304	43,868,016
Contribution to Provident Fund & Other funds	2,207,102	1,603,099
Staff Welfare Expenses	4,988,459	3,542,108
TOTAL:	<u>63,685,865</u>	<u>49,013,223</u>

25.00 FINANCE COSTS

Particulars	YEAR ENDED 31/03/2012	YEAR ENDED 31/03/2011
Interest Expenses	68,009,242	48,429,385
Bank Interest on CC A/c.	43,145,725	22,727,561
Bank Interest on SLOC A/c.	13,160,221	11,374,073
Bank Interest on Term Loan	18,204,078	17,153,368
Interest On Car Loan	5,110,427	1,336,518
L C Discounting Charges	6,869,515	2,037,619
Bank Charges	2,760,537	2,984,987
Loan Processing Charges Mortgage Charges etc	3,291,675	2,746,175
Bank Commission	9,815,672	8,399,798
TOTAL:	<u>170,367,091</u>	<u>117,189,484</u>

26.00 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	YEAR ENDED 31/03/2012	YEAR ENDED 31/03/2011
Depreciation & Amortization Expenses	71,779,129	56,984,529
Preliminary Expenses Written off	323,734	734,639
TOTAL:	<u>72,102,863</u>	<u>57,719,168</u>

27.00 OTHER EXPENSES

27.01 Manufacturing Expenses

Particulars	YEAR ENDED 31/03/2012	YEAR ENDED 31/03/2011
Beam Draping Charges	24,795	5,220
Beam Drawing Charges	2,693,613	2,273,469
Beam Gaiting Charges	3,432,552	1,548,015
Beam Leasing Charges	850,049	1,039,311
Beam Piecing Charges	294,203	211,857
Boiler Water & Liquid Oxygen	131,322	147,963
Coning Charges	119,947	-
Designing Charges	68,885	38,850
Diesel & Petrol (DG Set)	504,135	683,507
Electricity Exp.	20,614,734	14,890,807
Furness Oil	17,690,051	7,984,690
Garment Material Exp.	480,236	922,562
House Keeping Exp.	9,000	164,155
Inspection Charges	-	14,400

Notes on Financial Statements for the Year ended 31st March 2012

Particulars	YEAR ENDED	YEAR ENDED
	31/03/2012	31/03/2011
Job Work Process & Washing Charges (Garments)	5,071,366	819,484
Job Work Charges Paid	136,651,177	73,990,720
Labeling Exp.	128,566	723,275
Labour Charges	-	403,859
Loading & Unloading Charges	101,408	133,500
Maharashtra Pollution Control Fees	-	50,000
Mending Charges	1,043,776	1,884,873
Mending Charges	696,765	-
Other Direct Expenses	4,968,046	20,343,276
Packing Charges	1,278,805	838,795
Piecing Charges	5,472	-
Power & Fuel	12,521,477	11,862,572
Reckoning Charges	13,289	-
Repairs & Maintenance	140,935	121,518
Stores & Spares Consumed	19,222,969	19,970,952
Testing Fees	5,236	5,570
Warping Charges	-	2,550
Water Charges	1,059,802	205,530
Sub-Total	<u>229,822,611</u>	<u>161,281,280</u>

27.02 Export Expenses

Particulars	YEAR ENDED	YEAR ENDED
	31/03/2012	31/03/2011
Agency Charges	15,619	-
Freight Charges (Export)	206,562	-
Other Service Charges	40,758	-
Sub-Total	<u>262,939</u>	<u>-</u>

27.03 Selling & Distribution Expenses

Particulars	YEAR ENDED	YEAR ENDED
	31/03/2012	31/03/2011
Advertisement Exp.	1,003,578	2,164,994
Business Promotion Expenses	1,923,524	2,643,229
Collie & Cartage	913,492	241,957
Discount & Brokerage Claim Rebate Paid	4,115,457	2,978,278
Display Material	-	47,835
Rate Difference	27,706	69,190
Sampling Exp.	84,635	221,461
Transportation Charges	365,006	334,314
Sub-Total	<u>8,433,398</u>	<u>8,701,258</u>

Notes on Consolidated Financial Statements for the Year ended 31st March 2012

27.04 Establishment Expenses

Particulars	YEAR ENDED 31/03/2012	YEAR ENDED 31/03/2011
Advertisement and Sales Promotions	666,988	100,147
AMC Charges	276,617	149,082
Annual General Meeting Exp.	-	6,000
Audit Fees & Other charges	241,406	217,178
Beam Drawing and Leasing charges	604,365	680,033
Brokerage & Commission	741,962	72,138
BSE Fees	-	93,204
Communication Costs	246,944	245,385
Computer Expenses	91,779	180,849
Conveyance Expenses	1,587,836	2,981,363
Cooliee & Cartage	36,405	-
Courier & Postage Charges	389,484	379,962
Custodial Fees	-	77,210
Directors' Remuneration	2,100,000	2,100,000
Discount Allowed, Rate Diff.	6,853	53,692
Donation	230,000	3,219,885
Electricity Exp	485,782	461,001
Franking Exp	636,010	496,090
General Exp. & Office Exp.	506,618	399,121
Grampanchayat Tax	91,944	103,144
House Keeping Charges	543,505	208,777
Inspection charges	180,648	75,766
Insurance Charges	1,164,382	868,710
Internet Expenses	247,004	181,539
Job Charges Paid	9,813,497	11,447,312
Keyman Insurance	483,964	-
Labour Charges	150,305	-
Legal & Professional Fees (ROC fees)	280,145	555,622
License Fees & Registration Fees	139,235	95,168
Loss on Sale of Car	676,004	-
Membership & Subscription	34,252	71,916
Mending Charges	148,310	269,384
Miscellaneous Expenses	38,414	1,062,046
Motor Car Expenses	155,092	206,047
NSDL Fees	59,562	3,309
Office & General Expenses	427,654	404,825
Other Direct Exp.	-	449,000
Petrol & Diesel Expenses	485,696	572,618
Pooja Expenses	87,948	94,469
Power & Fuel	3,566,995	4,100,341
Printing & Stationery Charges	835,069	1,573,980
Profession Tax	2,500	15,000
Professional Fees	1,370,482	4,235,332
Professional Tax	5,000	7,500
Rate Difference & Discount	30,755	194,429
Rent, Rates and Taxes	111,538	217,777

Notes on Financial Statements for the Year ended 31st March 2012

Particulars	YEAR ENDED	YEAR ENDED
	31/03/2012	31/03/2011
Repairs & Maintenance Expenses	2,202,026	2,137,914
Repairs & Maintenance-Building	-	418,450
Repairs & Maintenance-Others	25,091	32,916
Repairs & Maintenance-Plant and Machinery	524,602	431,804
ROC Fees	7,500	13,967
Room Rent & Society Maintenance	823,487	1,042,789
Shop & Establishment Exp. (License Fees)	7,240	2,440
Sitting Fees Charges	190,000	190,000
Software Exp.	5,100	2,500
Stamp Duty Paid	2,228,982	468,500
Stock Exchange Listing Fees	473,855	104,785
Stores & Spares Consumed	2,409,150	2,319,100
Sundry Debtors W/off	-	46,338
Telephone Charges	505,903	736,796
Travelling Expenses	1,671,973	1,342,213
Vehicle Expenses	367,327	333,113
Water Charges	73,575	-
Sub-Total	41,494,759	48,549,975
Total	280,013,707	218,532,512

27.05 VALUE OF RAW MATERIAL STORES PACKING MATERIAL CONSUMED

	Year: 2011-12		Year: 2010-11	
	Rs.	% of Consumption	Rs.	% of Consumption
Imported	-	-	-	-
Indigenous	9,012,446,261	100.00%	7,587,364,440	100.00%
Total	9,012,446,261		7,587,364,440	

27.06 PAYMENT TO AUDITORS AS:

Particulars	YEAR ENDED	YEAR ENDED
	31/03/2012	31/03/2011
a) Auditors		
- Statutory Audit Fees	111,150	100,000
- Tax Audit Fees	21,266	20,665
b) Certification and Consultation Fees	68,605	42,060
Total	201,021	162,725

27.07 EXPENDITURE IN FOREIGN CURRENCY

Particulars	YEAR ENDED	YEAR ENDED
	31/03/2012	31/03/2011
Capital Expenditure	73,043,705	246,579,175
Foreign Travel	14,393	373,380
Total	73,058,098	246,952,555

27.08 EARNINGS IN FOREIGN CURRENCY

Particulars	YEAR ENDED	YEAR ENDED
	31/03/2012	31/03/2011
Revenue from Exports on FOB Basis	6,498,800	-
Total	6,498,800	-

Notes on Consolidated Financial Statements for the Year ended 31st March 2012

27.09 MANEGERIAL REMUNERATION

Particulars	YEAR ENDED 31/03/2012	YEAR ENDED 31/03/2011
Director's Remuneration	2,100,000	2,100,000
Sitting fees to Directors	190,000	190,000
Total	<u>2,290,000</u>	<u>2,290,000</u>

27.10 EARNING PER SHARE

Particulars	YEAR ENDED 31/03/2012	YEAR ENDED 31/03/2011
Net Profit after Tax as per statement of Profit & Loss account attributable to Equity Share holder	23,314,077	61,375,563
Total No. of Shares Outstanding	50,232,793	25,232,793
Weighted Avg no. of Shares Outstanding	32,219,094	20,857,793
EPS	0.46	2.43
Diluted EPS	0.72	2.94

27.11 Discloser pursuant to Accounting Standard (AS) 15 (Revised) Employee Benefits

Short term employee benefits

The short term employee benefits payable wholly within twelve months of rendering service are classified as short term employee benefits. This benefits include compensated absence such as paid annual leave and sickness leave.

The undisclosed amount of short term employee benefits expected to be paid in exchange for the services rendered by employees recognized as an expense during the period.

Long Term Employee Benefits

The Company deposits the Provident fund liabilities regularly, as per the Provident Fund Act. The Company accounts the Gratuity on actual basis. No provision is made for outstanding Gratuity liability.

27.12 Segment Information:

The Company is considered to be a single segment company, engaged in business of Trading in Fabrics & Job Job work of weaving of fabrics. Consequently, the Company has in its primary segment only one reportable business segment. As per Accounting Standard - 17 "Segment Reporting", if a Company is having single Segment the financial statement needed be presented only on the basis of financial statements. Accordingly, the information required to be presented under AS 17 "Segment Reporting" has been given in financial statements

27.13 Related Party Transactions:

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 in Lakhs
Rinku I. Patodia	Managing Director	Director's Remuneration	12.00
Anita R. Patodia	Executive Director	Director's Remuneration	9.00
Ramshyam Textile Industries Ltd.	Subsidiary Company	Corporate Guarantee given	5,190.47
Ramshyam Textile Industries Ltd.	Subsidiary Company	Job Work Charges	
		Received	44.48
		Paid	18.43
First Winner Lifestyle Ltd.	Subsidiary Company	Corporate Guarantee given	3,487.43
First Winner Lifestyle Ltd.	Subsidiary Company	Job Work Charges	
		Received	215.55
		Paid	338.40

Notes on Financial Statements for the Year ended 31st March 2012

27.14 Contingent Liabilities

Particulars	-[Rupees in Lakhs]-		
	31/03/2012	31/03/2011	31/03/2010
a) Bank Guarantees	124.54	118.71	39.00
b) Corporate Guarantees given to bankers on behalf on subsidiary company: Ramshyam Textile Industries Ltd.	5,190.47	1,836.00	1,088.00
First Winner Lifestyle Pvt. Ltd.	3,487.43	4,689.00	4,486.00

27.15 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	Unit	31/03/2012	31/03/2011
A. Licensed Capacity	Meters in lacs	232.42	232.42
B. Installed Capacity	Meters in lacs	232.42	232.42
C. Actual Utilization of Capacity	Meters in lacs	146.10	142.81

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

Particulars	Unit	31/03/2012	31/03/2011
A. Licensed Capacity	Meters in lacs	124.42	124.42
B. Installed Capacity	Meters in lacs	124.42	124.42
C. Actual Utilization of Capacity	Meters in lacs	95.71	97.99

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

Particulars	Unit	31/03/2012	31/03/2011
A. Licenced Capacity	Meters in lacs	42.24	42.24
B. Installed Capacity	Meters in lacs	42.24	42.24
C. Actual Utilisation of Capacity	Meters in lacs	34.26	30.19

27.16 The adoption of the Revised Schedule-VI does not impact recognition and measurement principles followed for preparation of Financial Statements and has no significant impact on the disclosures made in the Financial statement.

All Assets and Liabilities have been classified as Current or Non-Current as per the Company's normal operating cycles and other criteria set out in the Revised Schedule - VI to the Companies Act 1956, which is applicable from the Current year ended 31st March 2012.

27.17 Further the Board confirms that all transactions in which supporting evidence are missing are genuinely occurred for the business. No personal expenses of the directors are debited to any accounts.

27.18 Previous Year Regrouping

Previous year 's figures have been regrouped / restated wherever necessary to confirm to current years' Classification as per the Revised Schedule-VI notified under The Companies Act, 1956 which is applicable from the Current year.

As per our Report of even date

For Praful M Joshi
Chartered Accountant
[FRN : 108056W]

For DESHMUKH & ASSOCIATES
Chartered Accountants
[FRN : 102375W]

For First Winner Industries Limited

Director

Director

[PRAFUL M JOSHI - Proprietor]
Membership No. 100/030276

[Deepen M Kapadia - Partner]
Membership No. 112565

Company Secretary

Place : Mumbai
Date : 31/08/2012

Place : Mumbai
Date : 31/08/2012

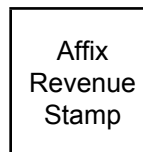
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FIRST WINNER INDUSTRIES LIMITED

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 10th Annual General Meeting of the
Company to be held on Friday, the 28th September, 2012 at 11.00 a.m. or at any adjournment thereof.



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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