

**9th Annual Report 2010-2011**

**FIRST WINNER LIFESTYLE LIMITED**

**BOARD OF DIRECTORS**

**SHRI RINKU I. PATODIA**

**SMT. ANITA R. PATODIA**

**SHRI ANIL GUPTA**

**AUDITORS**

**M/S. PRAFUL M. JOSHI**

**BANKERS**

**STATE BANK OF INDIA**

**I.F.B SAKINAKA BRANCH , ANDHERI (E)**

**MUMBAI**

**REGISTERED OFFICE**

**605, BUSINESS CLASSIC,  
CHINCHOLI BUNDER ROAD,  
MALAD (WEST), MUMBAI – 400064.**

**T. 28802255/99 Fax: 28812288**  
**e-Mail: [firstwinner@indiaitmes.com](mailto:firstwinner@indiaitmes.com)**

## **FIRST WINNER LIFESTYLE LIMITED**

### **DIRECTORS' REPORT**

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

### **FINANCIAL RESULTS**

	2010-11 Rupees	2009-2010 Rupees
Profit before depreciation and tax	63277490	62180712
Less: Depreciation	22473348	22108824
Profit after depreciation but before tax	40804142	40071888
Less: Provision for tax	8550226	6672332
Deferred tax	8299795	10970590
Fringe Benefit tax	--	--
Short provision of earlier year	--	--
Profit after tax	23954121	22428966
Add: Balance brought forward from previous year	102983233	80554267
Balance carried forward	126937354	102983233

### **DIVIDEND**

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

### **DEPOSITS**

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

### **AUDITORS' REPORT**

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

### **DISCLOSURE OF PARTICULARS**

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

### **PERSONNEL**

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

#### PARTICULARS OF EMPLOYEES

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

#### DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- i. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departure;
- ii. that the selected Accounting Policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the profit or loss of the company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. that the annual accounts have been prepared on a going concern basis.

#### AUDITORS

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

#### ACKNOWLEDGEMENT

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

For and on behalf of the Board  
For First Winner Lifestyle Limited  
Rinku Patodia  
Chairman

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

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

## **FIRST WINNER LIFESTYLE LIMITED**

Annexure to the Directors' Report

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

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

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

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

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

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

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

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

Rinku Patodia  
Chairman

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

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

## **Auditors' Report**

To

The Members of

First Winner Lifestyle Ltd.

We have audited the attached Balance Sheet of Firstwinner Lifestyle Limited [Formally known as Real Gold Exports Private Limited] as at 31<sup>st</sup> March 2011, the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order 2004 issued by Central Government of India, in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in the paragraphs 4 and 5 of the said order, to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in paragraph (1) above, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;;
  - b. In our opinion, proper books of account, as required by law have been kept by the company, so far as appears from our examination of those books;
  - c. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
  - d. In our opinion the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representation received from the Directors, as on 31<sup>st</sup> March 2011 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31<sup>st</sup> March 2011 from being appointed as a Director in terms of section 274(1)(g) of the companies Act, 1956.
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so

required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2011;
- ii) in so far as it relates to the Profit & Loss Account, of the profit for the year ended on that date.

For Praful M. Joshi  
Chartered Accountants

Place : Mumbai

Date : 30.08.2011

(Praful M. Joshi- Proprietor)  
Membership No. 100/30276

**Annexure to the Auditors Report for year ended 31<sup>st</sup> March 2011**

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

- 1 a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us the management has physically verified the fixed assets during the year and no material discrepancies were noticed on such verification.
  - c) In our opinion and as per the information and explanations given to us, the Company has not disposed off any substantial part of fixed assets during the year and the going concern status of the Company is not affected.
  
- 2 a) As explained to us, inventories have been physically verified by the management at reasonable intervals.
  - b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) On the basis of our examination of inventory records, we are of the opinion that the company is maintaining proper records of inventory. As explained to us, no material discrepancies have been noticed on physical verification of inventories as compared to book records.
  
- 3 a) The Company has not taken any loans, secured or unsecured from companies, firms or parties covered in the register maintained under section 301 of the Companies Act,1956.
  - b) The Company has not given any loans, secured or unsecured from companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956.
  
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.
  
5. a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contract or arrangements, that needed to be entered into the register maintained under section 301 of the Companies Act,1956 have been so entered.
  - b) In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and material and sale of goods, material and services made in pursuance of contract or arrangement entered in the register maintained under section 301 and aggregating during the year to Rs. 5,00,000 (Rs. Five Lacs Only) or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time for such goods, material and services have been made with other parties.
  
6. 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 detained 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. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March 2011 for a period of more than six months from the date of becoming payable.  
b) According to the information and explanations given to us, 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. According to the information and explanations given to us, the company has not raised any new term loan during the year.
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. During the year, the company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.



19. The company did not have any outstanding debentures during the year.
20. 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 Praful M. Joshi  
Chartered Accountants

Place : Mumbai  
Date : 30.08.2011

(Praful M. Joshi- Proprietor)  
Membership No. 100/30276

**FIRST WINNER LIFESTYLE LIMITED**  
(FORMERLY KNOWN AS REAL GOLD EXPORTS PVT. LTD.)  
**BALANCE SHEET AS AT 31ST MARCH 2011**

Particulars	Schedule	As at 31.03.2011 (Amt. in Rs.)	As at 31.03.2010 (Amt. in Rs.)
<b><u>SOURCES OF FUNDS</u></b>			
<b>Shareholder Funds</b>			
Share Capital	1	24,750,000	20,750,000
Share Application Money		50,000,000	80,000,000
Reserves & Surplus	2	369,187,354	269,233,233
		<u>443,937,354</u>	<u>369,983,233</u>
<b>Borrowed Funds</b>			
Secured Loan	3	402,512,323	383,269,714
		<u>402,512,323</u>	<u>383,269,714</u>
<b>DEFERRED TAX</b>			
	4	48,705,830	40,406,035
<b>TOTAL</b>		<u><u>895,155,507</u></u>	<u><u>793,658,982</u></u>
<b><u>APPLICATION OF FUNDS</u></b>			
<b>Fixed Assets</b>			
Gross Block	5	507,080,582	500,755,673
Less:-Depreciation		58,583,754	36,110,408
<b>Net Block</b>		<u>448,496,828</u>	<u>464,645,266</u>
<b>Investments</b>	6	31,820,000	30,170,000
<b>Current Assets, Loans &amp; Advances</b>	7	654,531,043	514,472,143
<b><u>Less :-Current Liabilities And Provisions</u></b>			
Current Liabilities	8	217,144,265	201,758,417
Provision For Fringe Benfit Tax			90,610
Provision For Taxation		22,732,402	14,091,566
		<u>239,876,667</u>	<u>215,940,593</u>
<b>Net Current Assets</b>		<u>414,654,376</u>	<u>298,531,549</u>
<b>Miscellaneous Expenditure</b>	9	184,303	312,167
(To the extend not written off or adjusted)			
<b>TOTAL</b>		<u><u>895,155,507</u></u>	<u><u>793,658,982</u></u>

Significant Accounting Policies  
Notes & Schedules 1 TO 14 forming part of Accounts  
As per our report of even date attached

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**For Praful M. Joshi**  
Chartered Accountants

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

(Praful M. Joshi - Proprietor)  
Membership No. 100/30276  
Place: Mumbai  
Date: 30.08.2011

Director

Director

**FIRST WINNER LIFESTYLE LIMITED**  
(FORMERLY KNOWN AS REAL GOLD EXPORTS PVT. LTD.)  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**

Particulars	Schedule	Period Ended 31.03.2011 (Amt. in Rs.)	Period Ended 31.03.2010 (Amt. in Rs.)
<b><u>INCOME</u></b>			
Sales & Other Income	10	2,585,412,532	1,685,133,233
		<u>2,585,412,532</u>	<u>1,685,133,233</u>
<b><u>EXPENDITURE</u></b>			
Cost Of Material	11	2,411,680,745	1,548,299,120
Administrative And Other Expenses	12	71,507,462	38,063,197
Finance Charges	13	38,946,835	36,590,204
Depreciation For The Year		22,473,348	22,108,824
		<u>2,544,608,390</u>	<u>1,645,061,345</u>
<b>PROFIT BEFORE TAX</b>		40,804,142	40,071,888
<b>Provision For Taxation</b>			
Current Tax (MAT)		8,550,226	6,672,332
Deferred Tax		8,299,795	10,970,590
Less: Short Provision of Earlier Year			-
<b>PROFIT AFTER TAX</b>		<u>23,954,121</u>	<u>22,428,966</u>
Balance brought forward From Previous Year		102,983,233	80,554,267
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<u><u>126,937,354</u></u>	<u><u>102,983,233</u></u>
Basic / Diluted Earning per share (Rs.)		11.45	10.81

Significant Accounting Policies  
Notes & Schedules 1 TO 14 forming part of Accounts  
As per our report of even date attached

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**For Praful M. Joshi**  
Chartered Accountants

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

(Praful M. Joshi - Proprietor)  
Membership No. 100/30276  
Place: Mumbai  
Date: 30.08.2011

Director

Director

**FIRST WINNER LIFESTYLE LIMITED**  
(FORMERLY KNOWN AS REAL GOLD EXPORTS PVT. LTD.)

**SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011**

<b>SCHEDULE</b>	<b>PARTICULARS</b>	<b>As at 31.03.2011 (Amt. in Rs.)</b>	<b>As at 31.03.2010 (Amt. in Rs.)</b>
<b>'1'</b>	<b><u>AUTHORISED SHARE CAPITAL</u></b>		
	1,20,00,000 (Last Year 120,00,000) Equity Share of Rs.10/- each	<b>120,000,000</b>	120,000,000
		<b>120,000,000</b>	120,000,000
<b>'1'</b>	<b><u>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL</u></b>		
	24,75,000 (Last Year 20,75,000) Equity Share of Rs.10/- each	<b>24,750,000</b>	20,750,000
	<b>TOTAL Rs.</b>	<b>24,750,000</b>	20,750,000
<b>'2'</b>	<b><u>RESERVE AND SURPLUS</u></b>		
	<b><u>a) Securities Premium Account</u></b>		
	As Per Last Balance Sheet	<b>166,250,000</b>	166,250,000
	Add:- Addition During the year	<b>76,000,000</b>	-
	<b>Sub Total : a :</b>	<b>242,250,000</b>	166,250,000
	<b><u>b) Profit &amp; Loss Account</u></b>		
	Opening balance	<b>102,983,233</b>	80,554,267
	Add:- Profit For The Year	<b>23,954,121</b>	22,428,966
	<b>Sub Total : b :</b>	<b>126,937,354</b>	102,983,233
	<b>TOTAL : ( a + b ) :</b>	<b>369,187,354</b>	269,233,233
<b>'3'</b>	<b><u>SECURED LOAN</u></b>		
	Cash Credit - SBI	<b>179,562,797</b>	97,015,305
	SLOC A/c.- SBI (Secured by Hypothecation against Stocks & Receivables)	<b>7,583,425</b>	7,580,911
	Term Loan - SBI (Secured by Mortgage of Factory Building & Hypothecation of Plant & Machinery. The Loan repayable in next One year is of Rs.5,97,00,000/-, During previous year Rs.5,97,00,000/-). (The Credit facilities availed from SBI is Personally guaranteed by the directors)	<b>214,099,876</b>	276,736,778
	Term Loan - Car - Kotak Mahindra Prime Ltd. (Secured by Hypothecation Motor car. The loan repayable in next One Year Rs.12,66,225/- & during previous year Rs.6,70,495/-).	<b>1,266,225</b>	1,936,720
	<b>TOTAL Rs.</b>	<b>402,512,323</b>	383,269,714
<b>'4'</b>	<b><u>DEFERRED TAX LIABILITIES</u></b>		
	Opening Balance	<b>40,406,035</b>	29,435,445
	Add: Addition During The Year	<b>8,299,795</b>	10,970,590
	<b>TOTAL Rs.</b>	<b>48,705,830</b>	40,406,035

**FIRST WINNER LIFESTYLE LTD.**  
(Formerly Known as Realgold Exports Pvt. Ltd.)

SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011

**SCHEDULE '5' : FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRICIATION				NET BLOCK	
	AS ON 1/04/10	ADDITION	DEDUCTION	AS ON 31/03/2011	AS ON 1/04/10	FOR THE Period	DEDUCTION	UPTO 31/03/2011	AS ON 31/03/2011	AS ON 31/03/10
Furnitures & Fixtures	2,220,113	-	-	2,220,113	171,259	140,533	-	311,792	1,908,321	2,048,854
Computers	1,596,404	-	-	1,596,404	1,004,739	258,777	-	1,263,516	332,888	591,665
Electric Instalation	3,926,196	39,130	-	3,965,326	284,612	187,263	-	471,875	3,493,451	3,641,584
Television	18,000	-	-	18,000	6,408	855	-	7,263	10,737	11,592
Other Assets	155,775	-	-	155,775	12,208	7,399	-	19,607	136,168	143,567
Vehicle	2,927,437	50,812	-	2,978,249	145,370	281,056	-	426,426	2,551,823	2,782,067
Godown & Office Premises	2,456,330	6,042,246	-	8,498,576	225,310	79,930	-	305,240	8,193,336	2,231,020
Factory Building	116,473,063	108,910	-	116,581,973	6,140,625	3,893,527	-	10,034,152	106,547,821	101,332,437
Plant & Machinery	370,736,243	83,813	-	370,820,056	28,107,993	17,612,317	-	45,720,310	325,099,746	342,628,250
Air Conditioner	246,113	-	-	246,113	11,882	11,690	-	23,572	222,541	234,231
<b>TOTAL Rs.</b>	<b>500,755,674</b>	<b>6,324,911</b>	<b>-</b>	<b>507,080,582</b>	<b>36,110,406</b>	<b>22,473,348</b>	<b>-</b>	<b>58,583,754</b>	<b>448,496,831</b>	<b>455,645,267</b>
Prev. Year	488,772,893	13,217,770	1,234,990	500,755,673	14,395,986	22,108,824	394,402	36,110,408	464,645,266	474,376,908

**FIRST WINNER LIFESTYLE LIMITED**  
(FORMERLY KNOWN AS REAL GOLD EXPORTS PVT. LTD.)

**SCHDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011**

SCHDULE	PARTICULARS	As at 31.03.2011 (Amt. in Rs.)	As at 31.03.2010 (Amt. in Rs.)
'6'	<b><u>INVESTMENTS</u></b>		
	UTI Infrastructure	25,000	25,000
	UTI India Lifestyle Fund (G)	100,000	100,000
	UTI Wealth Builder Fund Series II	45,000	45,000
	Share Investment in Rikosh Fashions Pvt. Ltd. (Unquoted)	31,650,000	30,000,000
	<b>TOTAL Rs.</b>	<b>31,820,000</b>	<b>30,170,000</b>
'7'	<b><u>CURRENT ASSETS, LOANS &amp; ADVANCES</u></b>		
A :	<b>CURRENT ASSETS</b>		
	<b>INVENTORIES</b>		
	Finished Goods Fabrics	141,234,171	68,810,948
	<b>SUNDRY DEBTORS ( Unsecured considered good )</b>		
	1) Due for more than six months	3,483,549	-
	2) Debtors	456,643,141	412,873,570
	<b>Cash and Bank Balances</b>		
	With Schedule Bank		
	- FDR A/C with State Bank of India	12,350,301	11,399,608
	- FDR A/C with State Bank of Indore	4,490,663	4,134,281
	State Bank of Indore Current Account	16,069	573,431
		<b>16,857,033</b>	<b>16,107,320</b>
	Cash In Hand	384,273	352,233
	<b>SUB-TOTAL [ A ] Rs.</b>	<b>618,602,168</b>	<b>498,144,072</b>
B :	<b>LOAN, ADVANCES &amp; DEPOSITS</b>		
	Deposits	1,890,524	1,388,415
	Income Tax / Advance Tax \ TDS	21,125,827	9,119,602
	TUFF Subsidy Receivable	12,055,971	5,423,967
	Advances	856,553	396,087
	<b>SUB-TOTAL [ B ] Rs.</b>	<b>35,928,875</b>	<b>16,328,071</b>
	<b>TOTAL [ A+B ] Rs.</b>	<b>654,531,043</b>	<b>514,472,143</b>

**FIRST WINNER LIFESTYLE LIMITED**  
(FORMERLY KNOWN AS REAL GOLD EXPORTS PVT. LTD.)

**SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011**

<b>SCHEDULE</b>	<b>PARTICULARS</b>	<b>As at 31.03.2011 (Amt. in Rs.)</b>	<b>As at 31.03.2010 (Amt. in Rs.)</b>
<b>'8'</b>	<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
	<b>SUNDRY CREDITORS</b>		
	<b>For Goods</b>		
	Sundry Creditors for Goods	<b>173,636,028</b>	197,229,903
	Sundry Creditors for LC	<b>39,972,623</b>	
	Sundry Creditors for Expenses	<b>3,328,831</b>	2,411,816
	Sundry Creditors for Capital Goods	<b>773</b>	1,996,493
	TDS Payable	<b>138,935</b>	103,862
	Profession Tax Payable	<b>17,075</b>	15,650
	M VAT Payable	<b>-</b>	693
	Other Advances	<b>50,000</b>	-
	<b>TOTAL Rs.</b>	<b>217,144,265</b>	<b>201,758,417</b>
<b>'9'</b>	<b>MISCELLANEOUS EXPENDITURE</b>		
	Preliminary Expenses.	<b>312,167</b>	440,032
	Add:- Addition During the Year		-
	Less:- W/off during the year ( To the extent not written off or adjusted )	<b>127,864</b>	127,865
	<b>TOTAL Rs.</b>	<b>184,303</b>	<b>312,167</b>

**FIRST WINNER LIFESTYLE LIMITED**  
(FORMERLY KNOWN AS REAL GOLD EXPORTS PVT. LTD.)

SCHEDULE ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH 2011

SCHEDULE	PARTICULARS	As at 31.03.2011 (Amt. in Rs.)	As at 31.03.2010 (Amt. in Rs.)
'10'	<b>SALES &amp; OTHER INCOME</b>		
	<b>SALES</b>		
	Fabrics Sales	2,431,422,012	1,581,241,527
	Job Work Charges	152,542,473	102,491,399
	<b>Total Sales (A) Rs.</b>	<b>2,583,964,485</b>	<b>1,683,732,926</b>
	<b>OTHER INCOME</b>		
	Insurance Claim Received		-
	Interest on Fixed Deposits	1,335,674	1,208,872
	Sundry Crs. W/off	1,610	-
	Scrap Sale	-	17,350
	Interest on I T Refund	-	48,646
	Rent Received	108,000	103,500
	Discount Received	2,763	21,939
	<b>Total Other Income (B) Rs.</b>	<b>1,448,047</b>	<b>1,400,307</b>
	<b>Total (A) + (B) Rs.</b>	<b>2,585,412,532</b>	<b>1,685,133,233</b>
'11'	<b><u>COST OF MATERIAL SOLD</u></b>		
	Opening Stock - Fabrics	68,810,948	40,898,064
	Add: Fabric Purchase	2,484,103,968	1,576,212,004
		<b>2,552,914,916</b>	<b>1,617,110,068</b>
	Less:- Closing Stock - Fabrics	141,234,171.2	68,810,948
	<b>TOTAL Rs.</b>	<b>2,411,680,745</b>	<b>1,548,299,120</b>



**FIRST WINNER LIFESTYLE LIMITED**  
(FORMERLY KNOWN AS REAL GOLD EXPORTS PVT. LTD.)

**SCHDULE ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH 2011**

SCHDULE	PARTICULARS	As at 31.03.2011 (Amt. in Rs.)	As at 31.03.2010 (Amt. in Rs.)
'12'	<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>		
	<b>Direct Expenses</b>		
	Power & Fuel	11,862,572	9,249,651
	Beam Drawing Charges	768,495	862,640
	Beam Leasing Charges	482,790	424,812
	Beam Gaiting Charges	1,079,915	-
	Labour Charges	-	480,652
	Loading & Unloading Charges	-	10,500
	Job Wrok Charges Paid	28,024,423	2,910,355
	Other Direct Expenses	4,451,076	3,600,000
	Mending Charges	781,798	1,014,773
	Repairs & Maintenance	121,518	279,688
	Salary & Wages	10,690,286	9,268,409
	Security Service Charges	-	-
	Stores & Spares Consumed	2,856,500	2,307,712
	Transportation	-	25,390
	Gardening Exp.	-	7,620
	House Keeping Exp.	164,155	428,831
	Inspection Charges	14,400	-
	Maharashtra Polution Control Fees	50,000	-
	Water Charges	111,777	69,405
	<b>Administrative Exp.</b>		
	Salaries	2,005,657	1,802,574
	Staff Welfare Expenses	613,817	188,571
	Auditor's remuneration		
	- Audit Fees	33,090	27,575
	Advertisement Exp.	-	3,000
	Brokerage Paid	1,263,099	91,844
	Business Promotion Expenses	1,116,221	620,421
	Collie & Cartage	61,035	29,045
	Conveyance Expenses	1,004,561	449,629
	Courier & Postage Charges	84,757	86,572
	Computer Exp.	-	2,000
	Custom Duty	-	6,562
	Donation	1,663,166	534,000
	General Exp. & Office Exp.	221,948	284,720
	Rate Difference & Discount	194,429	-
	Grampanchayat Tax	41,600	95,050
	Insurance Charges	370,434	387,558
	Income Tax Appeal Filing Fees	-	1,000
	Licence Fees	54,068	15,184
	Membership & Subscription	11,409	3,000
	Petrol & Diesel Expenses	124,073	98,770
	Pooja Exp	29,207	31,263
	Preliminary Expenses Written off	127,864	127,865
	Printing & Stationery Charges	103,923	251,545
	Professional Fees	249,469	452,461
	Professional Tax Paid	2,500	2,500
	Rent	168,630	149,895
	ROC Fees	3,000	2,686
	Octroi Charges	-	2,037
	Stamp Duty & Franking Charges	140,190	47,410
	Telephone Charges	247,472	305,121
	Travelling Expenses	23,740	143,884
	Vehical Expenses	88,398	148,430
	Loss on sale of Car	-	730,588
	<b>TOTAL Rs.</b>	<b>71,507,462</b>	<b>38,063,197</b>

**FIRST WINNER LIFESTYLE LIMITED**  
(FORMERLY KNOWN AS REAL GOLD EXPORTS PVT. LTD.)

**SCHEDULE ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH 2011**

<b>SCHEDULE</b>	<b>PARTICULARS</b>	<b>As at 31.03.2011 (Amt. in Rs.)</b>	<b>As at 31.03.2010 (Amt. in Rs.)</b>
'13'	<b><u>FINANCE CHARGES</u></b>		
	Bank Charges	463,727	424,038
	Bank Commission & Discounting Charges	6,714,198	1,399,650
	Bank Interest on SLOC	1,025,815	960,665
	Bank Interest on Term Loan	14,758,968	22,300,876
	Interest on Car Loan	169,169	52,999
	Loan Processing Charges	880,000	1,535,500
	Upfront Fees	75,000	-
	Mortgage Charges	20,000	-
	Bank Interest	14,839,958	9,916,476
	<b>TOTAL Rs.</b>	<b>38,946,835</b>	<b>36,590,204</b>

## **SCHDEULE : 14 : Forming part of Balance Sheet as at 31.03.2011**

### **SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION OF ACCOUNT**

#### **1. Basis of preparation of Financial Statements**

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

#### **2. Revenue Recognition**

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

##### **i) Sale of goods**

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

##### **ii) Interest**

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

**iii) Dividends.** Revenue is recognized as and when received.

#### **3. Fixed Assets**

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

#### **4. Depreciation**

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

#### **5. Inventories**

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

#### **6. Investment:**

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

#### **7. Foreign Exchange Transaction**

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

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

(c) Premium on forward cover contracts in respect of import of raw material is charged to profit & loss account over the period of contracts except in respect of liability for

acquiring fixed assets, in which case the difference are adjusted in carrying cost of the same.

**8. Employee Retirement Benefits**

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

**9. Borrowing Costs :**

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

**10. Earning per share**

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

**11. Current Tax and Deferred Tax :**

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

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

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

**13. Use of Estimate**

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

**SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION ACCOUNT.**

**1. Impairment of Assets**

The company assesses at each balance sheet date whether there is any indication that an assets may be impaired. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the asset belong is less than its

carrying amount, the carrying amount is reduced to its recoverable amount. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

## 2. NOTES ON ACCOUNT FOR YEAR ENDED 31<sup>ST</sup> MARCH 2011.

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

### 3. Earning per share (EPS)

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

Particulars	2010-11 [Rs.]	2009-10 [Rs.]
Net Profit as per Profit & Loss Account	2,39,54,121	2,24,28,966
Weighted average number of equity shares	20,92,534	20,75,000
Basic and diluted Earning per share	11.45	10.81
Face value per share	10	10

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

Particulars	2010-2011	Current year	2009-2010
Deferred Tax Liabilities	4,87,05,830	82,99,795	4,04,06,035
Related to Fixed Assets	4,87,05,830	82,99,795	4,04,06,035
Deferred Tax Assets	NIL	NIL	NIL
Net Deferred Tax Liabilities	4,87,05,830	82,99,795	4,04,06,035

### 5. Related Party Disclosures

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

Name of the parties	Nature of Relationship	Nature of Transactions	Amount Rs.
First Winner Industries Ltd.	Holding Company	Job Work Received	2,74,26,336
		Job Work Paid	2,77,04,595
Ramshyam Textile Ind. Ltd.	Group Company	Job Work	

	Received	24,324
	Paid	2,42,303

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

7. Contingent Liabilities

(Rs. in Lacs)

Particulars	31.03.2011	31.03.2010
Bank Guarantees	37.00	37.00
Total	37.00	37.00

8. Segment Reporting

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

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

10. In the opinion of the Board, sundry debtors, loans and advances and other current assets are approximately of the value stated if realized in the ordinary course of business. The provisions for all known liabilities is adequate and not in excess of the amount reasonably necessary.

11. Foreign Currency Transactions

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

12. Payments to Auditors

Particulars	2010-11	2009-10
Audit fees	Rs.33,090	Rs. 27,575
Tax & Other Matter	Nil	Rs. NIL

13. Managerial Remuneration

Particulars	2010-11	2009-10
Directors remunerations	NIL	NIL

14. The company has given corporate guarantee for loans taken by group of company i.e. M/s. Ramshyam Textile Industries Ltd. Rs. 18.36 Crore.

15. The company has taken corporate guarantee for loans taken from SBI amounting to 44.86 Crores, corporate guarantee given by Holding Company i.e. by M/s. First Winner

Industries Ltd. & group Companies i.e. M/s, Rikosh Fashions Pvt. Ltd. & Solitaire Texfab & Traders Pvt. Ltd.

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

Particulars	2010-11	2009-10
A. Licenced Capacity	124.42 Lac Mtrs	124.42 Lac Mtrs
B. Installed Capacity	124.42 Lac Mtrs	124.42 Lac Mtrs
C. Actual Performance	97.99 Lac Mtrs	85.14 Lac Mtrs

**Information of major traded materials**

Particulars	2010-11		2009-10	
	Qty	Value	Qty	Value
<b>Fabrics</b>	(Lac Mtr.)	(Rs. in Lac)	(Lac Mtr.)	(Rs. in Lac)
Opening Stock	4.81	688.11	2.64	408.98
Purchases	194.09	24851.23	160.71	15762.12
Sales	190.44	24314.22	158.55	15812.42
Closing Stock	8.46	1412.34	4.81	688.11

17. During the year, the company has not preferential allotment of equity shares to company cover in the register maintained under section 301 of the Companies Act, 1956.
18. Financial statement has been audited by us is on the basis of Original / Xerox copies of supporting evidence. Further the Board confirms that all transactions in which supporting evidence are missing are genuinely occurred for the business.

Signature to Balance Sheet and Profit & Profit & Loss Account

For Praful M. Joshi  
Chartered Accountant,

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

(Praful M. Joshi – Proprietor)

(Director)

(Director)

Place:- Mumbai

Place:- Mumbai

Date: 30.08.2011

Date: 30.08.2011

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

1. Registration Details	
• Registration No.	: 138238
• State Code	: 11
• Balance Sheet	: 31/03/2011
2. Capital Raised During the Year	(Rs. In Thousands)
• Public Issue	: NIL
• Right Issue	: NIL
• Bonus Issue	: NIL
• Private Placement	: 4,000
3. Position of Mobilization & deployment of fund	(Rs In Thousands)
• Total Liabilities	: 8,95,156
• Total Assets	: 8,95,156
<u>Sources of Funds</u>	
• Paid Up Capital	: 24,750
• Share Application Money	: 50,000
• Reserves & Surplus	: 3,69,187
• Deferred Tax Liability	: 48,706
• Secured Loans	: 4,02,512
• Unsecured Loans	: NIL
<u>Application of Funds</u>	
• Net Fixed Assets	: 4,48,497
• Investments	: 31,820
• Net Current Assets	: 4,14,654
• Miscellaneous Expenditure	: 184
• Accumulated Losses	: NIL
4. Performance of the Company	(Rs. In Thousand)
• Turnover (Gross Receipts)	: 25,85,413
• Total Expenditure	: 25,44,608
• Profit/ (Loss) Before Tax	: 40,804
• Profit/ (Loss) After Tax	: 23,954
• Earning Per Shares (In Rs.)	: 11.45
• Dividend Rate Included Special	: NIL
• On Preference Shares	: NIL
• On Equity Shares	: NIL
5. Generic Names of the Principal Product	
• Service of the Company (ITC Code)	: 55131910
• Production Description	: Manufacturing & Trading in Fabrics

**For First Winner Lifestyle Limited**

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

Rinku Patodia  
Director

Anita Patodia  
Director



12<sup>th</sup> Annual Report 2010-2011

**RAMSHYAM TEXTILE INDUSTRIES LIMITED**

**BOARD OF DIRECTORS**

SHRI RINKU I. PATODIA

SMT. ANITA R. PATODIA

SHRI ANIL GUPTA

**AUDITORS**

M/S. PRAFUL M. JOSHI

**BANKERS**

STATE BANK OF INDIA

M.I.D.C. BRANCH , ANDHERI (E)

MUMBAI

**REGISTERED OFFICE**

605, BUSINESS CLASSIC,  
CHINCHOLI BUNDER ROAD,  
MALAD (WEST), MUMBAI – 400064.

T. 28802255/99 Fax: 28812288  
e-Mail: [info@firstwinnerind.com](mailto:info@firstwinnerind.com)

## **RAMSHYAM TEXTILE INDUSTRIES LIMITED**

### **DIRECTORS' REPORT**

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

### **FINANCIAL RESULTS**

	2010-11	2009-2010
		Rupees
Profit before depreciation and tax	18505297	10124972
Less: Depreciation	5427016	5418579
Profit before taxation/(Loss)	13078281	4706393
Less: Provision for tax	3434031	762673
Deferred tax	1025840	1396373
Fringe Benefit tax	--	--
Add: Excess Provision for FBT (2009-10)	--	9433
Profit after tax/(Loss)	8618411	2547347
Add: Balance Brought Forward	40644030	38087250
Balance Carried Forward	49786770	40644030

### **DIVIDEND**

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

### **DEPOSITS**

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

### **AUDITORS' REPORT**

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

### **DISCLOSURE OF PARTICULARS**

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

### **PERSONNEL**

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

### **PARTICULARS OF EMPLOYEES**

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors of the Company confirms:

- i. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departure;
- ii. that the selected Accounting Policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the profit of the company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. that the annual accounts have been prepared on a going concern basis.

#### **DIRECTORS**

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

#### **COMPLIANCE CERTIFICATE**

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

#### **AUDITORS**

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

#### **ACKNOWLEDGEMENT**

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

For and on behalf of the Board of Directors  
Of Ramshyam Textile Industries Limited

Rinku Patodia  
Chairman

Mumbai, April 30, 2011.

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

Annexure to the Directors' Report

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

[A] CONSERVATION OF ENERGY:

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

[B] TECHNOLOGY ABSORPTION:

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

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

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

Mumbai, April 30, 2011.

Rinku Patodia  
Chairman

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

## **Auditors' Report**

To  
The Members of  
Ramshyam Textile Industries Ltd..

We have audited the attached Balance Sheet of Ramshyam Textile Industries Ltd. as at 31<sup>st</sup> March 2011, the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order 2004 issued by Central Government of India, in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in the paragraphs 4 and 5 of the said order, to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in paragraph (1) above, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit:
  - b. In our opinion, proper books of account, as required by law have been kept by the company, so far as appears from our examination of those books;
  - c. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
  - d. In our opinion the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

- e. On the basis of written representation received from the Directors, as on 31<sup>st</sup> March 2011 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31<sup>st</sup> March 2011 from being appointed as a Director in terms of section 274(1)(g) of the companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2011;
  - ii) in so far as it relates to the Profit & Loss Account, of the profit for the year ended on that date.

For Praful M. Joshi  
Chartered Accountants

(Praful M. Joshi- Proprietor)  
Membership No. 100/30276

Place : Mumbai

Dated : 30.04.2011

Annexure to the Auditors Report  
(Referred to in paragraph 1 of our report of even date)

- 1 a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us the management has physically verified the fixed assets during the year and no material discrepancies were noticed on such verification.
  - c) In our opinion and as per the information and explanations given to us, the Company has not disposed off any substantial part of fixed assets during the year and the going concern status of the Company is not affected.
  
- 2 a) As explained to us, inventories have been physically verified by the management at reasonable intervals.
  - b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) On the basis of our examination of inventory records, we are of the opinion that the company is maintaining proper records of inventory. As explained to us, no material discrepancies have been noticed on physical verification of inventories as compared to book records.
  
- 3 a) The Company has not taken any loans, secured or unsecured from companies, firms or parties covered in the register maintained under section 301 of the Companies Act,1956.
  - b) The Company has not given any loans, secured or unsecured from companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956.
  
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business for the purchase of fixed assets. To the best of our knowledge, no major weakness in internal control system were either reported or noticed by us during the course of our audit.
  
5. a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contract or arrangements, that needed to be entered into the register maintained under section 301 of the Companies Act,1956 have been so entered.
  - b) In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and material and sale of goods, material and services made in pursuance of contract or arrangement entered in the register maintained under section 301 and aggregating during the year to Rs. 5,00,000 (Rs. Five Lacs Only) or more in respect of each party have been made at prices which

- are reasonable having regard to the prevailing market prices at the relevant time for such goods, material and services have been made with other parties.
6. In our opinion and according to the information and explanations given to us, the company has not accepted the public deposit. Hence the provisions of section 58A and 58AA of the Companies Act,1956 or any other relevant provision of the act and the rules made there under are not applicable.
  7. In our opinion the company has an internal audit system commensurate with the size and nature of its business.
  8. We have been informed by the management that the central government has prescribed maintenance of cost records for the company under section 209(1)(d) of the Companies Act,1956.
  9. a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March 2011 for a period of more than six months from the date of becoming payable.  
b) According to the information and explanations given to us, there are no such statutory dues, which have not been deposited on account of any dispute.
  10. The company has positive net worth at the end of the financial year. The company has no accumulated losses and has not incurred any cash losses during the current financial year and immediately preceding financial year.
  11. Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in payment of dues to financial institutions or banks. The company has not issued any debentures.
  12. In our opinion and according to the information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. In our opinion, the company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Thereof, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
  14. In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.



15. According to the information and explanations given to us, the company has given guarantee for loans taken by group of companies from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, the company has not raised new term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we are of the opinion that no funds raised on short term basis have been used for long term investment.
18. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company did not have any outstanding debentures during the year.
20. The company has not raised any money through public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For Praful M. Joshi  
Chartered Accountants

(Praful M. Joshi- Proprietor)  
Membership No. 100/30276

Place : Mumbai

Dated : 30.04.2011

**RAMSHYAM TEXTILE INDUSTRIES LIMITED**

**Balance Sheet as on 31st March 2011**

Particulars	Schedules	As at 31.03.2011 (Amt. in Rs.)	As at 31.03.2010 (Amt. in Rs.)
<b>Sources of Funds :</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	8,953,500	6,078,500
Share Application Money		25,000,000	57,500,000
Reserves and Surplus	2	143,461,270	79,693,530
<b>Loan Funds</b>			
Secured Loans	3	123,878,238	84,204,912
<b>Deferred Tax Liability (Net)</b>		12,174,402	11,148,562
		<b>Total Rs. 313,467,410</b>	<b>238,625,504</b>
<b>Application of Funds :</b>			
<b>Fixed Assets</b>			
Gross Block	4	114,825,048	114,731,548
Less : Depreciation		27,088,506	21,661,490
Net Block		<b>Total Rs. 87,736,542</b>	93,070,058
<b>Current Assets, Loans and Advances</b>			
Inventories	5	485,691	629,291
Sundry Debtors	6	383,166,146	279,981,591
Cash and Bank balances	7	13,673,103	8,244,058
Loans and Advances	8	21,140,618	19,762,979
		418,465,558	308,617,919
<b>Less : Current Liabilities and Provisions</b>	9	192,789,840	163,062,474
<b>Net Current Assets</b>		<b>Total Rs. 225,675,719</b>	145,555,446
Miscellaneous Expenditure (New project-pre-operative) (To the extend not written off or adjusted)		55,150	
		<b>313,467,410</b>	<b>238,625,504</b>
Significant Accounting Policies and Notes on Accounts	15		

As per our report of even date attached

**For Praful M. Joshi**

Chartered Accountants

sd/-

(Praful M. Joshi - Proprietor)

Membership No. 100/30276

Place: Mumbai

Date: 30.04.2011

**For Ramshyam Textile Industries Limited**

sd/-

sd/-

**Director**

**Director**

**RAMSHYAM TEXTILE INDUSTRIES LIMITED**

**Profit and Loss Account for the year ended 31st March 2011**

Particulars	Schedules	Year ended 31.03.2011 (Amt. in Rs.)	Year ended 31.03.2010 (Amt. in Rs.)
<b>Income</b>			
Income from Operations	10	1,328,409,204	625,956,229
Other Income	11	925,555	472,569
		Total Rs.	626,428,798
<b>Expenditure</b>			
Purchases		1,262,668,926	580,387,595
Personnel Cost	12	8,098,432	5,703,391
Manufacturing, Administrative and Other Expenses	13	23,698,469	18,043,056
Interest and Financial Charges	14	16,363,635	12,169,785
Depreciation		5,427,016	5,418,579
		Total Rs.	621,722,405
<b>Profit \ (Loss) before Taxation</b>		<b>13,078,281</b>	4,706,393
<b>Less : Provision for Tax</b>			
Income Tax MAT		3,434,031	762,673
Deferred Tax		1,025,840	1,396,373
Fringe Benefit Tax		-	-
<b>Profit after Tax</b>		<b>8,618,411</b>	2,547,347
Add: Excess Provision for FBT (2008-09)		-	9,433
Add: Excess Provision for Income-Tax (2009-10)		524,329	
Balance of Profit \ (Loss) brought forward from last year		40,644,030	38,087,250
Balance carried forward to Balance Sheet		<b>49,786,770</b>	40,644,030
Basic & Diluted Earning per share (Rs.)		<b>13.90</b>	4.19
Significant Accounting Policies and Notes on Accounts	15		

As per our report of even date attached

**For Praful M. Joshi**  
Chartered Accountants

**For Ramshyam Textile Industries Ltd.**

sd/-

sd/-

sd/-

(Praful M. Joshi - Proprietor)  
Membership No. 100/30276

**Director**

Director

Place: Mumbai  
Date: 30.04.2011

**RAMSHYAM TEXTILE INDUSTRIES LIMITED**

**Schedules forming part of the Balance Sheet as on 31st March 2011**

Particulars	As at 31.03.2011 (Amt. in Rs.)	As at 31.03.2010 (Amt. in Rs.)
<b><u>Schedule : 1 : Share Capital</u></b>		
<b>Authorised</b>		
11,00,000 (Previous Year 11,00,000) Equity Shares of Rs.10/- each	11,000,000	11,000,000
<b>Total Rs.</b>	<b>11,000,000</b>	<b>11,000,000</b>
<b>Issued, Subscribed &amp; Paid up</b>		
8,95,350 (Previous Year 6,07,850) Equity Shares of Rs.10/- each fully paid-up	8,953,500	6,078,500
<b>Total Rs.</b>	<b>8,953,500</b>	<b>6,078,500</b>
<b><u>Schedule : 2 : Reserves &amp; Surplus</u></b>		
<b>a) Securities Premium Account</b>		
As per last Balancesheet	39,049,500	39,049,500
Add: Addition During the year	54,625,000	-
<b>Sub-total Rs.</b>	<b>93,674,500</b>	<b>39,049,500</b>
<b>b) Profit &amp; Loss Account</b>		
Opening Balance	40,644,030	38,087,250
Add: Profit for the year	8,618,411	2,547,347
Add: Excess Provision for FBT (2008-09)	-	9,433
Add: Excess Provision for Income-Tax (2009-10)	524,329	-
<b>Sub-total Rs.</b>	<b>49,786,770</b>	<b>40,644,030</b>
<b>Total Rs.</b>	<b>143,461,270</b>	<b>79,693,530</b>
<b><u>Schedule : 3 : Secured Loans (Refer Note No. II(1) of Schedule 17)</u></b>		
Bank Cash Credit - SBI	100,090,992	45,202,541
[Secured by Hypothecation of Receivables]		
Short term Loan -SLOC- SBI	6,081,536	6,085,395
[Secured by Hypothecation of Receivables]		
Term Loan - SBI	17,490,760	32,590,300
[Secured by Mortgage of Factory Building & Hypothecation of Plant & Machinery]		
( Due within 1 Year Rs.1,38,00,000/-, Previous year Rs.1,38,00,000/-)		
The Credit facilities from SBI are personally guaranteed by the Directors		
Term Loan - for Vehicle	214,950	326,676
[Secured by way of Hypothecated of Vehicle]		
( Due within 1 Year Rs.1,11,726/-, Previous year Rs.1,39,429/-)		
<b>Total Rs.</b>	<b>123,878,238</b>	<b>84,204,912</b>

**RAMSHYAM TEXTILE INDUSTRIES LIMITED**

**Schedules forming part of the Balance Sheet as on 31st March 2011**

<b>Particulars</b>	<b>As at 31.03.2011 (Amt. in Rs.)</b>	<b>As at 31.03.2010 (Amt. in Rs.)</b>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>A : CURRENT ASSETS</b>		
<b><u>Schedule 5 : Inventories</u></b>		
<i>(As taken, valued and certified by the management)</i>		
Stores and Spares	485,691	629,291
<b><u>Schedule 6 : Sundry Debtors (Unsecured, Considered good)</u></b>		
Due for more than six months	9,697,900	-
Others	373,468,246	279,981,591
<b>Sub-total Rs.</b>	<b>383,166,146</b>	<b>279,981,591</b>
<b><u>Schedule 7 : Cash and Bank Balance</u></b>		
Cash in Hand	368,825	166,074
<b><u>Bank Balances with scheduled Bank</u></b>		
In Current account	17,423	2,129,401
In Fixed Deposit Account	13,286,855	5,948,583
<b>Sub-total Rs.</b>	<b>13,673,103</b>	<b>8,244,058</b>
<b>Sub-total : A:</b>	<b>397,324,940</b>	<b>288,854,940</b>
<b>B : LOANS &amp; ADVANCES</b>		
<b><u>Schedule 8 : Loans and Advances</u></b>		
Advance recoverable in cash or kind or for value to be received	100,822	145,101
Advance Tax and TDS	18,839,483	17,637,403
Deposits	608,080	436,680
TUFS Subsidy Receivable	1,592,233	1,543,795.00
<b>Sub-total : B:</b>	<b>21,140,618</b>	<b>19,762,979</b>
<b>TOTAL [ A + B ] Rs.</b>	<b>418,465,558</b>	<b>308,617,919</b>
<b><u>Schedule 9 : Current Liabilities Amd Provisions</u></b>		
<b>Current Liabilities</b>		
Sundry Creditors	172,791,062	145,759,021
Other Liabilities	111,409	87,442
<b>Sub-total Rs.</b>	<b>172,902,471</b>	<b>145,846,463</b>
<b>Provisions</b>		
Provisions for Taxation	19,807,369	17,136,011
Provision for Fringe Benefit Tax	80,000	80,000
Provision for Fringe Benefit Tax (2009-10)	-	-
<b>Sub-total Rs.</b>	<b>19,887,369</b>	<b>17,216,011</b>
<b>Total Rs.</b>	<b>192,789,840</b>	<b>163,062,474</b>

**RAMSHYAM TEXTILE INDUSTRIES LIMITED**

**Schedules forming part of the Profit and Loss Account for the year ended 31st March 2011**

<b>Particulars</b>	<b>Year ended 31.03.2011 (Amt. in Rs.)</b>	<b>Year ended 31.03.2010 (Amt. in Rs.)</b>
<b><u>Schedule 10 : Income from Operations</u></b>		
Sales	1,276,437,790	590,157,862
Job Work (TDS Rs.6,55,744/-; Previous year Rs.2,86,621/-)	51,971,414	35,798,367
TOTAL Rs.	<u>1,328,409,204</u>	<u>625,956,229</u>
<b><u>Schedule 11 : Other Income</u></b>		
Interest On Fixed Deposit with Bank (TDS Rs.68740/-; Previous year Rs.46,443)	807,012	464,351
Rebat & Claim	41,042	8,218
Interest on IT Refund	77,501	-
TOTAL Rs.	<u>925,555</u>	<u>472,569</u>
<b><u>Schedule 12 : Personal Cost</u></b>		
Salaries & Wages	7,313,826	5,050,776
Contribution to Provident Fund	343,368	334,936
Staff Welfare Expenses	441,238	317,679
TOTAL Rs.	<u>8,098,432</u>	<u>5,703,391</u>
<b><u>Schedule 13 : Manufacturing ,Administrative and Other Expenses</u></b>		
Stores & Spares Consumed	2,319,100	1,484,862
Power & Fuel	4,100,341	3,692,444
Beam Drawing and Leasing charges	680,033	607,378
Job Charges Paid	11,447,312	7,066,051
Other Direct Exp.	449,000	1,600,000
Mending Charges	269,384	414,390
Rent, Rates and Taxes	49,147	73,750
Repairs & Maintenance-Building	418,450	37,851
Repairs & Maintenance-Plant and Machinery	431,804	520,589
Repairs & Maintenance-Others	32,916	66,441
Security Charges	-	50,977
Insurance Charges	54,824	81,149
Communication Costs	245,385	397,418
M.P.C.B. (Envirement Polution Exp.)	-	44,090
Travelling & Conveyance	658,616	331,459
Legal & Professional Fees	555,622	108,222
Motor Car Expenses	206,047	324,998
Advertisement and Sales Promotions	100,147	115,270
Auditors' Remuneration	44,120	27,575
Miscellaneous Expenses	1,062,046	441,908
Discount Allowed, Rate Diff.	53,692	189,004
General Expenses	177,173	232,830
Donations	-	132,000
Stamp Duty Paid	328,310	2,400
Profession Tax	15,000	-
TOTAL Rs.	<u>23,698,469</u>	<u>18,043,056</u>

**RAMSHYAM TEXTILE INDUSTRIES LIMITED**  
**Schedules forming part of the Profit and Loss Account for the year ended 31st March 2011**

<b>Particulars</b>	<b>Year ended 31.03.2011 (Amt. in Rs.)</b>	<b>Year ended 31.03.2010 (Amt. in Rs.)</b>
<b>Schedule 14 : Interest and Financial Charges</b>		
Bank Charges	413,338	202,794
Interest on Cash Credit	10,673,041	6,596,841
L/C Bank Commission	1,535,100	699,825
Interest on Term Loan	3,634,095	5,544,420
Interest on Short term loan (SLOC)	901,473	999,789
Interest on Car Loan	29,718	41,815
Bank Processing Charges	602,000	340,000
	<b>17,788,765</b>	14,425,484
Less: TUFS Subsidy on Interest on Term Loan	<b>1,425,130</b>	2,255,699
	<b>16,363,635</b>	12,169,785
	<b>17,788,765</b>	14,425,484
	<b>12,169,785</b>	12,169,785
	<b>5,618,980</b>	2,255,699

## **SCHEDULE : 15 : NOTES FORMING PART OF BALANCE SHEET AS AT 31.03.2011**

### **1. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION**

#### **1. Basis of preparation of Financial Statements:**

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

#### **2. Use of Estimate:**

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

#### **3. Revenue Recognition:**

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

##### **(i) Sale of goods**

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

##### **(ii) Interest**

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

**(iii) Dividends:** Revenue is recognized as and when received.

#### **4. Fixed Assets:**

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

#### **5. Depreciation:**

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

#### **6. Inventories:**

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

#### **7. Investment:**

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

#### **8. Foreign Exchange Transaction:**

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



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

**9. Employee Retirement Benefits:**

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

**10. Borrowing Costs:**

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

**11. Leases:**

Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit & Loss account on accrual basis. Assets leased out under operating leases are capitalized. Rental income is recognized on accruals basis over the lease term.

**12. Earning per share:**

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

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

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

**14. Provision, Contingent Liabilities and contingent assets:**

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

**Impairment of Assets:**

The company assesses at each balance sheet date whether there is any indication that an assets may be impaired. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the asset belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. If at the

balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

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

- The previous year's figure have been reworked, regrouped, rearranged and reclassified wherever necessary.
- Earning per share (EPS):  
In compliances to AS-20 on "Earning Per Share" issued by ICAI, the elements considered for calculation of earning per share (Basic & Diluted) are as under:

Particulars	2010-11	2009-10
Net Profit as per Profit & Loss Account (Rs.)	86,18,411	25,47,347
Weighted average number of equity shares	6,19,829	6,07,850
Basic and diluted Earning per share (Rs.)	13.90	4.19
Face value per share (Rs.)	10	10

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

Particulars	2009-2010	Current year
Deferred Tax Liabilities	1,11,48,562	1,21,74,402

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

Name of the parties	Nature of Relationship	Nature of Transactions	Amount Rs.
First Winner Lifestyle Ltd.	Group Co.	Job Work Charges Paid	24,324
		Job Work Charges Recd.	2,42,303
First Winner Industries Ltd.	Holding Co.	Job Work Charges Paid	34,35,314
		Job Work Charges Recd.	5,94,795
Rikosh Fashions Pvt. Ltd.	Group of Co.	Job Work Charges Paid	79,87,674
		Job Work Charges Recd	1,34,660

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

- Contingent Liabilities: (Rs. in lacs)

Particulars	31.03.2011	31.03.2010
Bank Guarantees (Sales Tax Registration Purpose)	0.05	0.05

Total	0.05	0.05
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**7. Segment Reporting:**

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

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

**9.** In the opinion of the Board, sundry debtors, loans and advances and other current assets are approximately of the value stated if realized in the ordinary course of business. The provisions for all known liabilities is adequate and not in excess of the amount reasonably necessary.

**10. Foreign Currency Transactions:**

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

**11. Payments to Auditors:**

Particulars	2010-11	2009-10
Audit fees	44120	27,575
Tax & other matter	-	-
Total	44,120	27,575

**12. Managerial Remuneration:**

Particulars	2010-11	2009-10
Directors remunerations	NIL	NIL
Sitting fees	NIL	NIL
Total	NIL	NIL

**13.** The company has not given corporate guarantee for loans taken by group of companies.

**14.** The company has received corporate guarantee for loans borrowed from SBI amounting to Rs.18.36 Crores. The Corporate guarantee issued by group companies M/s. First Winner Industries Ltd., M/s. First Winner Lifestyle Ltd., M/s. Rikosh Fashions Pvt. Ltd. & Solitaire Texfab & Traders Pvt. Ltd.

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

Particulars	2010-11	2009-10
A. Licensed Capacity	42.24 Lac Mtrs	42.24 Lac Mtrs
B. Installed Capacity	42.24 Lac Mtrs	42.24 Lac Mtrs

C. Actual Performance	30.19 Lac Mtrs	31.78 Lac Mtrs
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**16. Information of major traded materials:**

Particulars	2010-11		2009-10	
	Qty in Mtrs.	Value in Rs.	Qty in Mtrs.	Value in Rs.
Fabrics				
Opening Stock	Nil	Nil	Nil	Nil
Purchases	10,46,59,883	1,26,26,68,926	55,04,975	58,03,87,595
Sales	10,46,59,883	1,27,63,68,383	55,04,975	59,00,77,527
Closing Stock	Nil	Nil	Nil	Nil

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

Signature to Balance Sheet and Profit & Profit & Loss Account

For Praful M. Joshi  
Chartered Accountant,

For Ramshyam Textiles Industries Ltd.

(Praful M. Joshi – Proprietor)  
Membership No.100/30276

(Director)

(Director)

Place:- Mumbai

Place:- Mumbai

Date: 30.04.2011

Date: 30.04.2011

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

1. Registration Details	
• Registration No.	: 124366
• State Code	: 11
• Balance Sheet	: 31/03/2011
2. Capital Raised During the Year	(Rs. In Thousands)
• Public Issue	: NIL
• Right Issue	: NIL
• Bonus Issue	: NIL
• Private Placement	: 2,875
3. Position of Mobilization & deployment of fund	(Rs In Thousands)
• Total Liabilities	: 3,13,467
• Total Assets	: 3,13,467
<u>Sources of Funds</u>	
• Paid Up Capital	: 8,954
• Share Application Money	: 25,000
• Reserves & Surplus	: 1,43,461
• Deferred Tax Liability	: 12,174
• Secured Loans	: 1,23,878
• Unsecured Loans	: NIL
<u>Application of Funds</u>	
• Net Fixed Assets	: 87,737
• Investments	: NIL
• Net Current Assets	: 2,25,676
• Miscellaneous Expenditure	: 55
• Accumulated Losses	: NIL
4. Performance of the Company	(Rs. In Thousand)
• Turnover (Gross Receipts)	: 13,29,335
• Total Expenditure	: 13,16,257
• Profit/ (Loss) Before Tax	: 13,078
• Profit/ (Loss) After Tax	: 8,618
• Earning Per Shares (In Rs.)	: 13.90
• Dividend Rate Included Special	: NIL
• On Preference Shares	: NIL
• On Equity Shares	: NIL
5. Generic Names of the Principal Product	
• Service of the Company (ITC Code)	: 55131910
• Production Description	: Manufacturing & Trading in Fabrics

Date: 30th August, 2011

**For Ramshyam Textile Industries Limited**

Rinku Patodia  
**Director**

Anita Patodia  
**Director**

**3rd Annual Report 2010-2011**

**PAL TRADING COMPANY PRIVATE LIMITED**

**BOARD OF DIRECTORS**

**SHRI RINKU I. PATODIA**

**SMT. ANITA R. PATODIA**

**AUDITORS**

**M/S. PRAFUL M. JOSHI**

**BANKERS**

**STATE BANK OF INDIA**

**M I D C BRANCH , ANDHERI (E)**

**MUMBAI**

**REGISTERED OFFICE**

**605, BUSINESS CLASSIC,  
CHINCHOLI BUNDER ROAD,  
MALAD (WEST), MUMBAI – 400064.**

**T. 28802255/99 Fax: 28812288**

E-Mail: [firstwinner@indiaitmes.com](mailto:firstwinner@indiaitmes.com)

# PAL TRADING COMPANY PRIVATE LIMITED

## Directors' Report

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

### FINANCIAL RESULTS

	2010-11	2009-2010
	Rupees	Rupees
Profit before depreciation and tax	1829857	699565
Less: Depreciation	26813	26178
Profit after depreciation but before tax	1803044	673387
Less: Provision for tax	570731	183458
Deferred tax	37677	39114
Fringe Benefit Tax	--	--
Less: Short Provisions For earlier years	--	512
Profit after tax	1194635	450303
Add: Balance brought forward	630752	180449
Balance carried forward	1825387	630752

### DIVIDEND

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

### DEPOSITS

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

### AUDITORS' REPORT

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

### DISCLOSURE OF PARTICULARS

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

### PERSONNEL

The Board of Directors wishes to express its appreciation for the outstanding contribution made by employees to the operations of the Company during the year. None of the Employee is in receipt of remuneration up to the limits prescribed under Section 217(2A) of the Companies Act, 1956 and the Rules made there under.

### DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- i. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departure;
- ii. that the selected Accounting Policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the profit of the company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. that the annual accounts have been prepared on going concern basis.

#### DIRECTORS

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

#### COMPLIANCE CERTIFICATE

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

#### AUDITORS

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

#### ACKNOWLEDGEMENT

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

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

Rinku Patodia  
Chairman

Mumbai, August 30, 2011.

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



# **PAL TRADING COMPANY PRIVATE LIMITED**

Annexure to the Directors' Report

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

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

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

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

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

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

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

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

Rinku Patodia  
Chairman

Mumbai, August 30, 2011.

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

## **AUDITORS REPORT**

**To  
THE MEMBERS OF**

### **PAL TRADING COMPANY PRIVATE LIMITED**

We have audited the attached Balance Sheet of **PAL TRADING COMPANY PRIVATE LIMITED** as at 31<sup>st</sup> March, 2011, and also the Profit & loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

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

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books;
- c) the Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts;
- d) in our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e) Directors of the Company do not, prima facie, have any disqualification as referred to clause (g) of sub section (1) of section 274 of the Companies Act 1956 which is based on written representation received from them.
- f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011 and
  - ii) in the case of the Profit & Loss Account, of the **profit** of the Company for the year ended on that date.

For Praful M. Joshi  
Chartered Accountants

(Praful M. Joshi- Proprietor)  
Membership No. 100/30276

Place : Mumbai  
Date : 30.08.2011

## **Annexure to the Auditors' Report referred to in paragraph 1 of our report of even date**

- i (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) As explained to us the management has physically verified the fixed assets during the year and no material discrepancies were noticed on such verification.  
(c) In our opinion and as per the information and explanations given to us, the Company has not disposed off any substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- ii (a) As explained to us, inventory has been physically verified by the management at regular intervals during the year.  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- iii. The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence sub-clauses (b), (c), (d), (e), (f) & (g) of clause 4(iii) are not applicable to the Company during the year under report.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.
- v. (a) In our opinion and according to the information and explanations given to us, the transactions that made need to be entered into the register maintained under section 301 of Companies Act, 1956 have been so entered.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA Of the Companies Act, 1956.
- vii. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii. In our opinion, The provisions of section 209 (1) (d) of the Companies Act, 1956 in respect of maintenance of cost records as may be prescribed by the Central Government, are not applicable to the Company.
- ix. According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. According to the information and explanation given to us, there are no undisputed amount payable in respect of

Such statutory dues which have remained outstanding as at 31<sup>st</sup> March, 2011 for a period of more than six months from the date they become payable

- x. 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.
- xi. 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.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. 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.
- xiv. According to the explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments, hence the related reporting requirements of the Orders are not applicable.
- xv. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. According to the information and explanations given to us, the company has not raised any term loan. Therefore, clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xvii. 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.
- xviii. During the year under report, the Company had made preferential allotment of shares to its holding company i.e. First Winner Industries Ltd. 1,40,000 shares company covered in the Register maintained under section 301 of the Act.
- xix. According to the information and explanations given to us, the company had not issued debenture. Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xx. During the year, company had not raised any money by public issues. Therefore, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xxi. 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 Praful M. Joshi  
Chartered Accountants  
(Praful M. Joshi- Proprietor)  
Membership No. 100/30276

Place : Mumbai  
Date : 30.08.2011



**PAL TRADING COMPANY PRIVATE LIMITED**

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

Schedules	Particulars	Year ended 31.03.2011 (Amt. in Rs.)	Year ended 31.03.2010 (Amt. in Rs.)
	<b><u>INCOME</u></b>		
	Sales	939,881,613	699,156,061
	Othre Incomes	280,231	308,382
	<b>TOTAL Rs.</b>	<b>940,161,844</b>	<b>699,464,443</b>
	<b><u>EXPENDITURE</u></b>		
<b>8</b>	Cost of Goods Sold	922,145,622	686,066,523
<b>9</b>	Administrative and General Expenses	2,262,945	1,276,189
<b>10</b>	Finance Charges	13,923,421	11,422,165
	Depreciation	26,813	26,178
	<b>TOTAL Rs.</b>	<b>938,358,801</b>	<b>698,791,055</b>
	<b>PROFIT BEFORE TAX</b>	<b>1,803,044</b>	<b>673,387</b>
	<b>Provision For Taxation</b>		
	Current Tax	570,731	183,458
	Differred Tax Liabilites	37,677	39,114
	<b>PROFIT AFTER TAX</b>	<b>1,194,635</b>	<b>450,815</b>
	Less:- Short Provision for FBT (Asst. Yr. 2009-10)	-	512
	Balance brought forward from previous year	630,752	180,449
	<b>BALANCE CARRIED TO BALANCE SHEET</b>	<b>1,825,387</b>	<b>630,752</b>

**11** Significant Accounting Policies & Notes to account  
As per our report of even date attached  
Notes & Schedules 1 TO 11 Form part of Accounts

**For Praful M. Joshi**

Chartered Accountants

sd/-

(Praful M. Joshi - Proprietor)

Membership No. 100/ 30276

Place: Mumbai

Date: 30.08.2011

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

sd/-

sd/-

**Director**

**Director**

**Schedules Forming Part Of Balance Sheet for year ended 31st March 2011**

<b>PARTICULARS</b>	<b>As at 31.03.2011 (Amt. in Rs.)</b>	<b>As at 31.03.2010 (Amt. in Rs.)</b>
<b><u>Schedule : 1 : Share Capital</u></b>		
<b>Authorised</b>		
1000000 (800000) Equity Shares of Rs.10/- each	<b>10,000,000</b>	8,000,000
	<b>10,000,000</b>	8,000,000
<b>Issued, Subscribed &amp; Paid up</b>		
925000 (785000) Equity Shares of Rs.10/- each fully paid-up	<b>9,250,000</b>	7,850,000
<b>TOTAL Rs.</b>	<b>9,250,000</b>	7,850,000
<b><u>Schedule : 2 : Reserves &amp; Surplus</u></b>		
<b><u>Reserves and Surplus</u></b>		
<b>Share Premium Account</b>		
Opening Balance	<b>69,750,000</b>	69,750,000
Addition during the year	<b>26,600,000</b>	-
<b>SUB-TOTAL Rs.</b>	<b>96,350,000</b>	69,750,000
<b>Profit and Loss Account</b>		
Opening Balance	<b>630,752</b>	-
Transfer from Profit & Loss a/c	<b>1,194,635</b>	630,752
<b>SUB-TOTAL Rs.</b>	<b>1,825,387</b>	630,752
<b>TOTAL Rs.</b>	<b>98,175,387</b>	70,380,752
<b><u>Schedule : 3 : Secured Loan</u></b>		
Cash Credit - SBI	<b>87,754,041</b>	67,971,136
[Secured against Stock in Trade & Receivables]		
[Pesonally guaranteed by Directors]		
<b>TOTAL Rs.</b>	<b>87,754,041</b>	67,971,136

**PAL TRADING COMPANY PVT. LTD.**

**Schedules Forming Part Of Balance Sheet for year ended 31.03.2011**

**SCHEDULE '4' : FIXED ASSETS**

(Amt. in Rs.)

PARTICULARS	GROSS BLOCK				DEPRICIATION				NET BLOCK	
	AS ON 1/04/10	ADDITION	DEDUCTION	AS ON 31/03/11	AS ON 1/04/10	FOR THE Period	DEDUCTION	UPTO 31/03/11	AS ON 31/03/11	AS ON 31/03/10
Office Premises	1,607,126	-	-	1,607,126	27,812	26,196	-	54,008	1,553,118	1,579,314
Computer & Printers	-	37,538	-	37,538	-	617	-	617	36,921	-
	-									
<b>TOTAL</b>	<b>1,607,126</b>	<b>37,538</b>	<b>-</b>	<b>1,644,664</b>	<b>27,812</b>	<b>26,813</b>	<b>-</b>	<b>54,625</b>	<b>1,590,039</b>	<b>1,579,314</b>
Previous Year	1,590,526	16,600	-	1,607,126	1,634	26,178	-	27,812	1,579,314	1,588,892



**PAL TRADING COMPANY PRIVATE LIMITED**

**Schedules Forming Part Of Balance Sheet for year ended 31st March 2011**

PARTICULARS	As at 31.03.2011 (Amt. in Rs.)	As at 31.03.2010 (Amt. in Rs.)
<b><u>Schedule : 5 : Current Assets &amp; Loans Advances</u></b>		
<b><u>A : Current Assets</u></b>		
<b>Sundry Debtors ( Unsecured considered good )</b>		
1) Due for more than six months	3,397,926	-
2) Others	242,208,332	320,091,999
<b>Sub-Total Rs.</b>	<b>245,606,258</b>	<b>320,091,999</b>
<b>Cash and Bank Balances</b>		
Cash In Hand	584,911	279,031
<b>Sub-Total Rs.</b>	<b>584,911</b>	<b>279,031</b>
<b>Sub-Total : A :</b>	<b>246,191,169</b>	<b>320,371,030</b>
<b><u>B : Loans &amp; Advances</u></b>		
Advance tax A.Y. 2009-10	50,000	50,000
Advance Tax A.Y. 2010-11	150,000	
Fixed Deposit With Bank	5,068,966	4,816,766
Reliance Energy Deposit	1,760	1,760
The Tata Power Co. (Deposit)	8,550	8,550
Staff Advances	45,161	
Prepaid Insurance	5,374	5,374
Self Asst. Tax (Asst. Yr. 2009-10)	16,253	16,253
Self Asst. Tax (Asst. Yr. 2010-11)	143,894	-
T D S (Asst.Y.2009-10)	12,397	12,397
T D S (Asst.Y.2010-11)	39,379	39,379
T D S (Asst.Yr.2011-12)	28,031	-
Bank Interest & Processing Fees Receivable	1,497,950	
Nirmal Bang Securities (Deposit)	5,000	
<b>Sub-Total : B :</b>	<b>7,072,715</b>	<b>4,950,479</b>
<b>TOTAL Rs.</b>	<b>253,263,884</b>	<b>325,321,509</b>
<b><u>Schedule : 6 : Current Liabilities &amp; Provisions</u></b>		
<b><u>Current Liabilities &amp; Provisions</u></b>		
<b>Sundry Creditors</b>		
a) For Goods	58,643,690	174,384,908
b) For Expenses	169,201	73,415
Duties & Taxes		
TDS Payable	1,160	-
<b>TOTAL Rs.</b>	<b>58,814,051</b>	<b>174,458,323</b>
<b><u>Schedule : 7 : Miscellaneous Expenditure</u></b>		
Preliminary Expenses.	91,866	122,488
Addition during the year	24,000	
	<b>115,866</b>	
Less:- 1/5 Written Off	35,423	30,622
<b>TOTAL Rs.</b>	<b>80,443</b>	<b>91,866</b>

**PAL TRADING COMPANY PRIVATE LIMITED**

**Schedule Forming Part Of Profit & Loss Account for year ended 31st March 2011**

<b>PARTICULARS</b>	<b>For year ended 31.03.2011 (Amt. in Rs.)</b>	<b>For year ended 31.03.2010 (Amt. in Rs.)</b>
<b><u>Schedule : 8 : Cost of Goods Sold</u></b>		
<b><u>Cost Of Goods Sold</u></b>		
Opening Stock	-	-
Add: Purchases	922,145,622	686,066,523
Less: Closing Stock	-	-
<b>TOTAL Rs.</b>	<b>922,145,622</b>	<b>686,066,523</b>
<b><u>Schedule : 9 : Administrative &amp; General Expenses</u></b>		
Audit Fees	19,303	19,303
Brokeage	72,138	68,326
Conveyance Expenses	102,386	85,923
Couroier & Postage Exps	85,106	88,799
Donation	50,000	-
Electricity Expenses	50,175	37,461
Franking Charges	338,550	2,850
Insurance Charges	7,942	11,557
Office & General Expenses	97,289	106,580
Preliminary Exp. W/ off	35,423	30,622
Printing & Stationery Charges	92,290	89,226
Professional Fees	162,300	4,000
Pooja Expenses	40,039	73,362
R O C Fees	7,967	3,500
Repairs & Maintenance Exps	98,982	97,421
Salaries	760,235	337,446
Staff Welfare Expenses	113,667	97,251
Society Maintenance	31,116	31,116
Stamp Duty Charges	-	-
Telephone Charges	98,037	91,446
<b>TOTAL Rs.</b>	<b>2,262,945</b>	<b>1,276,189</b>
<b><u>Schedule : 10 : Finance Charges</u></b>		
Bank Charges	319,890	333,815
Bank Comission	1,083,600	1,061,025
Bank Interest	11,854,931	9,812,147
L/C Discounting Charges	-	215,178
Processing Fees	665,000	-
Mortgage Charges	-	-
<b>TOTAL Rs.</b>	<b>13,923,421</b>	<b>11,422,165</b>

**SCHEDULE '11': SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO  
ACCOUNTS FOR YEAR ENDED 31<sup>ST</sup> MARCH 2011.**

**SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of preparation of Financial Statements**

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

**2. Revenue Recognition**

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

**i) Sale of goods**

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

**ii) Interest**

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

**3. Fixed Assets**

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

**4. Depreciation**

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

**5. Inventories**

Inventories at the end of year was Nil.

**6. Foreign Exchange Transaction**

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

**7. Current Tax and Deferred Tax :**

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

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

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

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

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

1. In the opinion of the Board, sundry debtors, loans and advances and other current assets and unsecured loans are approximately of the value stated if realized in the ordinary course of business. The provisions for all known liabilities is adequate and not in excess of the amount reasonably necessary. These balances are subject to confirmation and reconciliation.

2. As required under AS-22, "Accounting For Taxes On Income" issued by the ICAI, the company is required to account for deferred taxation while preparing its accounts.

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

4. Segment Reporting

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

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

**6. Foreign Currency Transactions**

No Foreign Currency transaction is carried out by the company.

7. Payments to Auditors

Particulars	2010-11	2009-10
Audit fees	Rs.19,303/-	Rs.19,303/-

8. Managerial Remuneration: No remuneration paid to Director.
9. Additional information pursuant to the provision of paragraph 3,4C & 4D of PART II of SCHEDULE VI of the Company act 1956. (As prepared & Certified by the management, being technical matter relied upon by the Auditor.)

**Information of major traded materials:**

Particulars	2010-11		2009-10	
	Qty ( Mtr.)	Value ( Rs.)	Qty. ( Mtr.)	Value (Rs.)
<b>Fabrics</b>				
Opening Stock	---	---	---	---
Purchases	7857732	92,21,45,622	6042769	68,60,66,523
Sales	7857732	93,98,81,613	6042769	69,91,56,061
Closing Stock	---	---	---	---

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

Signature to Balance Sheet and Profit & Profit & Loss Account

For Praful M. Joshi  
Chartered Accountants

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

**Director**

(Praful M. Joshi- Proprietor)

Membership No. 100/30276

Place : Mumbai

Dated : 30.04.2011

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

1. Registration Details	
• Registration No.	: 184901
• State Code	: 11
• Balance Sheet	: 31/03/2011
2. Capital Raised During the Year	(Rs. In Thousands)
• Public Issue	: NIL
• Right Issue	: NIL
• Bonus Issue	: NIL
• Private Placement	: 1400
3. Position of Mobilization & deployment of fund	(Rs In Thousands)
• Total Liabilities	: 1,95,293
• Total Assets	: 1,95,293
<u>Sources of Funds</u>	
• Paid Up Capital	: 9,250
• Share Application Money	: NIL
• Reserves & Surplus	: 98,175
• Deferred Tax Liability	: 114
• Secured Loans	: 87,754
• Unsecured Loans	: NIL
<u>Application of Funds</u>	
• Net Fixed Assets	: 1,590
• Investments	: NIL
• Net Current Assets	: 1,93,623
• Miscellaneous Expenditure	: 80
• Accumulated Losses	: NIL
4. Performance of the Company	(Rs. In Thousand)
• Turnover (Gross Receipts)	: 9,40,162
• Total Expenditure	: 9,38,359
• Profit/ (Loss) Before Tax	: 1,803
• Profit/ (Loss) After Tax	: 1,195
• Earning Per Shares (In Rs.)	:
• Dividend Rate Included Special	: NIL
• On Preference Shares	: NIL
• On Equity Shares	: NIL
5. Generic Names of the Principal Product	
• Service of the Company (ITC Code)	: 55131910
• Production Description	: Trading in Fabrics

**For Pal Trading Company Private Limited**

Date: 30<sup>th</sup> April, 2011

Rinku Patodia

Anita Patodia

**Director**

**Director**