
11th Annual Report
2012-13



FIRST WINNER



Message from Managing Director



I am pleased to present the Eleventh Annual Report of the Company. At the outset, I am thankful to all the shareholders of the Company for their whole hearted support and cooperation in furthering the overall growth of the Company.

As you all know year 2011-2012 was a year of global crises and that crises continued in 2012-2013. The global economy has been passing through a prolonged phase of uncertainty and the low growth along with the atmosphere of hesitancy is also reflected in India. Continuing high inflation, unacceptable levels of fiscal and current account deficits, lackluster performance on the export front as well as a fall in the rate of growth in industrial production, high prices of crude in international markets - all these have added to the reasons for low economic growth.

During the year 2012-13, Indian Textile Industry, was one of the worst hit sector by the global financial crisis especially, due to economic crisis in the US and Europe. The Textile Industry was adversely affected by crash in prices in cotton and other textile products from April 2011 onwards, led to huge losses in the Textiles Industry. Further, due to poor demand in domestic as well as western markets and restrictions on export, led to huge accumulation of unsold stocks, which led to erosion of working capital in the Industry.

Our Company continues to face difficult circumstances particularly in terms of high interest cost, ever increasing input costs, reduced demand etc. due to which its performance has remained unsatisfactory. Looking forward to the expected revival in the global economy and the improvement in our economy in tandem, in terms of increases in demand for and prices of its various products, the outlook for the Company is expected to remain stable.

I extend my sincere thanks to all our stakeholders including shareholders, customers and the loyal staff for their continued support and confidence in helping the Company to maintain and enhance its inherent strengths even in difficult times.

Thank You
Yours' Sincerely
Rinku Patodia

First Winner Industries Limited

Board of Directors

Shri M. K. Sinha
Independent, Non Executive Chairman

Shri B. G. Agarwal
Independent, Non Executive Director

Shri Rinku Patodia
Managing Director

Smt. Anita Patodia
Executive Director

Company Secretary

Ms. Avani Gandhi

Auditors

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

&

M/S Deshmukh & Associates, Chartered Accountants, Mumbai

Bankers

State Bank of India

Registrar and Share Transfer Agent

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

Registered Office

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

| Table of Contents | |
|--|----|
| Notice | 2 |
| Directors Report | 3 |
| Management Discussion and Analysis | 5 |
| Corporate Governance Report | 10 |
| Auditors' Report | 18 |
| Balance Sheet | 22 |
| Profit & Loss Account | 23 |
| Cash Fow Statement | 24 |
| Notes on Financial Statements | 25 |
| Auditors Report on Consolidated Financial Statements | 40 |
| Consolidated Balance Sheet | 42 |
| Consolidated Profit & Loss Account | 43 |
| Consolidated Cash Fow Statement | 44 |
| Consolidated Notes on Financial Statements | 45 |

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Eleventh Annual General Meeting of the members of First Winner Industries Limited will be held on Friday, the 27th September, 2013 at 705, Business Classic, Chincholi Bunder Road, Malad (West), Mumbai- 400064 at 11.00 a.m. to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013, the Profit & Loss Account and Cash Flow Statement for the year ended on that date along with the Schedules and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Dr. M. K. Sinha, who retires by rotation and being eligible, seeks reappointment.
3. To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration and to pass the following resolution thereof:

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

14th August, 2013

Registered Office:

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

By Order of the Board
First Winner Industries Ltd

sd/-
Rinku Patodia
Managing Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. (A copy of the proxy form is attached).
2. Proxies in order to be effective must be received by the Company at the registered office address not less than 48 hours before the commencement of the meeting.
3. Members are requested to notify any change in their address at the Registered Office of the Company immediately.
4. The Register of Members and Share Transfer Register shall remain closed with effect from Friday, the 20th September, 2013 to Friday, the 27th September, 2013 (both days inclusive).
5. Those members attending the Annual General Meeting are requested to bring their Annual Reports, as copies of the Annual Report will not be distributed at the venue.
6. Members are requested to preferably send their queries to the Registered Office 7 days before the date of the Annual General Meeting.
7. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
8. As required by Clause 49 of the Listing Agreement, members are informed that Dr. M. K. Sinha do not hold any equity shares in the Company and the additional information in respect of the said Director recommended for re-election at the AGM is appearing in the Corporate Governance Report annexed to the Directors' Report.

14th August, 2013

Registered Office:

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

By Order of the Board
First Winner Industries Ltd

sd/-
Rinku Patodia
Managing Director

DIRECTORS' REPORT

Dear Shareholders,

The Directors have pleasure in presenting their Eleventh Annual Report and Accounts for the year ended March 31, 2013.

FINANCIAL RESULTS

| | 2012-13 Rupees | 2011-12 Rupees |
|---|-------------------|-------------------|
| Profit before depreciation and tax | -53468766 | 66902956 |
| Less: Depreciation | 56338028 | 44639692 |
| Profit after depreciation but before tax | -109806794 | 22263264 |
| Less: Provision for tax | -- | 4482110 |
| Deferred tax | -13006615 | 7541618 |
| Fringe Benefit tax | -- | - |
| Less: Short provision for earlier year | -- | 47380 |
| Profit after tax | -96800179 | 10192156 |
| Add: Balance brought forward from previous year | 161096088 | 145552298 |
| Appropriation : | | |
| Proposed Dividend | - | - |
| Tax on Proposed Dividend | - | - |
| Add: Excess provision for tax of previous year | - | 5351634 |
| Balance carried forward | 64295909 | 161096088 |

DIVIDEND

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

DEPOSITS

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

AUDITORS' REPORT

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- i. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departure;
- ii. that the selected Accounting Policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE

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

AUDITORS

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

SUBSIDIARIES

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

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

FUTURE OUTLOOK

As you all know year 2011-2012 was a year of global crises and that crises continued in 2012-2013 and also had an experience of huge economic crises. Surely the prevailing economic environment has had an impact on the global apparel and textile industry. Textile industries as a whole suffered a lot. This situation made us to acted with speed and purpose to expand our manufacturing competence and marketing capabilities across the globe. We prepared hard towards optimising efficiencies, maximising quality, cost cutting and reducing turnaround time. We are ready to strike an intricate balance among interests of our varied stakeholders. We are ready to embark on a phase of sustained profitable growth to capitalize on opportunities and face challenges.

DISCLOSURE OF PARTICULARS

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

PARTICULARS OF EMPLOYEES

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

PERSONNEL

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

ACKNOWLEDGEMENT

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

Mumbai, 14th August, 2013.
Registered Office: 605, Business Classic,
Chincholi Bunder Road,
Malad (West), Mumbai-400 064.

For and on behalf of the Board
First Winner Industries Limited

sd/-
Rinku Patodia
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overall review of the economy

2012-13 has been a challenging year for the global economy. Lower global demand, domestic policy uncertainties and the cumulative impact of monetary tightening contributed to growth slowing down considerably to the estimated level. All three sectors of the economy – agriculture, industry and services – slowed down. Even though there was moderation in agriculture growth, the year witnessed an all-time high foodgrains output. The services sector moderated primarily due to the slowdown in construction, while the disappointing performance of mining and manufacturing sub-sectors contributed to slackening of industrial growth.

At every stage of life we come across the rising price. There is no single area where the prices have not shot up. Industry is passing through the same phenomena. As you all are aware that the dollar has become more expensive which has effected all the material which are dependent on import like dyestuff, chemicals, lubricant etc.

Industry Structure and Developments

Indian Textile Industry has a very strong presence in the entire value chain and it contributes about 14% to industrial production, 14% to the manufacturing sector, 4% to the GDP and 17% to the Country's total export earnings. The Industry provides direct employment to over 35 million people and the 2nd largest provider of employment after agriculture. It is the 2nd largest producer and exporter of cotton & yarn with 18% share in the world market.

Opportunities and Threats

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

Opportunities:-

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

Threats:-

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

Segment wise Performance

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

Internal Control

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

Human Resources/ Industrial Relations Front

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

Cautionary Statement

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

ANNEXURE TO THE DIRECTORS' REPORT

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

FORM A

Form for disclosure of particulars with respect to Conservation of Energy

(A) Power and Fuel Consumption:-

| | | 2012-13 | 2011-12 |
|----|--------------------------------------|-----------------|----------|
| 1. | Electricity | | |
| | a. Purchased Units (KWH) | 2231428 | 6096560 |
| | Total Amount (Rs.) | 11670368 | 23554934 |
| | Average Rate/Unit (Rs.) | 5.23 | 3.86 |
| | b. Own Generation | | |
| | i) Through diesel generator | N.A. | N.A. |
| | Units (KWH) | | |
| | Units/Lt. of Diesel | | |
| | Cost/ Unit (Rs.) | | |
| | ii) Through Steam Turbine/ Generator | N.A. | N.A. |
| 2. | Diesel* | | |
| | Quantity (ltr.) | 2065 | 99595 |
| | Total Amount | 109734 | 507281 |
| | Average Rate | 53.14 | 43.75 |
| 3. | Furnace Oil ** | | |
| | Quantity (kg.) | 141105 | 370601 |
| | Total Cost | 6260427 | 17418247 |
| | Rate/ Unit | 44.36 | 48.00 |
| 4. | Others/ Internal Generation | N.A. | N.A. |

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

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

(B) Consumption per unit production

| | 2012-13 | 2011-12 |
|--------------------|----------------|----------|
| Fabric (in mtrs.)* | 7812119 | 14610417 |
| Electricity | 0.29 | 0.42 |
| Diesel** | N.A. | N.A. |
| Furnace Oil** | N.A. | N.A. |
| Others | N.A. | N.A. |

Note: * Fabric exclude yarn dyeing job work(in KGs) = 793936.968 kg and sizing job work (in KGs)= 777949.26 kg.

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

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

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

Technology, absorption, adaptation and innovation

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

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

For and on behalf of the Board
First Winner Industries Limited

sd/-
Rinku Patodia
Chairman

Mumbai, 14th August, 2013

STATEMENT REGARDING SUBSIDIARIES

Particulars required under Section 212 of the Companies Act, 1956

| Name of the Subsidiary company | Ramshyam Textile Industries Limited | First Winner Lifestyle Limited | Pal Trading Co. Private Limited |
|--|--|--|---|
| 1 Financial Year of the Subsidiary Ended on | March 31, 2013 | March 31, 2013 | March 31, 2013 |
| 2 (a) Issued, subscribed and paid up Capital of Subsidiary | Rs. 2,14,53,500 | Rs. 2,82,50,000 | Rs. 1,22,50,000 |
| (b) Extent of interest of FWIL in Capital of Subsidiary | 21,45,270 equity Shares of Rs.10 each (99.99%) | 28,24,980 equity shares of Rs.10 each (99.99%) | 12,24,980 equity Shares of Rs. 10 Each (99.99%) |
| 3 Net aggregate amount of profits of the Subsidiary so far as it concerns the members of FWIL and is not dealt within the accounts of FWILs (a) Current financial year ended on March 31, 2013 (b) Previous financial years of the Subsidiary since it became Subsidiary of FWIL | Nil Rs. 43,81,935 | Nil Rs. 81,77,583 | Nil Rs. 8,33,536 |
| 4 Net aggregate amount of Loss of the Subsidiary so far as it dealt with or provisions made for those losses in the Accounts of FWIL (a) Current financial year Ended on March 31, 2013 (b) Previous financial years of the Subsidiary since it became Subsidiary of FWIL | Rs. (4,52,20,210) Nil | Rs. (4,59,29,588) Nil | Rs. (3,48,99,284) Nil |
| 5 No material changes have occurred between the end of the preceding financial year of the Subsidiary and the end of the Holding Company's financial year, in respect of the Subsidiary. | <ul style="list-style-type: none"> • Fixed Assets; • Investments; • Money lent by it; • Moneys borrowed by it for any purpose other than of meeting. • Current liabilities. | <ul style="list-style-type: none"> • Fixed Assets; • Investments; • Money lent by it; • Moneys borrowed by it for any purpose other than of meeting. • Current liabilities. | <ul style="list-style-type: none"> • Fixed Assets; • Investments; • Money lent by it; • Moneys borrowed by it for any purpose other than of meeting • Current liabilities. |

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

By Order of the Board of Directors
First Winner Industries Limited

sd/-
Rinku I. Patodia
Managing Director

sd/-
Anita R. Patodia
Executive Director

sd/-
Avani Gandhi
Company Secretary

CORPORATE GOVERNANCE REPORT

Company's philosophy on Code of Governance

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

Board Composition and particulars of Directors

Board Composition

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

| Director | Category | No. of Board Meetings attended | Attendance at previous AGM on 28/09/2012 | No. of Outside directorship held * | No. of Membership/ chairmanship in Committees |
|--------------------|-----------------------------|--------------------------------|--|------------------------------------|---|
| Dr. M. K. Sinha | Non- Executive, Independent | 5 | Present | 2 | Nil |
| Mr. B. G. Agarwal | Non- Executive, Independent | 5 | Present | - | Nil |
| Mr. Rinku Patodia | Executive | 9 | Present | 2 | Nil |
| Mrs. Anita Patodia | Executive | 9 | Present | 2 | Nil |

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

BOARD MEETING HELD DURING THE YEAR:

During the year 2012-2013, 9 Board Meetings were held on 15.05.2012, 22.06.2012, 25.06.2012, 11.08.2012, 22.08.2012, 31.08.2012, 10.11.2012, 29.01.2013 and 14.02.2013.

DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT

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

Dr. M.K. Sinha, aged 75 years, is a Doctorate in Operation Research and has done his Masters in Mathematics. He retired as Chairman & Managing Director of State Bank of India in 1995 after serving the bank for almost 39 years. During his tenure in the Bank, he has been involved in critical areas like management audit, human resource, organizational development, foreign exchange, fund management, and financial restructuring. He was a representative of State Bank of India for the East European countries at Moscow for almost 4 years. He was on the Board of seven associate banks of State Bank of India while working with the SBI.

CODE OF CONDUCT

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

BOARD COMMITTEES

AUDIT COMMITTEE

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

The composition of the Audit Committee is as under:

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

The terms of reference of the Audit Committee include:

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

During the financial year 2012-2013, Five Audit Committee Meetings were held on 15.05.2012, 11.08.2012, 31.08.2012, 10.11.2012 and 14.02.2013.

| Name of Director | No. of committee Meetings held | No. of committee Meetings attended |
|--------------------|--------------------------------|------------------------------------|
| Dr. M.K. Sinha | 5 | 5 |
| Mr. B.G. Agarwal | 5 | 5 |
| Mr. Rinku Patodia* | 5 | 2 |

* Mr. Anil Gupta tendered his resignation as Director of the Company and also as a member of the committee and Mr. Rinku Patodia appointed as a member of the committee w.e.f 29.08.2012.

REMUNERATION COMMITTEE

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

The composition of the Remuneration Committee is as under:

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

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

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

During the financial year 2012-2013, Two Audit Committee Meetings were held on 10.11.2012 and 14.02.2013.

During the year for fulfillment of compliance of provision of Section 198 & 309 read with part II of Schedule XIII of the Companies Act, 1956, there was stoppage in payment of remuneration to Mr. Rinku patodia, Managing Director of the Company and Mrs. Anita Patodia, Executive Director of the Company w.e.f. 01.01.2013.

However the stoppage in payment of remuneration will not include the sitting fees payable to Independent Director for each meeting.

| Name of Director | No. of committee Meetings held | No. of committee Meetings attended |
|--------------------|--------------------------------|------------------------------------|
| Dr. M.K. Sinha | 2 | 2 |
| Mr. B.G. Agarwal | 2 | 2 |
| Mr. Rinku Patodia* | 2 | 2 |

* Mr. Anil Gupta tendered his resignation as Director of the Company and also as a member of the committee and Mr. Rinku Patodia appointed as a member of the committee w.e.f 29.08.2012.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

Shareholders/ Inventors Grievance Committee is headed by Shri M. K. Sinha, a Non Executive Independent Director with Shri B. G. Agarwal and Mr. Rinku Patodia. Ms. Avani Gandhi, Company Secretary is the Compliance Officer. The Company appointed "Link Intime India Pvt. Ltd." (Formerly known as Intime Spectrum Registry Limited) as its Registrar and Share Transfer Agent for the redressal of investor's grievance and share transfer process. The RTA has acted upon all valid share transfers received during the year 2012-2013. All complaints received by the company were resolved during the year. There are no pending complaints at the end of the year.

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

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

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

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

During the year, the meetings of Shareholders'\ Investor Grievance Committee were held on 11.08.2012, 10.11.2012 and 14.02.2013.

| Name of Director | No of Committee Meetings held | No. of Committee Meetings attended |
|--------------------|-------------------------------|------------------------------------|
| Dr. M. K. Sinha | 3 | 3 |
| Mr. B. G. Agarwal | 3 | 3 |
| Mr. Rinku Patodia* | 3 | 2 |

* Mr. Anil Gupta tendered his resignation as Director of the Company and also as a member of the committee and Mr. Rinku Patodia appointed as a member of the committee w.e.f 29.08.2012.

GENERAL BODY MEETING

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

| Financial Year | Date | Location of the Meeting | Time |
|----------------|------------|---|------------|
| 2011-2012 | 28.09.2012 | Goregaon Sports Club, Link Road, Malad (West), Mumbai | 11.00 A.M. |
| 2010-2011 | 28.09.2011 | Goregaon Sports Club, Link Road, Malad (West), Mumbai | 11.00 A.M. |
| 2009-2010 | 27.09.2010 | Goregaon Sports Club, Link Road, Malad (West), Mumbai | 11.00 A.M. |

DISCLOSURES

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

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

MEANS OF COMMUNICATION

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

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

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting:

DATE: 27th September, 2013.

TIME: 11.00 A.M.

VENUE: 705, Business Classic, Chincholi Bunder Road, Malad (West), Mumbai- 400064.

List of shares held in Suspense Account

| Sr. No. | Name | DP Client ID | Application No. | No. of shares | Reason for shares held in suspense account |
|---------|------------------------------|------------------|-----------------|---------------|---|
| 1 | Mr. Darshan Sharadahai Mehta | IN30246110265280 | 11360746 | 50 | Demat account details mismatched with the one available with the Depository |
| | | | | 50 | |

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

Financial Calendar

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

Dates of Book Closure: 20.09.2013 to 27.09.2013 (both days inclusive)

Listing on Stock Exchanges and Stock Codes

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

The Company has duly paid the listing fee to both the aforesaid Stock Exchanges for the financial year 2013-14.

Market Price Data

Share price during the financial year 2012-13 at BSE & NSE for one equity shares of Rs. 10 each were as under:

| Month | BSE: Share Price (Rs.) | | NSE: Share Price (Rs.) | |
|-----------------|------------------------|-------|------------------------|-------|
| | High | Low | High | Low |
| April, 2012 | 14.24 | 13 | 14.75 | 12.55 |
| May, 2012 | 13.8 | 11.26 | 13.95 | 11.05 |
| June, 2012 | 12.4 | 9.24 | 12 | 9.10 |
| July, 2012 | 11.4 | 8.95 | 11.45 | 8.25 |
| August, 2012 | 10 | 8.51 | 9.95 | 8.50 |
| September, 2012 | 9.82 | 7.52 | 9.70 | 8.00 |
| October, 2012 | 10.14 | 8.63 | 9.95 | 8.60 |
| November, 2012 | 10.6 | 8.55 | 10.70 | 8.30 |
| December, 2012 | 9.75 | 8.51 | 9.65 | 8.60 |
| January, 2013 | 10 | 8.01 | 10.15 | 7.80 |
| February, 2013 | 8.06 | 6 | 8.20 | 5.95 |
| March, 2013 | 6.79 | 5.15 | 6.90 | 5.25 |

Stock Performance:

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

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

| Name of Depository | Position as on 31.03.13 (No. of shares) | % of Total Issued Capital |
|---------------------|---|---------------------------|
| NSDL | 48353942 | 96.26% |
| CDSL | 1871848 | 3.73% |
| Physical | 7003 | 0.01% |
| Total No. of shares | 50232793 | 100.00% |

Share Transfer System & Registrars and Transfer Agents (RTA)

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

Distribution of Shareholding as on 31st March, 2013

| Range of shares | Number of shares | No. of shareholders | % to total shares |
|-----------------|------------------|---------------------|-------------------|
| 1 to 500 | 287636 | 2059 | 0.5726 |
| 501 to 1000 | 180560 | 216 | 0.3594 |
| 1001 to 2000 | 199857 | 128 | 0.3979 |
| 2001 to 3000 | 146667 | 58 | 0.2920 |
| 3001 to 4000 | 70834 | 20 | 0.1410 |
| 4001 to 5000 | 67502 | 14 | 0.1344 |
| 5001 to 10000 | 276965 | 40 | 0.5514 |
| 10001 and above | 4900272 | 80 | 97.5514 |
| Total | 50232793 | 2615 | 100.0000 |

Shareholding Pattern:

| S. No. | Category | No. of Shares held | % of Share Holding |
|--------|---------------------------------|--------------------|--------------------|
| 1. | Promoters | 5962635 | 11.8700 |
| 2. | Corporate Bodies (Promoter Co.) | 18884465 | 37.5939 |
| 3. | Public | 2483130 | 4.9572 |
| 4. | Clearing Member | 47309 | 0.0942 |
| 5. | Other Bodies Corporate | 22718220 | 45.2259 |
| 6. | Foreign Inst. Investor | -- | -- |
| 7. | Non Resident Indians | 92507 | 0.1842 |
| 8. | Non Resident (Non Repatriable) | 502 | 0.0010 |
| 9. | Office Bearers | 37022 | 0.0737 |
| | TOTAL | 50232793 | 100.00 |

Subsidiary Companies

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

Manufacturing Facilities

The company has two manufacturing facilities situated at

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

Address for Correspondence

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

1. The Company Secretary

First Winner Industries Limited

605, Business Classic, Chincholi Bunder Road, Malad (West),

Mumbai- 400064 Ph: 022- 2880- 2255/99 Fax: 022- 2881 2288 Email: cs@firstwinnerind.com

2. Link Intime India Private Limited,

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400078 Ph. 022- 25963838

Mumbai, 14th August, 2013

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

For and on behalf of the Board
First Winner Industries Limited

sd/-
Rinku Patodia
Managing Director

CHIEF EXECUTIVE OFFICER/ CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The Board of Directors

First Winner Industries Limited

Dear Sirs,

We have reviewed the financial statements read with the cash flow statement of First Winner Industries Limited for the year ended on 31st day of March 2013 and to the best of our knowledge and belief, we state that:

- a) These statements do not contain any materially untrue statement or omit any material fact or contain statements, that might be misleading;
- b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- c) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;
- d) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies;
- e) We have indicated to the auditors and the Audit Committee:
 - i) Significant changes in internal control during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
 - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Yours Sincerely

sd/-

Rinku Patodia
Managing Director

Mumbai, 14th August, 2013

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

To the Members of First Winner Industries Limited,

We have examined the compliance of conditions of Corporate Governance by First Winner Industries Limited (the Company) for the year ended 31st March 2013 as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange(s) in India.

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

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

On the basis of the records maintained by the Company we state that as at 31st March 2013, there were no investor grievances pending with the Company.

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

For Deshmukh & Associates
Chartered Accountants

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

Place : Mumbai
Dated : 30/05/2013

For Praful M. Joshi
Chartered Accountants

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

Independent Auditors' Report

To the Members of

First Winner Industries Limited.

We have audited the accompanying financial statements of **First Winner Industries Limited**, ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013 and
- b) in the case of the Profit and Loss Account, of the **LOSS** for the year ended on that date.

Report on other legal & Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Praful M. Joshi
Chartered Accountants
FRN: 108056 W

For Deshmukh & Associates
Chartered Accountants
FRN: 102375W

sd/-
[Praful M. Joshi Proprietor]
Membership No : 100/30276

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

Place: Mumbai
Date: 30.05.2013

The Annexure to Independent Auditor's Report, referred to in paragraph 1, under the heading of "Report on other Legal & Regulatory Requirements" of the report of even date.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
(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) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are applicable to the Company.
(b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
(b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act, 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 covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
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, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has incurred cash loss during the financial year covered by our audit but not incurred any loss in the immediately preceding financial year.
 11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has defaulted in repayment of dues to a financial institution, bank. The Company has not issued any debenture.
 12. According to the information and explanations 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. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
 14. According to information and explanations given to us, the Company has not traded in Shares, Mutual funds & other Investments. The requirement for maintenance Proper records & timely entries of Investments are not applicable to the Company.
 15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
 16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
 17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
 18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
 19. The Company has no outstanding debentures during the period under audit.
 20. The Company has not raised any money by public issue during the year.
 21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For Praful M. Joshi
Chartered Accountants
FRN: 108056 W

sd/-
[Praful M. Joshi Proprietor]
Membership No : 100/30276

Place: Mumbai
Date: 30.05.2013

For Deshmukh & Associates
Chartered Accountants
FRN: 102375W

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

BALANCE SHEET AS AT 31st MARCH 2013

| Note No. | PARTICULARS | As at 31/03/2013 | As at 31/03/2012 |
|--------------------------------|---|-----------------------------|-----------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| 2 | Share capital | 502,327,930 | 502,327,930 |
| 3 | Reserves and surplus | 1,228,549,332 | 1,325,349,511 |
| | Sub-total | <u>1,730,877,262</u> | <u>1,827,677,441</u> |
| Non-current liabilities | | | |
| 4 | Long-term borrowings | 323,347,996 | 258,967,628 |
| 5 | Deferred tax liabilities (net) | 64,881,717 | 77,888,332 |
| | Sub-total | <u>388,229,713</u> | <u>336,855,959</u> |
| Current liabilities | | | |
| 6 | Short-term borrowings | 342,279,764 | 280,631,309 |
| 7 | Trade payables | 55,687,396 | 698,654,300 |
| 8 | Other current liabilities | 102,520,270 | 104,924,969 |
| 9 | Short-term provisions | - | 4,482,110 |
| | Sub-total | <u>500,487,430</u> | <u>1,088,692,688</u> |
| | TOTAL | <u>2,619,594,404</u> | <u>3,253,226,088</u> |
| ASSETS | | | |
| Non-current assets | | | |
| 10 | Fixed assets | | |
| | Tangible assets | 1,027,366,906 | 1,076,266,613 |
| | Capital work-in-progress | - | 285,880 |
| | Sub-total | <u>1,027,366,906</u> | <u>1,076,552,493</u> |
| 11 | Non-current investments | 839,797,300 | 839,847,300 |
| 12 | Long-term loans and advances | 58,219,477 | 35,682,980 |
| 13 | Other non-current assets | 410,000 | 630,000 |
| | Sub-total | <u>898,426,777</u> | <u>876,160,280</u> |
| Current assets | | | |
| Current investments | | | |
| 14 | Inventories | - | 94,046,978 |
| 15 | Trade receivables | 660,022,181 | 1,142,605,764 |
| 16 | Cash and Bank Balance | 16,101,177 | 43,742,905 |
| 17 | Short-term loans and advances | 12,798,066 | 7,166,179 |
| 18 | Other current assets | 4,879,299 | 12,951,489 |
| | Sub-total | <u>693,800,722</u> | <u>1,300,513,315</u> |
| | TOTAL | <u>2,619,594,404</u> | <u>3,253,226,088</u> |
| 1 | Accompanying Notes are an integral part of the financial statements | | |

As per our Report of even date

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

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

For First Winner Industries Limited

Sd/-
DirectorSd/-
DirectorSd/-
Company SecretarySd/-
[PRAFUL M JOSHI - Proprietor]
Membership No. 100/030276Sd/-
[Deepen M Kapadia - Partner]
Membership No. 112565Place : Mumbai
Date : 30.05.2013Place : Mumbai
Date : 30.05.2013

STATEMENT OF PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31st MARCH 2013

| Note No. | PARTICULARS | YEAR ENDED 31/03/2013 | YEAR ENDED 31/03/2012 |
|----------|---|---------------------------|--------------------------|
| A | INCOME FROM OPERATIONS | | |
| 19 | Revenue from operations | 849,384,239 | 3,491,339,621 |
| 20 | Other income | 4,834,727 | 3,677,669 |
| | TOTAL REVENUE: | 854,218,965 | 3,495,017,290 |
| | EXPENDITURE | | |
| 21 | Cost of Sales | 459,820,658 | 3,088,561,243 |
| 22 | Changes in inventories of Finished Goods | 88,876,927 | 32,925,987 |
| 23 | Employee benefits expense | 60,767,927 | 41,396,526 |
| 24 | Finance costs | 84,349,544 | 61,327,739 |
| 25 | Depreciation and amortization expense | 56,558,028 | 44,800,141 |
| 26 | Other expenses | 213,652,675 | 203,742,392 |
| | TOTAL EXPENDITURE: | 964,025,759 | 3,472,754,026 |
| | Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4) | (109,806,794) | 22,263,264 |
| | Exceptional items | | |
| | Profit / (Loss) before extraordinary items and tax | (109,806,794) | 22,263,264 |
| | Extraordinary items | | - |
| | Profit / (Loss) before tax | (109,806,794) | 22,263,264 |
| | Tax expense: | | |
| | Current Tax | | |
| | Current tax expense for current year (MAT) | - | 4,482,110 |
| | Current tax expense relating to prior years | - | 47,380 |
| | Deferred tax | (13,006,615) | 7,541,618 |
| | Sub-total | (13,006,615) | 12,071,108 |
| | Profit from continuing operations | (96,800,179) | 10,192,156 |
| B | DISCONTINUING OPERATIONS | | |
| | Profit / (Loss) from discontinuing operations | | |
| | Sub-total | - | - |
| | Profit / (Loss) for the year | TOTAL (96,800,179) | 10,192,156 |
| 27 | Earnings per Eq.Share of face value of Rs.Each. | | |
| | Basic | - | 0.20 |
| | Diluted | - | 0.32 |
| | Earnings Per share Excluding Extraordinary Item | | |
| | Basic | - | 0.20 |
| | Diluted | - | 0.32 |
| 1 | Accompanying Notes are an integral part of the financial statements | | |

As per our Report of even date

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

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

For First Winner Industries Limited

Sd/-
DirectorSd/-
DirectorSd/-
Company SecretarySd/-
[PRAFUL M JOSHI - Proprietor]
Membership No. 100/030276Sd/-
[Deepen M Kapadia - Partner]
Membership No. 112565Place : Mumbai
Date : 30.05.2013Place : Mumbai
Date : 30.05.2013

CASH FLOW STATEMENT AS ON 31ST MARCH 2013

| Particulars | As at 31.03.2013 | As at 31.03.2012 |
|--|---------------------|----------------------|
| Cash Flow from Operating Activities | | |
| Net Profit before Taxes / (Loss) | (109,806,794) | 22,263,264 |
| Adjustments for | | |
| Depreciation | 56,338,028 | 44,639,692 |
| Interest Income | (1,206,182) | (2,213,890) |
| Preliminary Expenses W/off | 220,000 | 160,449 |
| Interest Expenses | 84,349,544 | 61,327,739 |
| (Profit)/Loss on sale of assets | (71,343) | 676,004 |
| Operating Profit Before Working Capital Changes | 29,823,254 | 126,853,257 |
| (Increase) / Decrease in Inventories | 94,046,978 | 28,249,360 |
| (Increase) / Decrease in Trade Receivables | 482,583,582 | (528,648,212) |
| (Increase) / Decrease in Short Term Loans & Advances | (1,157,407) | 3,877,638 |
| (Increase) / Decrease in Other Current assets | 8,072,191 | (12,402,354) |
| Increase / (Decrease) in Trade Payables | (642,966,903) | 465,350,336 |
| Increase / (Decrease) in Other Current Liabilities | (2,404,698) | 7,590,586 |
| Increase / (Decrease) in Provisions | (4,482,110) | (26,375,704) |
| Cash generated from Operations | (36,485,113) | 64,494,907 |
| Income Tax Paid | (4,474,480) | (5,076,337) |
| Net Cash from Operating Activities | (40,959,593) | 59,418,570 |
| Cash flows from Investing Activities | | |
| Purchases/Additions of Fixed Assets | (9,341,895) | (344,882,879) |
| Sale proceeds of Assets Sold | 2,250,000 | 1,025,000 |
| (Purchase) / Sales of Trade Investments | 60,795 | (380,000,000) |
| Increase in Fixed Deposits with Bank | 21,557,652 | (22,109,903) |
| Preliminary Expenses Incurred | - | - |
| Interest Income Earned | 1,206,182 | 2,213,890 |
| Net cash used in Investing Activities | 15,732,734 | (743,753,891) |
| Cash flows from Financing Activities | | |
| Proceeds from Issuance of Share Capital | - | 500,000,000 |
| Proceeds from Long Term Borrowings | 64,380,368 | 6,197,727 |
| Proceeds from Short Term Borrowings | 61,648,454 | 14,110,690 |
| Reduction in Long Term Advances & Deposits | (22,536,496) | 230,423,231 |
| Dividend Paid | - | - |
| Interest Paid | (84,349,544) | (61,327,739) |
| Net Cash from Financing Activities | 19,142,782 | 689,403,909 |
| Net Increase / (Decrease) in Cash & equivalents | (6,084,077) | 5,068,588 |
| Cash & Equivalents at the beginning of the year | 6,371,033 | 1,302,445 |
| Cash & equivalents at the end of the year | 286,956 | 6,371,033 |

Note :

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

As per our Report of even date

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

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

For **First Winner Industries Limited**Sd/-
DirectorSd/-
DirectorSd/-
Company SecretarySd/-
[PRAFUL M JOSHI - Proprietor]
Membership No. 100/030276Sd/-
[Deepen M Kapadia - Partner]
Membership No. 112565Place : Mumbai
Date : 30.05.2013Place : Mumbai
Date : 30.05.2013

Notes on Financial Statements for the Year ended 31st March 2013

1.00 SIGNIFICANT ACCOUNTING POLICIES

1.01 Basis of preparation of Financial Statements :

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

1.02 Use of Estimate :

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

1.03 Revenue Recognition :

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

a Sale of goods

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

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

c Dividends: Revenue is recognized as when received.

1.04 Fixed Assets :

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

1.05 Depreciation :

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

1.06 Inventories :

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

1.07 Investment:

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

1.08 Foreign Exchange Transaction :

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

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

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

1.09 Employee Retirement Benefits

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

Notes on Financial Statements for the Year ended 31st March 2013

1.10 Borrowing Costs:

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

1.11 Leases:

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

1.12 Earning per share:

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

1.13 Current Tax and Deferred Tax :

No Provision for current tax is made, as company incurred business loss during the year.

The Company unable to follow, the Accounting standard, for provision for Deferred Tax, as the Company incurred huge amount of business loss.

1.14 Intangible Assets :

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

1.15 Provision, Contingent Liabilities and contingent assets :

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

1.16 Impairment of Assets :

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

2.00 SHARE CAPITAL

2.01 Authorized Share Capital

| Particulars | As at | As at |
|---|--------------------|-------------|
| | 31/03/2013 | 31/03/2012 |
| 51,000,000, Equity shares of Rs. 10/- each with voting rights (P.Y. 51,000,000,) | 510,000,000 | 510,000,000 |
| | 510,000,000 | 510,000,000 |

2.02 Issued Subscribed and Paid up

| Particulars | As at | As at |
|---|--------------------|-------------|
| | 31/03/2013 | 31/03/2012 |
| 50,232,793 Equity shares of Rs. 10/- each with voting rights (PY 50,232,793) | 502,327,930 | 502,327,930 |
| TOTAL : | 502,327,930 | 502,327,930 |

Notes on Financial Statements for the Year ended 31st March 2013

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

| Particulars | As at 31st March 2013 | | As at 31st March 2012 | |
|--|-----------------------|--------|-----------------------|--------|
| | Number of Share | % held | Number of Share | % held |
| Name of Share Holders | | | | |
| Rinku Patodia | 3527505 | 7.02% | 3527505 | 7.02% |
| Anita Patodia | 2435130 | 4.85% | 2435130 | 4.85% |
| Solitaire Textfab & Traders Pvt. Ltd. | 3865865 | 7.70% | 3865865 | 7.70% |
| Rikosh Fashions Pvt. Ltd. | 3806500 | 7.58% | 3806500 | 7.58% |
| Bhagwat Textiles Pvt. Ltd. | 3800000 | 7.56% | 3800000 | 7.56% |
| Starwood Exports Pvt. Ltd. | 3712100 | 7.39% | 3712100 | 7.39% |
| First Winner Textile (India) Pvt. Ltd. | 3700000 | 7.37% | 3700000 | 7.37% |

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

| Particulars | As at 31st March 2013 | | As at 31st March 2012 | |
|-------------------------|-----------------------|-------------|-----------------------|-------------|
| | Number of Share | Amount | Number of Share | Amount |
| Eq.Sh.as at 01.04.2012 | 50232793 | 502,327,930 | 25232793 | 252,327,930 |
| Add: Shares issued | 0 | - | 25000000 | 250,000,000 |
| Less: Shares cancelled | - | - | - | - |
| Eq.Sh. As at 31.03.2013 | 50232793 | 502,327,930 | 50232793 | 502,327,930 |

3.00 RESERVES & SURPLUS

3.01 Securities Premium Reserves:

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|---------------------------|---------------------|---------------------|
| As per last Balance Sheet | 1,164,253,423 | 914,253,423 |
| Add: On issue of shares | - | 250,000,000 |
| Sub-Total (a) : | 1,164,253,423 | 1,164,253,423 |

3.02 Profit & Loss Accounts:

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--|---------------------|---------------------|
| As per last Balance Sheet | 161,096,088 | 145,552,298 |
| Add: Profit for the year | (96,800,179) | 10,192,156 |
| | 64,295,909 | 155,744,454 |
| Less: Appropriations: | | |
| Add: Excess Provisions for Tax of Previous years | - | 5,351,634 |
| Sub-Total (b) : | 64,295,909 | 161,096,088 |
| TOTAL : | 1,228,549,332 | 1,325,349,511 |

4.00 LONG TERM BORROWINGS:

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|-------------------------------------|---------------------|---------------------|
| SECURED - TERM LOANS | | |
| From Banks | | |
| Term Loan from State Bank of India | 305,397,085 | 247,658,829 |
| Term Loan from State Bank of Indore | 17,950,911 | 11,308,799 |
| TOTAL : | 323,347,996 | 258,967,628 |

Notes on Financial Statements for the Year ended 31st March 2013

4.01 Term loan are secured by

- Term loan from State Bank of India secured by way of First Mortgage / Charge on Immovable Properties & all Plant & machinery of the company situated at C/91 & N/66 MIDC Tarapur Boisar Dist Thane-401506.
- Term loan from State Bank of Indore secured by way of First Mortgage / Charge on Immovable Properties & all Plant & machinery situated at C/91 & N/66 MIDC Tarapur Boisar Dist Thane-401506. of the Company having Pari-passu Charge with State Bank of India.
- Term Loans from State Bank of India & State Bank of Indore are personally guaranteed by Mr. Rinku Patodia - Managing Director and Mrs. Anita Patodia - Director of the Company.
- The Company defaulted in paying the Term Loan installments and interest due to State Bank of India and State Bank of Indore, therefore the account become Non Performing Assets in the books of both the bank.
- The Term loan amount include the provision for Interest payable at the end of year.

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

| Term Loan | Rate of Interest | 2013-14 | 2014-15 | 2015-16 | Beyond 4 Years |
|-----------|------------------|------------|------------|------------|----------------|
| S B I | 13.75% | 86,988,000 | 71,194,000 | 68,040,000 | 16,810,000 |
| SB Indore | 13.75% | 9,474,000 | 1,551,147 | - | - |

Note: The Schedule of Repayment of Term Loan, does not include the Interest payable on term loan.

5.00 DEFERRED TAX LIABILITIES (Net)

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|---------------------------|---------------------|---------------------|
| Deferred Tax Liabilities: | | |
| - Related to Depreciation | 77,888,332 | 77,888,332 |
| Deferred Tax Assets: | (13,006,615) | |
| TOTAL : | <u>64,881,717</u> | <u>77,888,332</u> |

6.00 SHORT TERM BORROWINGS:

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--|---------------------|---------------------|
| Secured - Working Capital Loans from Banks | 338,932,523 | 280,631,309 |
| Sub-Total (a) : | <u>338,932,523</u> | <u>280,631,309</u> |
| UNSECURED LOAN | | |
| FROM SUBSIDIARY COMPANY | 2,147,241 | - |
| FROM Others | 1,200,000 | - |
| Sub-Total (b) : | <u>3,347,241</u> | <u>-</u> |
| TOTAL : | <u>342,279,764</u> | <u>280,631,309</u> |

- Working Capital Loans are secured by hypothecation of present and future stock of Raw Materials Stock-in-process Finished Goods Stores and Spares (not relating to plant & machinery) Book Debts Outstanding monies Claims.
- Working Capital Loans from State Bank of India is personally guaranteed by Mr. Rinku Patodia - Managing Director and Mrs. Anita Patodia - Director of the Company.
- The Company defaulted in respect of Interest Payable on working capital loan to the State Bank of India, therefore the working capital loans account become Non Performing Assets, in the books of the Bank.

Notes on Financial Statements for the Year ended 31st March 2013

7.00 TRADE PAYABLES:

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|-----------------------|---------------------|---------------------|
| Acceptance | - | 22,483,149 |
| Other than acceptance | 55,687,396 | 676,171,151 |
| TOTAL : | 55,687,396 | 698,654,300 |

7.01 TRADE PAYABLES:

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--------------------------------------|---------------------|---------------------|
| - Micro Small and Medium Enterprises | - | - |
| - Others | 55,687,396 | 698,654,300 |
| TOTAL : | 55,687,396 | 698,654,300 |

7.02 The details of amount outstanding to Micro, Small and Medium Enterprises, based on available information with the Company. There is no default reported by the Company.

8.00 OTHER CURRENT LIABILITIES

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--|---------------------|---------------------|
| Current maturities of Long Term Debt - St Bank of India (12 Mth) | 71,194,000 | 86,988,000 |
| Current maturities of Long Term Debt - State Bank of Indore | 1,551,147 | 9,474,000 |
| Current maturities of Long Term Debt - Kotak Mahindra Car Loan | - | 192,651 |
| Creditors for Capital Expenditures - | 4,774,134 | 7,602,655 |
| Other Payable - include Statutory dues Deposit & Advances etc | 25,000,989 | 667,663 |
| TOTAL : | 102,520,270 | 104,924,969 |

9.00 SHORT TERM PROVISIONS:

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--|---------------------|---------------------|
| Provision for Income Tax (Current. Year) | - | 4,482,110 |
| TOTAL : | - | 4,482,110 |

10.00 FIXED ASSETS:

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|-------------------------------|----------------------|---------------------|
| Gross Block | 1,215,049,238 | 1,207,610,915 |
| Less Accumulated Depreciation | 187,682,332 | 131,344,302 |
| Net Block | 1,027,366,906 | 1,076,266,613 |
| Capital Work in Progress | - | 285,880 |
| TOTAL : | 1,027,366,906 | 1,076,552,493 |

(Amt. in Rs.)

NOTE : : FIXED ASSETS

| Description of Assets | Gross Block | | | Depreciation / Amortisation | | | Net Block | | | |
|--|------------------|---------------------------|----------------------------|-----------------------------|------------------|-------------|--|-----------------------|------------------|------------------|
| | As at 01.04.2012 | Additions during the year | Deductions during the year | As at 31.03.2013 | Up to 31.03.2012 | Adjustments | Provided for the period ended 31.03.2013 | Total Upto 31.03.2013 | As at 31.03.2013 | As at 31.03.2012 |
| TANGIBLE ASSETS: | | | | | | | | | | |
| OWN ASSETS: | | | | | | | | | | |
| Plot At Wada | 5,452,160 | - | - | 5,452,160 | - | - | - | - | 5,452,160 | 5,452,160 |
| Factory Building | 57,836,111 | - | - | 57,836,111 | 9,447,485 | - | 1,946,084 | 11,393,569 | 46,442,542 | 48,388,626 |
| Factory Building Unit 2 (N-66) | 194,183,785 | 237,049 | - | 194,420,834 | 16,890,183 | - | 19,865,321 | 36,755,504 | 157,665,330 | 177,293,602 |
| ffats at Boisar | - | 2,189,452 | 2,189,452 | - | - | - | - | - | - | - |
| Godowns | 3,530,560 | - | - | 3,530,560 | 461,236 | - | 57,548 | 518,784 | 3,011,776 | 3,069,324 |
| Office Premises | 3,325,000 | - | - | 3,325,000 | 468,378 | - | 54,198 | 522,576 | 2,802,424 | 2,856,623 |
| Staff Quarters | 649,200 | - | - | 649,200 | 45,089 | - | 10,582 | 55,671 | 593,529 | 604,111 |
| Plot at Paighar | - | - | - | - | - | - | - | - | - | - |
| Plant & Machinery | 255,040,572 | 1,661,379 | 1,661,379 | 256,701,951 | 58,774,466 | - | 12,142,383 | 70,916,849 | 185,785,102 | 196,266,106 |
| Plant & Machinery Expansion (Unit 2) | 181,081,176 | 1,423,845 | - | 182,505,021 | 26,729,593 | - | 8,612,357 | 35,341,950 | 147,163,071 | 154,351,583 |
| Plant & Machinery Expansion 2 (Unit 2) | 475,046,911 | 230,000 | - | 475,276,911 | 11,594,071 | - | 11,332,948 | 22,927,019 | 452,349,891 | 463,452,839 |
| Electrical Installations | 6,447,578 | - | - | 6,447,578 | 1,861,553 | - | 408,132 | 2,269,685 | 4,177,893 | 4,586,025 |
| Electrical Installation Unit 2 | 7,811,985 | - | - | 7,811,985 | 294,138 | - | 105,176 | 399,314 | 7,412,671 | 7,517,848 |
| Vehicle | 4,224,203 | - | - | 4,224,203 | 1,315,042 | - | 401,299 | 1,716,341 | 2,507,862 | 2,909,161 |
| Furniture & Fixtures | 3,351,484 | 24,000 | - | 3,375,484 | 830,784 | - | 317,729 | 1,148,513 | 2,226,971 | 2,520,700 |
| Furniture & Fixture Unit 2 | 1,846,198 | 2,328,883 | - | 4,174,881 | 71,004 | - | 30,976 | 101,980 | 4,072,901 | 1,775,194 |
| Other Assets | 2,378,269 | 275,631 | - | 2,653,900 | 214,449 | - | 119,033 | 333,482 | 2,320,418 | 2,163,820 |
| Air Conditioner & Refrigerator | 830,279 | - | - | 830,279 | 106,364 | - | 44,511 | 151,475 | 678,804 | 723,315 |
| Computers | 4,575,444 | 1,257,736 | - | 5,833,180 | 2,239,866 | - | 889,753 | 3,129,619 | 2,703,561 | 2,335,578 |
| Sub-Total : A : | 1,207,610,915 | 9,627,775 | 2,189,452 | 1,215,049,238 | 131,344,302 | - | 56,338,028 | 187,682,332 | 1,027,366,906 | 1,076,266,615 |
| INTANGIBLE ASSETS: | | | | | | | | | | |
| Software | | | | | | | | | | |
| Sub-Total : B : | | | | | | | | | | |
| TOTAL (A + B) : | 1,207,610,915 | 9,627,775 | 2,189,452 | 1,215,049,238 | 131,344,302 | - | 56,338,028 | 187,682,332 | 1,027,366,906 | 1,076,266,615 |
| PREVIOUS YEAR: | 829,073,715 | 380,799,177 | 2,261,977 | 1,207,610,915 | 87,265,583 | 560,973 | 44,639,692 | 131,344,302 | 1,076,266,613 | 741,808,132 |
| Capital Work in Progress (Expansion) | 285,880 | 1,793,038 | 2,078,918 | - | - | - | - | - | - | 285,880 |
| Total | 1,207,896,795 | 11,420,813 | 4,268,370 | 1,215,049,238 | 131,344,302 | - | 56,338,028 | 187,682,332 | 1,027,366,906 | 1,076,552,495 |

Notes on Financial Statements for the Year ended 31st March 2013

11.00 NON CURRENT INVESTMENTS:

11.01 Trade Investments

In Equity Shares - Wholly own Subsidiaries Unquoted Fully paid up

| | | As at 31/03/2013 | As at 31/03/2012 |
|---|--------------------------------------|---------------------|---------------------|
| Number | Name of Company | | |
| 2145270 | Ramshyam Textile Ind. Ltd. | 313,577,700 | 313,577,700 |
| 2824980 | First Winner Lifestyle Ltd.. | 312,999,800 | 312,999,800 |
| 1224980 | Pal Trading Co. Pvt. Ltd. | 165,599,800 | 165,599,800 |
| | Sub-Total : a : | <u>792,177,300</u> | <u>792,177,300</u> |
| In Equity Shares - Associate Company Unquoted Fully paid up | | | |
| 475000 | Solitaire Texfeb & Traders Pvt. Ltd. | 47,500,000 | 47,500,000 |
| | Sub-Total : b : | <u>47,500,000</u> | <u>47,500,000</u> |

11.02 Other Investments

| | | As at 31/03/2013 | As at 31/03/2012 |
|--|---|---------------------------|---------------------------|
| In Mutual Fund - Quoted fully paid up | | | |
| 4,000.00 | SBI Infrastructure Fund | 40,000 | 40,000 |
| | SBI Capital Protection Oriented Fund | - | 50,000 |
| 1,000.00 | SBI One India Fund | 10,000 | 10,000 |
| 2,500.00 | UTI Infrastructure | 25,000 | 25,000 |
| 4,500.00 | UTI Wealth Builder Fund Series II | 45,000 | 45,000 |
| | Sub-Total : c : | <u>120,000</u> | <u>170,000</u> |
| | Total Non Current Investment (a+b+c) : | <u>839,797,300</u> | <u>839,847,300</u> |
| Aggregate Amount of quoted investments | | 120,000 | 170,000 |
| Market Value of quoted Investments | | 201,303 | 170,000 |
| Aggregate Amount of unquoted investments | | 839,677,300 | 839,677,300 |

12.00 LONG TERM LOANS AND ADVANCES:

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--|--------------------------|--------------------------|
| (Unsecured and Considered Good) | | |
| Advances for Property (Capital Nature) | 14,876,816 | 16,876,806 |
| Other Loans and Advances | | |
| - Advances for Expenses | 380,930 | 462,247 |
| - Advances for Rent | 144,897 | 52,183 |
| - Advances Others | 38,301,457 | 14,024,909 |
| - Staff Advances | 747,355 | 738,735 |
| - Sundry Deposits | 3,768,022 | 3,528,100 |
| TOTAL: | <u>58,219,477</u> | <u>35,682,980</u> |

Notes on Financial Statements for the Year ended 31st March 2013

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

13.00 NON CURRENT ASSETS

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|---|---------------------|---------------------|
| Unamortized Expenses: | | |
| Current portion of Share issue expenses | 410,000 | 630,000 |
| TOTAL: | 410,000 | 630,000 |

14.00 INVENTORIES

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|------------------|---------------------|---------------------|
| - Raw Material | - | 5,170,051 |
| - Finished Goods | - | 88,876,927 |
| TOTAL: | - | 94,046,978 |

14.01 ITEM WISE / VALUE WISE Finished Goods

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--------------------------|---------------------|---------------------|
| Finished Goods | | |
| Traded Goods | | |
| Readymade Garments | - | 4,908,680 |
| Mfg. Fabrics | - | 3,309,212 |
| Gray Fabrics | - | 6,996,109 |
| Garment Fabrics & Treams | - | 1,550,145 |
| Raw Material | | |
| Cotton Yarn | - | 5,170,051 |
| TOTAL: | - | 94,046,978 |

15.00 TRADE RECEIVABLES

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|---------------------------------|---------------------|----------------------|
| (Unsecured and Considered Good) | | |
| Over six months | 497,654,954 | 29,866,207 |
| Others | 162,367,227 | 1,112,739,557 |
| TOTAL: | 660,022,181 | 1,142,605,764 |

16.00 CASH AND BANK BALANCE

16.01 Balance with Banks

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|---------------------------|---------------------|---------------------|
| - Balances in current A/C | 80,010 | 5,848,543 |

16.02 Cash on Hand

206,946 522,489

16.03 Fixed Deposit with Bank

| | | |
|---|-------------------|-------------------|
| - Fixed Deposit With State Bank Of India | 15,814,220 | 32,195,990 |
| - Fixed Deposit With State Bank Of Indore | - | 5,175,882 |
| TOTAL: | 16,101,177 | 43,742,905 |

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

Notes on Financial Statements for the Year ended 31st March 2013

17.00 SHORT TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

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

17.01 Advance Income Tax (Net of Provisions)

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|---------------------------|---------------------|---------------------|
| - Advance Tax | - | 2,000,000 |
| - Tax Deducted at Sources | 4,474,480 | 3,028,957 |
| - I T Refund Due | 2,618,230 | 2,071,383 |

17.02 Balance with M Vat authorities

| | | |
|-----------------------------------|-------------------|------------------|
| - Input Vat Receivable (Garments) | 5,705,356 | 65,839 |
| TOTAL: | <u>12,798,066</u> | <u>7,166,179</u> |

18.00 OTHER CURRENT ASSETS

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|---------------------------|---------------------|---------------------|
| - Stores & Spares (Stock) | 4,879,299 | 12,951,489 |
| TOTAL: | <u>4,879,299</u> | <u>12,951,489</u> |

19.00 REVENUE FROM OPERATIONS:

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|-----------------------------|---------------------|----------------------|
| Sale of Products | | |
| - Finished Goods | 10,185,104 | 104,305,803 |
| - Traded Goods | 570,390,064 | 3,113,857,157 |
| | <u>580,575,168</u> | <u>3,218,162,960</u> |
| Income from Services | 268,809,071 | 273,176,661 |
| TOTAL: | <u>849,384,239</u> | <u>3,491,339,621</u> |

19.01 PARTICULARS OF SALE OF PRODUCTS

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|---|---------------------|----------------------|
| (Break-up in major products of sale - Value - should tally with sale of products) | | |
| Finished (Mfg. Fabric) Goods | 46,220,617 | 101,375,985 |
| Traded (Fabric) Goods | 529,040,767 | 3,096,135,156 |
| Garments | 5,313,784 | 21,543,631 |
| Job Work Charges Received | 268,809,071 | 272,284,849 |
| TOTAL: | <u>849,384,239</u> | <u>3,491,339,621</u> |

Notes on Financial Statements for the Year ended 31st March 2013

20.00 OTHER INCOME:

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--|---------------------|---------------------|
| Interest From Current Investment | | |
| F.D. Interest | 1,206,182 | 2,213,890 |
| Other non-operating income | | |
| Discount Received & Miscellaneous Income | 2,825,839 | 902,978 |
| Insurance Claim Received | 29,397 | 8,722 |
| Sale of Scrap | 701,966 | 552,079 |
| Capital Gains | 71,343 | - |
| TOTAL: | <u>4,834,727</u> | <u>3,677,669</u> |

21.00 COST OF MATERIAL CONSUMED

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|---|---------------------|----------------------|
| Inventories of Raw material (At commencement) | 5,170,051 | 493,424 |
| Add: Purchases | | |
| - Indigenous | 454,650,607 | 3,093,237,870 |
| - Imported | - | - |
| Sub-Total : | <u>459,820,658</u> | <u>3,093,731,294</u> |
| Less: Inventories of Raw Material (At close) | - | 5,170,051 |
| TOTAL: | <u>459,820,658</u> | <u>3,088,561,243</u> |

22.00 CHANGES IN INVENTORIES OF FINISHED GOODS

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|-------------------------------------|---------------------|---------------------|
| Inventories Goods (At close) | | |
| - Finished Goods | - | 88,876,927 |
| Inventories Goods (At commencement) | | |
| - Finished Goods | 88,876,927 | 121,802,915 |
| TOTAL: | <u>88,876,927</u> | <u>32,925,987</u> |

23.00 EMPLOYEE BENEFITS EXPENSE:

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--|---------------------|---------------------|
| Salaries & Wages | 54,287,301 | 33,381,632 |
| Directors' Remuneration | 1,575,000 | 2,100,000 |
| Keyman Insurance | - | 483,964 |
| Contribution to Provident Fund & Other funds | 1,014,960 | 1,170,904 |
| Staff Welfare Expenses | 3,890,666 | 4,260,026 |
| TOTAL: | <u>60,767,927</u> | <u>41,396,526</u> |

Notes on Financial Statements for the Year ended 31st March 2013

24.00 FINANCE COSTS

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--|---------------------|---------------------|
| Interest Expenses | | |
| Bank Interest on CC A/c. | 46,931,116 | 41,673,945 |
| Bank Interest on Term Loan | 37,038,138 | 11,264,757 |
| Interest On Car Loan | 9,949 | 102,430 |
| L C Discounting Charges | 286,188 | 4,994,202 |
| Bank Charges | 84,153 | 534,731 |
| Loan Processing Charges Mortgage Charges etc | | 1,200,000 |
| Bank Commission | | 1,557,675 |
| TOTAL: | <u>84,349,544</u> | <u>61,327,739</u> |

25.00 DEPRECIATION AND AMORTISATION EXPENSE

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--------------------------------------|---------------------|---------------------|
| Depreciation & Amortization Expenses | 56,338,028 | 44,639,692 |
| Preliminary Expenses Written off | 220,000 | 160,449 |
| TOTAL: | <u>56,558,028</u> | <u>44,800,141</u> |

26.00 OTHER EXPENSES

26.01 Manufacturing Expenses

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|---|---------------------|---------------------|
| Beam Draping Charges | 66,978 | 24,795 |
| Beam Drawing Charges | 2,452,813 | 1,884,389 |
| Beam Gaiting Exp | 2,157,894 | 1,804,260 |
| Beam Leasing Charges | 259,917 | 641,316 |
| Beam Piecing Charges | 269,453 | 294,203 |
| Boiler Water & Liquid Oxygen | 58,720 | 131,322 |
| Designing Charges | 4,000 | 68,885 |
| Diesel & Petrol (DG Set) | 399,740 | 504,135 |
| Electricity Exp. | 31,152,665 | 20,614,734 |
| Furness Oil | 22,676,002 | 17,690,051 |
| Garment Material Exp. | - | 480,236 |
| Job Work Process & Washing Charges (Garments) | 1,225,978 | 5,071,366 |
| Job Work Charges Paid | 77,384,970 | 112,729,028 |
| Labeling Exp. | - | 128,566 |
| Labour Charges | 624,945 | - |
| Loading & Unloading Charges | 9,330 | 101,408 |
| Mending Charges | 1,167,829 | 1,043,776 |
| Other Direct Expenses | 3,824,265 | 4,935,815 |
| Packing Charges | 1,036,061 | 1,278,805 |
| Piecing Charges | - | 5,472 |
| Reckoning Charges | - | 13,289 |
| Coning Charges | 35,270 | 119,947 |
| Stores & Spares Used | 50,645,393 | 14,743,433 |
| Testing Fees | 3,371 | 5,236 |
| Water Charges | 2,543,305 | 934,428 |
| Sub-Total | <u>197,998,899</u> | <u>185,248,895</u> |

Notes on Financial Statements for the Year ended 31st March 2013

26.02 Export Expenses

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--------------------------|---------------------|---------------------|
| Agency Charges | - | 15,619 |
| Freight Charges (Export) | 22,210 | 206,562 |
| Other Service Charges | 10,643 | 40,758 |
| Sub-Total | <u>32,853</u> | <u>262,939</u> |

26.03 Selling & Distribution Expenses

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--|---------------------|---------------------|
| Advertisement Exp. | 116,016 | 1,003,578 |
| Business Promotion Expenses | 324,050 | 1,179,724 |
| Coolie & Cartage Expenses | 511,193 | 723,467 |
| Discount & Brokerage Claim Rebate Paid | 4,264,265 | 3,210,088 |
| Rate Difference | 358,021 | 27,706 |
| Sampling Exp. | 12,139 | 84,635 |
| Transportation Charges | 165,330 | 365,006 |
| Sub-Total | <u>5,751,014</u> | <u>6,594,204</u> |

26.04 Establishment Expenses

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|----------------------------------|---------------------|---------------------|
| AMC Charges | 152,067 | 276,617 |
| Annual General Meeting Exp. | 7,865 | - |
| Audit Fees & Other charges | 132,416 | 132,416 |
| BSE Fees | 92,697 | - |
| Computer Expenses | 192,476 | 91,779 |
| Conveyance Expenses | 143,603 | 321,087 |
| Courier & Postage Charges | 199,749 | 211,827 |
| Donation | 92,000 | 52,000 |
| Loss on Sale of Car | - | 676,004 |
| Electricity Exp | 298,513 | 433,553 |
| Franking Exp | 1,550 | 11,820 |
| Grampanchayat Tax | 84,638 | 61,544 |
| House Keeping Charges | 217,953 | 222,601 |
| Inspection charges | 41,560 | 180,648 |
| Insurance Charges | 582,837 | 573,920 |
| Internet Expenses | 203,417 | 247,004 |
| License Fees & Registration Fees | 339,387 | 125,505 |
| Membership & Subscription Exp. | 40,431 | 20,626 |
| NSDL Fees | 56,180 | 59,562 |
| Stock Exchange Listing Fees | 196,630 | 473,855 |
| Office & General Expenses | 335,754 | 321,081 |
| Petrol Expenses | 265,003 | 302,125 |
| Pooja Expenses | 12,641 | 14,262 |

Notes on Financial Statements for the Year ended 31st March 2013

| Particulars | As at | As at |
|--|------------|-------------|
| | 31/03/2013 | 31/03/2012 |
| Printing & Stationery Charges | 369,411 | 497,938 |
| Professional Fees | 722,416 | 973,817 |
| Professional Tax | - | 2,500 |
| Repairs & Maintenance Expenses | 2,494,839 | 2,103,917 |
| ROC Fees | 3,570 | 3,500 |
| Room Rent & Society Maintenance | 771,822 | 792,371 |
| Shop & Establishment Exp. (License Fees) | - | 7,240 |
| Sitting Fees Charges | 410,000 | 190,000 |
| Software Exp. | 18,140 | 5,100 |
| Stamp Duty Charges | - | 1,120,500 |
| Sundry Debtors W/off | 5,000 | - |
| Telephone Charges | 463,772 | 397,983 |
| Travelling Expenses | 727,885 | 528,369 |
| Vehicle Expenses | 193,688 | 203,284 |
| | Sub-Total | 11,636,354 |
| | Total | 203,742,392 |

26.05 VALUE OF RAW MATERIAL STORES PACKING MATERIAL CONSUMED

| | Year: 2012-13 | | Year: 2011-12 | |
|------------|---------------|------------------|---------------|------------------|
| | Rs. | % of Consumption | Rs. | % of Consumption |
| Imported | - | - | - | - |
| Indigenous | 511,502,112 | 100.00% | 3,104,583,481 | 100.00% |
| Total | 511,502,112 | | 3,104,583,481 | |

26.06 PAYMENT TO AUDITORS AS:

| Particulars | As at | As at |
|--|------------|------------|
| | 31/03/2013 | 31/03/2012 |
| a) Auditors | | |
| - Statutory Audit Fees | 111,150 | 111,150 |
| - Tax Audit Fees | 21,266 | 21,266 |
| b) Certification and Consultation Fees | 21,236 | 68,605 |
| Total | 153,652 | 201,021 |

26.07 EXPENDITURE IN FOREIGN CURRENCY

| Particulars | As at | As at |
|---------------------|------------|------------|
| | 31/03/2013 | 31/03/2012 |
| Capital Expenditure | - | 73,043,705 |
| Foreign Travel | - | 14,393 |
| Total | - | 73,058,098 |

26.08 EARNINGS IN FOREIGN CURRENCY

| Particulars | As at | As at |
|-----------------------------------|------------|------------|
| | 31/03/2013 | 31/03/2012 |
| Revenue from Exports on FOB Basis | - | 6,498,800 |
| Total | - | 6,498,800 |

Notes on Financial Statements for the Year ended 31st March 2013

26.09 MANEGERIAL REMUNERATION

| Particulars | As at | As at |
|---------------------------|------------------|------------------|
| | 31/03/2013 | 31/03/2012 |
| Director's Remuneration | 1,575,000 | 2,100,000 |
| Sitting fees to Directors | 410,000 | 190,000 |
| Total | <u>1,985,000</u> | <u>2,290,000</u> |

26.10 EARNING PER SHARE

| | | |
|--|--------------|------------|
| Net Profit after Tax as per statement of Profit & Loss account attributable to Equity Share holder | (96,800,179) | 10,192,156 |
| Total No. of Shares Outstanding | 50,232,793 | 50,232,793 |
| Weighted Avg no. of Shares Outstanding | - | - |
| EPS | - | 0.20 |
| Diluted EPS | - | 0.32 |

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

Short term employee benefits

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

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

Long Term Employee Benefits

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

26.12 Segment Information:

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

26.13 Related Party Transactions:

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

| Name of the parties | Nature of Relationship | Nature of Transactions | Amount in Lakhs |
|----------------------------------|------------------------|---------------------------|-----------------|
| Rinku I. Patodia | Managing Director | Director's Remuneration | 9.00 |
| Anita R. Patodia | Executive Director | Director's Remuneration | 6.75 |
| Ramshyam Textile Industries Ltd. | Subsidiary Company | Corporate Guarantee given | 6,360.95 |
| Ramshyam Textile Industries Ltd. | Subsidiary Company | Job Work Charges | |
| | | Received | 80.98 |
| | | Paid | 18.43 |
| First Winner Lifestyle Ltd. | Subsidiary Company | Corporate Guarantee given | 3,354.43 |
| First Winner Lifestyle Ltd. | Subsidiary Company | Job Work Charges | |
| | | Received | 151.04 |
| | | Paid | 230.21 |

Notes on Financial Statements for the Year ended 31st March 2013

26.14 Contingent Liabilities

[Rupees in Lakhs]

| Particulars | 3/31/2013 | 3/31/2012 | 3/31/2011 |
|---|-----------|-----------|-----------|
| a) Bank Guarantees | 124.54 | 124.54 | 118.71 |
| b) Corporate Guarantees given to bankers on behalf on subsidiary company: | | | |
| Ramshyam Textile Industries Ltd. | 6,360.95 | 5,190.47 | 1,836.00 |
| First Winner Lifestyle Pvt. Ltd. | 3,354.43 | 3,487.43 | 4,689.00 |

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

| Particulars | Unit | 3/31/2013 | 3/31/2012 |
|-----------------------------------|----------------|-----------|-----------|
| A. Licensed Capacity | Meters in lacs | 232.42 | 232.42 |
| B. Installed Capacity | Meters in lacs | 232.42 | 232.42 |
| C. Actual Utilization of Capacity | Meters in lacs | 93.84 | 146.10 |

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

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

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

26.18 Previous Year Regrouping

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

As per our Report of even date

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

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

For **First Winner Industries Limited**

Sd/-
Director

Sd/-
Director

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

Sd/-
[Deepen M Kapadia - Partner]
Membership No. 112565

Sd/-
Company Secretary

Place : Mumbai
Date : 30.05.2013

Place : Mumbai
Date : 30.05.2013

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

We have audited the accompanying Consolidated financial statements of **First Winner Industries Limited**, (hereinafter referred as "the Company"), the holding Company, its subsidiaries, (hereinafter collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended on that date, and a summary of significant accounting policies and other explanatory information, prepared in accordance with the accounting principles generally accepted in India

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In case of the consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2013;
- (b) In case of the consolidated Statement Profit and Loss, of the consolidated results of operations of the Group for the year then ended; and
- (c) In case of the consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

Report on other legal & Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Praful M. Joshi
Chartered Accountants
FRN: 108056W

sd/-

[Praful M. Joshi Proprietor]
Membership No: 100/30276

Date : 30.05.2013
Place : Mumbai

For Deshmukh & Associates
Chartered Accountants
FRN: 102375W

sd/-

[Deepen M. Kapadia Partner]
Membership No.: 112565

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2013

| Note No. | PARTICULARS | As at 31/03/2013 | As at 31/03/2012 |
|--------------------------------|--------------------------------|----------------------|----------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| 2 | Share capital | 502,327,930 | 502,327,930 |
| 3 | Reserves and surplus | 1,357,201,136 | 1,580,052,296 |
| | Sub-total | 1,859,529,066 | 2,082,380,226 |
| Non-current liabilities | | | |
| | Minority Interest | 21,249 | 19,349 |
| 4 | Long-term borrowings | 630,825,596 | 608,735,984 |
| 5 | Deferred tax liabilities (net) | 119,031,909 | 144,439,255 |
| 6 | Other long-term liabilities | 50,000 | 50,000 |
| | Sub-total | 749,928,753 | 753,244,588 |
| Current liabilities | | | |
| 7 | Short-term borrowings | 1,201,031,983 | 881,542,865 |
| 8 | Trade payables | 161,760,783 | 1,780,034,314 |
| 9 | Other current liabilities | 264,710,007 | 206,756,792 |
| 10 | Short-term provisions | 25,813,067 | 37,018,659 |
| | Sub-total | 1,653,315,840 | 2,905,352,630 |
| | TOTAL | 4,262,773,659 | 5,740,977,445 |
| ASSETS | | | |
| Non-current assets | | | |
| 11 | Fixed assets | | |
| | Tangible assets | 1,489,550,047 | 1,565,104,614 |
| | Capital work-in-progress | 83,001,991 | 39,959,118 |
| | Sub-total | 1,572,552,038 | 1,605,063,732 |
| 12 | Non-current investments | 82,940,000 | 82,990,000 |
| 13 | Long-term loans and advances | 340,516,432 | 492,859,023 |
| 14 | Other non-current assets | 419,603 | 731,461 |
| | Sub-total | 423,876,035 | 576,580,484 |
| Current assets | | | |
| Current investments | | | |
| 15 | Inventories | - | 221,623,543 |
| 16 | Trade receivables | 2,162,683,639 | 3,202,673,777 |
| 17 | Cash and Bank Balance | 22,723,231 | 66,737,935 |
| 18 | Short-term loans and advances | 41,802,439 | 41,018,463 |
| 19 | Other current assets | 39,136,278 | 27,279,511 |
| | Sub-total | 2,266,345,586 | 3,559,333,229 |
| | TOTAL | 4,262,773,659 | 5,740,977,445 |

1 Accompanying Notes are an integral part of the financial statements

As per our Report of even date

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

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

For **First Winner Industries Limited**

Sd/-
Director

Sd/-
Director

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

Sd/-
[Deepen M Kapadia - Partner]
Membership No. 112565

Sd/-
Company Secretary

Place : Mumbai
Date : 30.05.2013

Place : Mumbai
Date : 30.05.2013

CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31st MARCH 2013

| Note No. | PARTICULARS | YEAR ENDED 31/03/2013 | YEAR ENDED 31/03/2012 |
|----------|---|--------------------------|--------------------------|
| A | INCOME FROM OPERATIONS | | |
| 20 | Revenue from operations | 2,064,436,857 | 9,661,097,794 |
| 21 | Other income | 5,574,777 | 7,282,203 |
| | TOTAL REVENUE: | 2,070,011,634 | 9,668,379,997 |
| | EXPENDITURE | | |
| 22 | Cost of Sales | 1,550,126,675 | 9,000,925,466 |
| 23 | Changes in inventories of Finished Goods | 88,876,927 | 32,925,987 |
| 24 | Employee benefits expense | 92,775,929 | 66,269,829 |
| 25 | Finance costs | 218,067,865 | 170,367,091 |
| 26 | Depreciation and amortization expense | 83,453,377 | 72,102,863 |
| 27 | Other expenses | 284,826,726 | 277,455,743 |
| | TOTAL EXPENDITURE: | 2,318,127,498 | 9,620,046,978 |
| | Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4) | (248,115,864) | 48,333,018 |
| | Exceptional items | - | - |
| | Profit / (Loss) before extraordinary items and tax | (248,115,864) | 48,333,018 |
| | Extraordinary items | - | - |
| | Profit / (Loss) before tax | (248,115,864) | 48,333,018 |
| | Tax expense: | | |
| | Current Tax | - | 10,098,306 |
| | Current tax expense for current year (MAT) | 140,744 | 1,822,001 |
| | Current tax expense relating to prior years | (25,407,347) | 13,098,635 |
| | Deferred tax | - | - |
| | Sub-total | (25,266,603) | 25,018,941 |
| | Profit from continuing operations | (222,849,262) | 23,314,077 |
| | | (0) | (271,132) |
| B | DISCONTINUING OPERATIONS | | |
| | Profit / (Loss) from discontinuing operations | Sub-total | - |
| | Profit / (Loss) for the year | TOTAL | 23,314,077 |
| | | (222,849,262) | |
| 28 | Earnings per Eq.Share of face value of Rs. Each. | | |
| | Basic | - | 0.46 |
| | Diluted | - | 0.65 |
| | Earnings Per share Excluding Extraordinary Item | | |
| | Basic | - | 0.46 |
| | Diluted | - | 0.65 |

1 Accompanying Notes are an integral part of the financial statements

As per our Report of even date

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

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

For First Winner Industries Limited

Sd/-
DirectorSd/-
Director

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

Sd/-
[Deepen M Kapadia - Partner]
Membership No. 112565

Sd/-
Company SecretaryPlace : Mumbai
Date : 30.05.2013Place : Mumbai
Date : 30.05.2013

CONSOLIDATED CASH FLOW STATEMENT AS ON 31ST MARCH 2013

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--|---------------------|----------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Taxes | (248,115,864) | 48,333,018 |
| Adjustments for | | |
| Depreciation | 83,141,519 | 71,779,129 |
| Interest Income | (1,476,294) | (5,238,606) |
| Other Income | (116,000) | (84,500) |
| Interest Expenses | 215,744,065 | 142,519,265 |
| Preliminary Expenses W/off | 311,858 | 323,734 |
| Loss / (Profit) on Sale of Investments | (10,795) | 26,000 |
| Loss / (Profit) on Sale of Assets | (60,548) | 676,004 |
| Operating Profit Before Working Capital Changes | 49,417,940 | 258,334,044 |
| (Increase) / Decrease in Inventories | 221,623,543 | 41,906,967 |
| (Increase) / Decrease in Trade Receivables | 1,039,990,137 | (1,499,817,131) |
| (Increase) / Decrease in Short Term Loans & Advances | 5,706,819 | 28,002,592 |
| (Increase) / Decrease in Other Current assets | (11,856,766) | (10,964,393) |
| Increase / (Decrease) in Trade Payable | (1,618,273,531) | 1,099,379,790 |
| Increase / (Decrease) in short Term Borrowings | 319,489,118 | 233,949,454 |
| Increase / (Decrease) in Other Current Liabilities | 57,953,215 | 52,908,880 |
| Increase / (Decrease) in Provisions | (11,205,592) | (42,032,810) |
| Cash generated from Operations | 52,844,884 | 161,667,394 |
| Income Tax Paid | (6,631,539) | (24,410,048) |
| Net Cash from Operating Activities | 46,213,345 | 137,257,346 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchases/Additions of Fixed Assets | (52,819,278) | (394,046,488) |
| Sale proceeds of Assets Sold | 2,250,000 | 1,025,000 |
| Sale proceeds of Investments Sold | 60,795 | 974,000 |
| Subsidy Received on Assets | - | 31,400,000 |
| (Purchase) / Sales of Investments | - | (4,500,000) |
| Preliminary Expenses Incurred | - | - |
| Interest Income Earned | 1,476,294 | 5,238,606 |
| Rental Income | 116,000 | 84,500 |
| Net cash used in Investing Activities | (48,916,190) | (359,824,382) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Issuance of Share Capital | - | 425,000,000 |
| Share Application Money Received | - | 2,500,000 |
| Interest Expenses on Long Term Borrowings | (215,744,065) | (142,519,265) |
| Increase / (Decrease) in long Term Advances & Deposits | 152,342,592 | (219,187,076) |
| Increase in long Term Fixed Deposits | 39,438,686 | (15,549,072) |
| Dividend Paid | - | - |
| Proceeds from Long Term Borrowings | 22,089,612 | 175,447,575 |
| Net Cash from Financing Activities | (1,873,175) | 225,692,162 |
| Net Increase / (Decrease) in Cash & equivalents | (4,576,018) | 3,125,124 |
| Cash & Equivalents at the beginning of the year | 5,799,073 | 2,673,949 |
| Cash & equivalents at the end of the year | 1,223,056 | 5,799,073 |

Note :

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

As per our Report of even date

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

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

For First Winner Industries Limited

Sd/-
Director

Sd/-
Director

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

Sd/-
[Deepen M Kapadia - Partner]
Membership No. 112565

Sd/-
Company Secretary

Place : Mumbai
Date : 30.05.2013

Place : Mumbai
Date : 30.05.2013

Consolidated Notes on Financial Statements for the Year ended 31st March 2013

1.00 SIGNIFICANT ACCOUNTING POLICIES

1.01 Basis of preparation of Financial Statements :

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

1.02 Use of Estimate :

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

1.03 Revenue Recognition :

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

a Sale of goods

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

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

c Dividends: Revenue is recognized as when received.

1.04 Fixed Assets :

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

1.05 Depreciation :

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

1.06 Inventories :

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

1.07 Investment:

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

1.08 Foreign Exchange Transaction :

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

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

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

1.09 Employee Retirement Benefits

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

Consolidated Notes on Financial Statements for the Year ended 31st March 2013

1.10 Borrowing Costs:

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

1.11 Leases:

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

1.12 Earning per share:

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

1.13 Current Tax and Deferred Tax :

No Provision for current tax is made, as company incurred business loss during the year.

The Company unable to follow, the Accounting standard, for provision for Deferred Tax, as the Company incurred huge amount of business loss.

1.14 Intangible Assets :

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

1.15 Provision, Contingent Liabilities and contingent assets :

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

1.16 Impairment of Assets :

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

2.00 SHARE CAPITAL

2.01 Authorized Share Capital

| Particulars | As at | As at |
|--|--------------------|-------------|
| | 31/03/2013 | 31/03/2012 |
| 51,000,000 Equity shares of Rs. 10/- each with voting rights (P.Y. 51,000,000) | 510,000,000 | 510,000,000 |
| | 510,000,000 | 510,000,000 |

2.02 Issued Subscribed and Paid up

| | | |
|---|--------------------|-------------|
| 50,232,793 Equity shares of Rs. 10/- each with voting rights (PY 50,232,793) | 502,327,930 | 502,327,930 |
| TOTAL : | 502,327,930 | 502,327,930 |

Consolidated Notes on Financial Statements for the Year ended 31st March 2013

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

| Particulars Name of the Share Holders | As at 31st March 2013 | | As at 31st March 2012 | |
|--|-----------------------|--------|-----------------------|--------|
| | Number of Share | % held | Number of Share | % held |
| Rinku Patodia | 3527505 | 7.02% | 3527505 | 7.02% |
| Anita Patodia | 2435130 | 4.85% | 2435130 | 4.85% |
| Solitaire Texfab & Traders Pvt. Ltd. | 3865865 | 7.70% | 3865865 | 7.70% |
| Rikosh Fashions Pvt. Ltd. | 3806500 | 7.58% | 3806500 | 7.58% |
| Bhagwat Textiles Pvt. Ltd. | 3800000 | 7.56% | 3800000 | 7.56% |
| Starwood Exports Pvt. Ltd. | 3712100 | 7.39% | 3712100 | 7.39% |
| First Winner Textile (India) Pvt. Ltd. | 3700000 | 7.37% | 3700000 | 7.37% |

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

| Particulars | As at 31st March 2013 | | As at 31st March 2012 | |
|-------------------------|-----------------------|-------------|-----------------------|-------------|
| | Number of Share | Amount | Number of Share | Amount |
| Eq.Sh.as at 01.04.2012 | 50232793 | 502,327,930 | 25232793 | 252,327,930 |
| Add: Shares issued | 0 | - | 25000000 | 250,000,000 |
| Less: Shares cancelled | - | - | - | - |
| Eq.Sh. As at 31.03.2013 | 50232793 | 502,327,930 | 50232793 | 502,327,930 |

3.00 RESERVES & SURPLUS

3.01 Securities Premium Reserves:

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|---------------------------|---------------------|---------------------|
| As per last Balance Sheet | 1,227,304,123 | 977,304,123 |
| Add: On issue of shares | - | 250,000,000 |
| Sub-Total (a) : | 1,227,304,123 | 1,227,304,123 |

3.02 Profit & Loss Accounts:

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--|---------------------|---------------------|
| As per last Balance Sheet | 352,748,173 | 324,082,687 |
| Add: Profit for the year | (222,849,262) | 23,314,077 |
| Add: Excess Provisions for Tax of Previous years | - | 5,351,634 |
| | 129,898,912 | 352,748,398 |
| Less: Appropriations: | | |
| - Minority Interest in Curr Year's Profit | 1,899 | 225 |
| Sub-Total (b) : | 129,897,013 | 352,748,173 |
| TOTAL : | 1,357,201,136 | 1,580,052,296 |

Consolidated Notes on Financial Statements for the Year ended 31st March 2013

4.00 LONG TERM BORROWINGS:

SECURED - TERM LOANS

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|-------------------------------------|---------------------|---------------------|
| From Banks | | |
| Term Loan from State Bank of India | 612,874,685 | 597,427,185 |
| Term Loan from State Bank of Indore | 17,950,911 | 11,308,799 |
| Sub-Total (a) : | 630,825,596 | 608,735,984 |
| TOTAL : | 630,825,596 | 608,735,984 |

4.01 Term loan are secured by

- Term loan from State Bank of India secured by way of First Mortgage / Charge on Immovable Properties & all Plant & machinery of the company.
- Term loan from State Bank of Indore secured by way of First Mortgage / Charge on Immovable Properties & all Plant & machinery.
- Term Loans from State Bank of India & State Bank of Indore are personally guaranteed by Mr. Rinku Patodia - Managing Director and Mrs. Anita Patodia - Director of the Company.
- The Company defaulted in paying the Term Loan installments and interest due to State Bank of India and State Bank of Indore, therefore the account become Non Performing Assets in the Books of both the Bank.
- The term Loan amount include the provision for interest payable at the end of the year

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

| Term Loan | Rate of Interest | 2013-14 | 2014-15 | 2015-16 | Beyond 4 Years |
|-----------|------------------|------------|------------|------------|----------------|
| S B I | 13.75% | 86,988,000 | 71,194,000 | 13,656,000 | - |
| S B I | 14.70% | 29,700,000 | 2,473,000 | - | - |
| S B I | 14.65% | 30,000,000 | 30,000,000 | 2,500,000 | - |
| S B I | 13.90% | 62,222,400 | 62,222,400 | 62,222,400 | 62,221,600 |
| SB Indore | 13.75% | 9,474,000 | 1,551,147 | - | - |

5.00 DEFERRED TAX LIABILITIES (Net)

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|---------------------------|---------------------|---------------------|
| Deferred Tax Liabilities: | | |
| - Related to Depreciation | 138,363,214 | 144,439,255 |
| Deferred Tax Assets: | | |
| - duto bussnes loss | (19,331,306) | - |
| TOTAL : | 119,031,909 | 144,439,255 |

Consolidated Notes on Financial Statements for the Year ended 31st March 2013

7.00 SHORT TERM BORROWINGS:

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--|----------------------|---------------------|
| Secured - Working Capital Loans from Banks | 1,186,834,924 | 863,778,934 |
| SLOC A/C with SBI | - | 6,080,194 |
| SOD Facility from IDBI | - | 1,678,192 |
| Unsecured Loans | 14,197,059 | 10,005,545 |
| TOTAL : | <u>1,201,031,983</u> | <u>881,542,865</u> |

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

7.02 Credit balance in Current Account with IDBI Bank Ltd, due to excess cheques issued.

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

7.04 the company defaulted in respect of interest payable on working capital loan to the State Bank of India, therefore the working capital loan account become non performing assets in the books of the bank

8.00 TRADE PAYABLES:

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|-----------------------|---------------------|----------------------|
| Acceptance | - | 149,867,985 |
| Other than acceptance | 161,760,783 | 1,630,166,329 |
| TOTAL : | <u>161,760,783</u> | <u>1,780,034,314</u> |

8.01 TRADE PAYABLES:

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--------------------------------------|---------------------|----------------------|
| - Micro Small and Medium Enterprises | - | - |
| - Others | 161,760,783 | 1,780,034,314 |
| TOTAL : | <u>161,760,783</u> | <u>1,780,034,314</u> |

8.02 The details of amount outstanding to Micro Small and Medium Enterprises is based on available information with the Company. There is no default reported by the company.

9.00 OTHER CURRENT LIABILITIES

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--|---------------------|---------------------|
| Current maturities of Long Term Debt - St Bank of India (12 Month) | 226,379,298 | 182,399,200 |
| Current maturities of Long Term Debt - State Bank of Indore | 1,551,147 | 9,474,000 |
| Current liabilities for share Application Money | 2,500,000 | 2,500,000 |
| Current maturities of Long Term Debt - Kotak Mahindra Car Loan | - | 715,585 |
| Creditors for Capital Expenditures - | 7,859,603 | 8,301,506 |
| Other Payable - include Statutory dues Deposit & Advances etc | 26,419,959 | 3,366,501 |
| TOTAL : | <u>264,710,007</u> | <u>206,756,792</u> |

Consolidated Notes on Financial Statements for the Year ended 31st March 2013

10.00 SHORT TERM PROVISIONS:

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--|--------------------------|---------------------|
| Provision for Income Tax (Current. Year) | - | 8,521,416 |
| Provision for Income Tax (Old) | 25,813,067 | 28,497,243 |
| TOTAL : | <u>25,813,067</u> | <u>37,018,659</u> |

11.00 FIXED ASSETS:

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|-------------------------------|-----------------------------|----------------------|
| Gross Block | 1,816,902,190 | 1,809,315,237 |
| Less Accumulated Depreciation | 327,352,143 | 244,210,624 |
| Net Block | 1,489,550,047 | 1,565,104,612 |
| Capital Work in Progress | 83,001,991 | 39,959,118 |
| TOTAL : | <u>1,572,552,038</u> | <u>1,605,063,730</u> |

Consolidated Notes on Financial Statements for the Year ended 31st March 2013

11.00 FIXED ASSETS:

| PARTICULARS | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | |
|---|------------------|-------------|------------|-------------------|-------------------|------------|------------------|-------------------|-------------------|
| | AS ON 1/04/12 | ADDITION | DEDUCTION | AS ON 31/03/13 | FOR THE Period | DEDUCTION | UPTO 31/03/13 | AS ON 31/03/13 | AS ON 31/03/12 |
| TANGIBLE ASSETS | | | | | | | | | |
| Air Conditioner & Refrigerator | 1,230,892 | - | - | 1,230,892 | 63,540 | - | 210,218 | 1,020,674 | 1,084,214 |
| Computer & Printers | 6,483,292 | 1,257,736 | - | 7,741,028 | 1,036,389 | - | 4,954,448 | 2,786,580 | 2,565,233 |
| Electric Installations | 21,140,475 | - | - | 21,140,475 | 869,118 | - | 4,429,741 | 16,710,734 | 17,579,853 |
| Factory Buildings | 380,885,120 | 237,049 | - | 381,122,169 | 26,115,504 | - | 68,844,345 | 312,277,824 | 338,156,279 |
| Furnitures & Fixtures | 7,961,400 | 2,388,079 | - | 10,349,479 | 525,353 | - | 2,069,936 | 8,279,543 | 6,416,817 |
| Godown & Office Premises | 17,685,976 | - | - | 17,685,976 | 288,282 | - | 1,744,756 | 15,941,220 | 16,229,503 |
| Office Equipments | 201,462 | - | - | 201,462 | 9,570 | - | 64,778 | 136,684 | 146,254 |
| Other Assets | 2,534,044 | 275,631 | - | 2,809,675 | 126,432 | - | 367,887 | 2,441,788 | 2,292,589 |
| Plant & Machinery | 1,348,459,959 | 3,428,458 | - | 1,351,888,417 | 52,864,403 | - | 240,355,676 | 1,111,532,740 | 1,160,968,685 |
| Plots of Land at Wada | 9,050,390 | - | - | 9,050,390 | - | - | - | 9,050,390 | 9,050,390 |
| Staff Quarters | 649,200 | - | - | 649,200 | 10,582 | - | 55,671 | 593,529 | 604,111 |
| Television | 121,900 | - | - | 121,900 | 5,790 | - | 16,365 | 105,535 | 111,325 |
| Vehicles | 12,911,130 | - | - | 12,911,130 | 1,226,558 | - | 4,238,321 | 8,672,809 | 9,899,366 |
| Flats at Boisar | - | 2,189,452 | 2,189,452 | - | - | - | - | - | - |
| SUB-TOTAL : A : | 1,809,315,240 | 9,776,405 | 2,189,452 | 1,816,902,193 | 83,141,521 | - | 327,352,143 | 1,489,550,049 | 1,565,104,618 |
| INTANGIBLE ASSETS | | | | | | | | | |
| SUB-TOTAL : B : | | | | | | | | | |
| TOTAL (A + B) : | | | | | | | | | |
| Previous Year | 1,452,624,009 | 430,026,443 | 33,661,977 | 1,848,988,475 | 700,470 | 71,639,632 | 244,210,622 | 1,604,777,851 | 1,279,631,544 |
| Capital Work In Progress (Expansion) | 39,959,118 | 45,121,791 | 2,078,918 | 83,001,991 | - | - | - | 83,001,991 | 39,959,118 |
| Total Capital WIP | 39,959,118 | 45,121,791 | 2,078,918 | 83,001,991 | - | - | - | 83,001,991 | 39,959,118 |
| Total | 1,849,274,358 | 54,898,196 | 4,268,370 | 1,899,904,184 | 83,141,519 | - | 327,352,145 | 1,572,552,038 | 1,605,063,732 |

Consolidated Notes on Financial Statements for the Year ended 31st March 2013

12.00 NON CURRENT INVESTMENTS:

12.01 Trade Investments

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|---|---------------------|---------------------|
| In Equity Shares - Associate Company Unquoted Fully paid up | | |
| 630,000 Rikosh Fashions Pvt Ltd | 31,650,000 | 31,650,000 |
| 475,000 Solitaire Texfeb & Traders Pvt. Ltd. | 47,500,000 | 47,500,000 |
| Sub-Total : a : | <u>79,150,000</u> | <u>79,150,000</u> |

12.02 Other Investments

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--|--------------------------|--------------------------|
| In Mutual Fund - Quoted fully paid up | | |
| 4000 SBI Infrastructure Fund | 40,000 | 40,000 |
| 0 SBI Capital Protection Oriented Fund | - | 50,000 |
| 1000 SBI One India Fund | 10,000 | 10,000 |
| 350000 SBI Debt Fund Series | 3,500,000 | 3,500,000 |
| 5000 UTI Infrastructure | 50,000 | 50,000 |
| 10000 UTI India Lifestyle Fund (G) | 100,000 | 100,000 |
| 9000 UTI Wealth Builder Fund Series II | 90,000 | 90,000 |
| Sub-Total : b : | <u>3,790,000</u> | <u>3,840,000</u> |
| Total Non Current Investment (a+b) : | <u>82,940,000</u> | <u>82,990,000</u> |
| Aggregate Amount of quoted investments | 3,790,000 | 3,840,000 |
| Market Value of quoted Investments | 4,382,531 | 3,840,000 |
| Aggregate Amount of unquoted investments | 79,150,000 | 79,150,000 |

13.00 LONG TERM LOANS AND ADVANCES:

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--|---------------------------|---------------------------|
| (Unsecured and Considered Good) | | |
| Advances for Capital Goods (Expansion) | 279,579,394 | 279,584,260 |
| Advances for Property (Capital Nature) | 14,876,816 | 16,876,806 |
| Other Loans and Advances | | |
| - Advances for Expenses | 551,760 | 1,022,897 |
| - Advances for Rent | 144,897 | 52,183 |
| - Advances Others | 38,605,927 | 178,209,254 |
| - Staff Advances | 789,170 | 861,418 |
| - Sundry Deposits | 5,968,468 | 16,256,507 |
| TOTAL: | <u>340,516,432</u> | <u>492,863,325</u> |

Consolidated Notes on Financial Statements for the Year ended 31st March 2013

| Particulars | As at 31/03/2013 | As at 31/3/2012 |
|---|---------------------|--------------------|
| 13.01 ADVANCES GIVEN TO RELATED PARTIES - NATURE OF ADVANCE | Nil | Nil |

14.00 NON CURRENT ASSETS

Unamortized Expenses:

| | | |
|---|----------------|----------------|
| Current portion of Share issue expenses | 419,603 | 731,461 |
| | <u>419,603</u> | <u>731,461</u> |

15.00 INVENTORIES

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|------------------|---------------------|---------------------|
| - Raw Material | - | 5,170,051 |
| - Finished Goods | - | 216,453,492 |
| TOTAL: | <u>-</u> | <u>221,623,543</u> |

15.01 ITEM WISE / VALUE WISE Finished Goods

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--------------------------|---------------------|---------------------|
| Finished Goods | | |
| Traded Goods | - | 199,689,346 |
| Readymade Garments | - | 4,908,680 |
| Mfg. Fabrics | - | 3,309,212 |
| Gray Fabrics | - | 6,996,109 |
| Garment Fabrics & Treams | - | 1,550,145 |
| Raw Material | - | - |
| Cotton Yarn | - | 5,170,051 |
| | <u>-</u> | <u>221,623,543</u> |

16.00 TRADE RECEIVABLES

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|---------------------------------|----------------------|----------------------|
| (Unsecured and Considered Good) | | |
| Over six months | 1,550,429,086 | 49,096,375 |
| Others | 612,254,553 | 3,153,577,402 |
| TOTAL: | <u>2,162,683,639</u> | <u>3,202,673,777</u> |

Consolidated Notes on Financial Statements for the Year ended 31st March 2013

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|---|---------------------|---------------------|
| 17.00 CASH AND BANK BALANCE | | |
| 17.01 Balance with Banks | | |
| - Balances in current A/C | 200,962 | 3,718,308 |
| 17.02 Cash on Hand | 1,022,094 | 2,080,766 |
| 17.03 Fixed Deposit with Bank | | |
| - Fixed Deposit With State Bank Of India | 16,328,217 | 50,885,033 |
| - Fixed Deposit With State Bank Of Indore | 5,171,957 | 10,053,827 |
| TOTAL: | 22,723,231 | 66,737,934 |

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

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

18.00 SHORT TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

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

18.01 Advance Income Tax

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|---------------------------|---------------------|---------------------|
| - Advance Tax | 7,900,000 | 10,500,000 |
| - Tax Deducted at Sources | 13,290,336 | 9,828,498 |
| - S A Tax / Refund Due | 14,906,747 | 20,624,126 |

18.02 Balance with M Vat authorities

| | | |
|-----------------------------------|-------------------|-------------------|
| - Input Vat Receivable (Garments) | 5,705,356 | 65,839 |
| TOTAL: | 41,802,439 | 41,018,463 |

19.00 OTHER CURRENT ASSETS

| Particulars | As at 31/03/2013 | As at 31/03/2012 |
|--|---------------------|---------------------|
| - Stores & Spares (Stock) | 5,041,630 | 13,479,693 |
| - Interest accrued on Investments & Processing Fees Receivable | | |
| - TUFF Subsidy Receivable | 34,094,648 | 13,799,818 |
| TOTAL: | 39,136,278 | 27,279,511 |

Consolidated Notes on Financial Statements for the Year ended 31st March 2013

20.00 REVENUE FROM OPERATIONS:

| | As at 31/03/2013 | As at 31/03/2012 |
|-----------------------------|----------------------|----------------------|
| Sale of Products | | |
| - Finished Goods | 10,185,104 | 104,305,803 |
| - Traded Goods | 1,686,405,287 | 9,103,501,263 |
| Income from Services | 367,846,466 | 453,290,728 |
| TOTAL: | <u>2,064,436,857</u> | <u>9,661,097,794</u> |

20.01 PARTICULARS OF SALE OF PRODUCTS

| | YEAR ENDED 31/03/2013 | YEAR ENDED 31/03/2012 |
|---|--------------------------|--------------------------|
| (Break-up in major products of sale - Value - should tally with sale of products) | | |
| Finished (Mfg. Fabric) Goods | 51,402,965 | 101,375,985 |
| Traded (Fabric) Goods | 1,639,747,365 | 9,085,779,262 |
| Garments | 5,440,061 | 21,543,631 |
| Job Work Charges Received | 367,846,466 | 452,398,916 |
| TOTAL: | <u>2,064,436,857</u> | <u>9,661,097,794</u> |

21.00 OTHER INCOME:

| | YEAR ENDED 31/03/2013 | YEAR ENDED 31/03/2012 |
|---|--------------------------|--------------------------|
| Interest From Current Investment | | |
| F.D. Interest | 1,476,294 | 5,238,606 |
| Other non-operating income | | |
| Discount Received | 3,179,778 | 1,398,296 |
| Insurance Claim Received | 29,397 | 8,722 |
| Sale of Scrap | 701,966 | 552,079 |
| Other income | 187,343 | 84,500 |
| TOTAL: | <u>5,574,777</u> | <u>7,282,203</u> |

22.00 COST OF MATERIAL CONSUMED

| | YEAR ENDED 31/03/2013 | YEAR ENDED 31/03/2012 |
|---|--------------------------|--------------------------|
| Inventories of Raw material (At commencement) | 132,746,615 | 141,727,595 |
| Add: Purchases | | |
| - Indigenous | 1,417,380,059 | 8,991,944,487 |
| - Imported | - | - |
| Sub-Total : | <u>1,550,126,675</u> | <u>9,133,672,082</u> |
| Less: Purchase Incentives | | |
| Inventories of Raw Material (At close) | - | 132,746,615 |
| TOTAL: | <u>1,550,126,675</u> | <u>9,000,925,466</u> |

Consolidated Notes on Financial Statements for the Year ended 31st March 2013

23.00 CHANGES IN INVENTORIES OF FINISHED GOODS

| | YEAR ENDED 31/03/2013 | YEAR ENDED 31/03/2012 |
|-------------------------------------|--------------------------|--------------------------|
| Inventories Goods (At close) | | |
| - Finished Goods | - | 88,876,927 |
| Inventories Goods (At commencement) | | |
| - Finished Goods | 88,876,927 | 121,802,915 |
| TOTAL: | <u>88,876,927</u> | <u>32,925,987</u> |

24.00 EMPLOYEE BENEFITS EXPENSE:

| | YEAR ENDED 31/03/2013 | YEAR ENDED 31/03/2012 |
|--|--------------------------|--------------------------|
| Salaries & Wages | 84,816,899 | 56,490,304 |
| Directors Remuneration | 1,575,000 | 2,100,000 |
| Keyman Insurance | - | 483,964 |
| Contribution to Provident Fund & Other funds | 1,793,327 | 2,207,102 |
| Staff Welfare Expenses | 4,590,703 | 4,988,459 |
| TOTAL: | <u>92,775,929</u> | <u>66,269,829</u> |

25.00 FINANCE COSTS

| | YEAR ENDED 31/03/2013 | YEAR ENDED 31/03/2012 |
|--|--------------------------|--------------------------|
| Interest Expenses | | |
| Bank Interest on CC A/c. | 86,356,119 | 59,712,119 |
| Bank Interest on SLOC A/c. | 356,263 | 1,895,464 |
| Bank Interest on Term Loan | 51,328,208 | 29,366,405 |
| Interest On Car Loan | 30,767 | 218,655 |
| L C Discounting Charges | 286,188 | 4,994,202 |
| L/C Bank Commission | - | 6,334,784 |
| Bank Charges | 547,926 | 2,095,268 |
| Loan Processing Charges Mortgage Charges etc | 661,686 | 2,934,000 |
| Bank Commission | - | 11,184,947 |
| Bank Interest | 30,500,052 | 26,218,026 |
| Bank Processing Charges | 828,000 | 188,400 |
| Interest on Cash Credit | 46,843,182 | 25,107,551 |
| Interest on other Loan | 329,474 | 117,271 |
| TOTAL: | <u>218,067,865</u> | <u>170,367,091</u> |

Consolidated Notes on Financial Statements for the Year ended 31st March 2013

26.00 DEPRECIATION AND AMORTISATION EXPENSES

| | YEAR ENDED 31/03/2013 | YEAR ENDED 31/03/2012 |
|--------------------------------------|--------------------------|--------------------------|
| Depreciation & Amortization Expenses | 83,141,519 | 71,779,129 |
| Preliminary Expenses Written off | 311,858 | 323,734 |
| TOTAL: | <u>83,453,377</u> | <u>72,102,863</u> |

27.00 OTHER EXPENSES

27.01 Manufacturing Expenses

| | YEAR ENDED 31/03/2013 | YEAR ENDED 31/03/2012 |
|---|--------------------------|--------------------------|
| Beam Draping Charges | 66,978 | 24,795 |
| Beam Drawing Charges | 3,529,152 | 2,693,613 |
| Beam Gaiting Charges | 3,713,911 | 3,432,552 |
| Beam Leasing Charges | 564,881 | 850,049 |
| Beam Piecing Charges | 269,453 | 294,203 |
| Boiler Water & Liquid Oxygen | 58,720 | 131,322 |
| Coning Charges | 35,270 | 119,947 |
| Designing Charges | 4,000 | 68,885 |
| Diesel & Petrol (DG Set) | 399,740 | 504,135 |
| Electricity Exp. | 31,152,665 | 20,614,734 |
| Furness Oil | 22,676,002 | 17,690,051 |
| Garment Material Exp. | - | 480,236 |
| Job Work Process & Washing Charges (Garments) | 1,225,978 | 5,071,366 |
| Job Work Charges Paid | 111,616,522 | 146,464,674 |
| Labeling Exp. | - | 128,566 |
| Labour Charges | 624,945 | 150,305 |
| Loading & Unloading Charges | 9,330 | 101,408 |
| Maharashtra Pollution Control Fees | 75,000 | - |
| Mending Charges | 2,039,627 | 1,888,851 |
| Mending Charges | | |
| Other Direct Expenses | 3,862,425 | 4,968,046 |
| Packing Charges | 1,036,061 | 1,278,805 |
| Piecing Charges | - | 5,472 |
| Power & Fuel | 18,141,678 | 16,088,472 |
| Reckoning Charges | - | 13,289 |
| Repairs & Maintenance | | |
| Stores & Spares Consumed | 55,661,440 | 21,632,119 |
| Testing Fees | 3,371 | 5,236 |
| Sub-Total | <u>256,767,149</u> | <u>244,701,131</u> |

Consolidated Notes on Financial Statements for the Year ended 31st March 2013

27.02 Export Expenses

| | YEAR ENDED 31/03/2013 | YEAR ENDED 31/03/2012 |
|--------------------------|--------------------------|--------------------------|
| Agency Charges | - | 15,619 |
| Freight Charges (Export) | 22,210 | 206,562 |
| Other Service Charges | 10,643 | 40,758 |
| Sub-Total | 32,853 | 262,939 |

27.03 Selling & Distribution Expenses

| | YEAR ENDED 31/03/2013 | YEAR ENDED 31/03/2012 |
|--|--------------------------|--------------------------|
| Advertisement Exp. | 195,006 | 1,670,566 |
| Business Promotion Expenses | 386,234 | 1,923,524 |
| Collie & Cartage | 44,090 | 190,025 |
| Discount & Brokerage Claim Rebate Paid | 5,724,895 | 4,115,457 |
| Sampling Exp. | 12,139 | 84,635 |
| Transportation Charges | 165,530 | 367,606 |
| Sub-Total | 6,527,894 | 8,351,813 |

27.04 Establishment Expenses

| | YEAR ENDED 31/03/2013 | YEAR ENDED 31/03/2012 |
|------------------------------------|--------------------------|--------------------------|
| Advertisement and Sales Promotions | | |
| AMC Charges | 152,067 | 276,617 |
| Annual General Meeting Exp. | 7,865 | - |
| Audit Fees & Other charges | 241,407 | 241,406 |
| Beam Drawing and Leasing charges | 811,579 | 604,365 |
| Brokerage & Commission | 380,143 | 741,962 |
| BSE Fees | 92,697 | - |
| Communication Costs | - | 246,944 |
| Computer Expenses | 192,476 | 91,779 |
| Conveyance Expenses | 1,134,602 | 1,587,836 |
| Coollie & Cartage | 580,463 | 759,872 |
| Courier & Postage Charges | 310,153 | 389,484 |
| Discount Allowed, Rate Diff. | - | 6,853 |
| Donation | 252,000 | 230,000 |
| Electricity Exp | 387,763 | 478,382 |
| Electric Inspection Fees | 7,400 | 7,400 |
| Franking Exp | 1,550 | 636,010 |
| General Exp. & Office Exp. | 339,850 | 506,618 |
| Grampanchayat Tax | 135,868 | 91,944 |
| House Keeping Charges | 435,932 | 552,505 |
| Inspection charges | 41,560 | 180,648 |

Consolidated Notes on Financial Statements for the Year ended 31st March 2013

| | YEAR ENDED 31/03/2013 | YEAR ENDED 31/03/2012 |
|---|--------------------------|--------------------------|
| Insurance Charges | 1,272,005 | 1,164,382 |
| Internet Expenses | 203,417 | 247,004 |
| Legal & Professional Fees (ROC fees) | 219,488 | 280,145 |
| License Fees & Registration Fees | 350,187 | 139,235 |
| Loss on Sale of Car | - | 676,004 |
| Loss on Sale of SBI Gold Fund | - | 26,000 |
| Membership & Subscription | 59,813 | 34,252 |
| Miscellaneous Expenses | 60,330 | 38,414 |
| Motor Car Expenses | 44,926 | 155,092 |
| NSDL Fees | 56,180 | 59,562 |
| Office & General Expenses | 399,957 | 427,654 |
| Petrol & Diesel Expenses | 600,890 | 485,696 |
| Pooja Expenses | 71,253 | 87,948 |
| Printing & Stationery Charges | 525,151 | 835,069 |
| Profession Tax | - | 7,500 |
| Professional Fees | 1,500,861 | 1,370,482 |
| Rate Difference & Discount | 358,021 | 58,461 |
| Rent, Rates and Taxes | 74,706 | 111,538 |
| Repairs & Maintenance Expenses | 2,772,703 | 2,368,052 |
| Repairs & Maintenance-Plant and Machinery | 496,263 | 524,602 |
| ROC Fees | 30,863 | 7,500 |
| Room Rent & Society Maintenance | 802,938 | 823,487 |
| Shop & Establishment Exp. (License Fees) | - | 7,240 |
| Sitting Fees Charges | 410,000 | 190,000 |
| Software Exp. | 18,140 | 5,100 |
| Stamp Duty Paid | - | 2,228,982 |
| Stock Exchange Listing Fees | 196,630 | 473,855 |
| Sundry Debtors W/off | 5,000 | - |
| Telephone Charges | 803,604 | 505,903 |
| Travelling Expenses | 1,553,929 | 1,669,373 |
| Vehicle Expenses | 409,059 | 367,327 |
| Water Charges | 2,697,141 | 1,133,377 |
| Sub-Total | 21,498,830 | 24,139,860 |
| Total | 284,826,726 | 277,455,743 |

Consolidated Notes on Financial Statements for the Year ended 31st March 2013

27.05 VALUE OF RAW MATERIAL STORES PACKING MATERIAL CONSUMED

| | Year: 2012-13 | | Year: 2011-12 | |
|------------|----------------------|------------------|----------------------|------------------|
| | Rs. | % of Consumption | Rs. | % of Consumption |
| Imported | - | - | - | - |
| Indigenous | 1,474,077,561 | 100.00% | 9,014,855,411 | 100.00% |
| Total | <u>1,474,077,561</u> | | <u>9,014,855,411</u> | |

27.06 PAYMENT TO AUDITORS AS:

| | YEAR ENDED 31/03/2013 | YEAR ENDED 31/03/2012 |
|--|--------------------------|--------------------------|
| a) Auditors | | |
| - Statutory Audit Fees | 111,150 | 111,150 |
| - Tax Audit Fees | 21,266 | 21,266 |
| b) Certification and Consultation Fees | 21,236 | 68,605 |
| Total | <u>153,652</u> | <u>201,021</u> |

27.07 EXPENDITURE IN FOREIGN CURRENCY

| | YEAR ENDED 31/03/2013 | YEAR ENDED 31/03/2012 |
|---------------------|--------------------------|--------------------------|
| Capital Expenditure | - | 73,043,705 |
| Foreign Travel | - | 14,393 |
| Total | <u>-</u> | <u>73,058,098</u> |

27.08 EARNINGS IN FOREIGN CURRENCY

| | YEAR ENDED 31/03/2013 | YEAR ENDED 31/03/2012 |
|-----------------------------------|--------------------------|--------------------------|
| Revenue from Exports on FOB Basis | - | 64,988,000 |
| Total | <u>-</u> | <u>64,988,000</u> |

27.09 MANAGERIAL REMUNERATION

| | YEAR ENDED 31/03/2013 | YEAR ENDED 31/03/2012 |
|---------------------------|--------------------------|--------------------------|
| Director's Remuneration | 1,575,000 | 2,100,000 |
| Sitting fees to Directors | 410,000 | 190,000 |
| Total | <u>1,985,000</u> | <u>2,290,000</u> |

Consolidated Notes on Financial Statements for the Year ended 31st March 2013

27.10 EARNING PER SHARE

| | YEAR ENDED 31/03/2013 | YEAR ENDED 31/03/2012 |
|---|--------------------------|--------------------------|
| Net Profit after Tax as per statement of Profit & Loss account attributable to Equity Share holder | (222,849,262) | 23,314,077 |
| Total No. of Shares Outstanding | 50,232,793 | 50,232,793 |
| Weighted Avg no. of Shares Outstanding | 50,232,793 | 35,649,460 |
| EPS | - | 0.46 |
| Diluted EPS | - | 0.65 |

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

Short term employee benefits

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

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

Long Term Employee Benefits

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

27.12 Segment Information:

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

27.13 Related Party Transactions:

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

| Name of the parties | Nature of Relationship | Nature of Transactions | Amount in Lakhs |
|----------------------------------|------------------------|---------------------------|-----------------|
| Rinku I. Patodia | Managing Director | Director's Remuneration | 12.00 |
| Anita R. Patodia | Executive Director | Director's Remuneration | 9.00 |
| Ramshyam Textile Industries Ltd. | Subsidiary Company | Corporate Guarantee given | 6,360.95 |
| Ramshyam Textile Industries Ltd. | Subsidiary Company | Job Work Charges | |
| | | Received | 44.48 |
| | | Paid | 18.43 |
| First Winner Lifestyle Ltd. | Subsidiary Company | Corporate Guarantee given | 3,354.43 |
| First Winner Lifestyle Ltd. | Subsidiary Company | Job Work Charges | |
| | | Received | 215.55 |
| | | Paid | 338.40 |

Consolidated Notes on Financial Statements for the Year ended 31st March 2013

27.14 Contingent Liabilities

Rupees in Lakhs

| Particulars | 31/03/2013 | 31/03/2012 | 31/03/2011 |
|---|------------|------------|------------|
| a) Bank Guarantees | 124.54 | 124.54 | 118.71 |
| b) Corporate Guarantees given to bankers on behalf on subsidiary company: | | | |
| Ramshyam Textile Industries Ltd. | 6,360.95 | 5,190.47 | 1,836.00 |
| First Winner Lifestyle Pvt. Ltd. | 3,354.43 | 3,487.43 | 4,689.00 |

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

| Particulars | Unit | 31/03/2013 | 31/03/2012 |
|-----------------------------------|----------------|------------|------------|
| A. Licensed Capacity | Meters in lacs | 399.08 | 399.08 |
| B. Installed Capacity | Meters in lacs | 399.08 | 399.08 |
| C. Actual Utilization of Capacity | Meters in lacs | 201.49 | 275.06 |

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

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

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

27.18 Previous Year Regrouping

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

As per our Report of even date

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

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

For **First Winner Industries Limited**

Sd/-
Director

Sd/-
Director

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

Sd/-
[Deepen M Kapadia - Partner]
Membership No. 112565

Sd/-
Company Secretary

Place : Mumbai
Date : 30.05.2013

Place : Mumbai
Date : 30.05.2013



FIRST WINNER INDUSTRIES LIMITED

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

PROXY FORM

I _____ of _____ in the district of _____
 _____ being member of the above named Company and holding _____ equity
 shares hereby appoint Shri _____ in the district of _____
 _____ as my proxy to vote for me on my behalf at the 11th Annual General Meeting of the Company to be held
 on Friday, the 27th September, 2013 at 11.00 a.m. or at any adjournment thereof.

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

Signature of the shareholder

Note:

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



FIRST WINNER INDUSTRIES LIMITED

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

ATTENDANCE SLIP

Name and Address of the Member _____

Reg. Folio/ Client ID No. _____

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

Please indicate whether Member/ Proxy _____

Member's/ Proxy Name in BLOCK Letters

Member's/ Proxy's Signature

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



BOOK-POST

SIEGERTM
A Touch of Excellence

WinnerTM
Gravitate to standards

If undelivered please return to:

First Winner Industries Limited
605, Business Classic,
Chincholi Bunder Road,
Malad (W), Mumbai- 400064

FORM A

| | | |
|----|---|---|
| 1. | Name of Company | First Winner Industries Limited |
| 2. | Annual financial statements for the year ended | 31st March 2013 |
| 3. | Type of Audit observation | Un-qualified / Matter of Emphasis |
| 4. | Frequency of observation | No qualification observed |
| 5. | <p>To be signed by-</p> <p><input type="checkbox"/> CEO/Managing Director</p> <p><input type="checkbox"/> CFO</p> <p><input type="checkbox"/> Auditor of the company</p> <p><input type="checkbox"/> Audit Committee Chairman</p> | <p>FOR FIRST WINNER INDUSTRIES LTD.</p> <p><i>Pateel</i> DIRECTOR</p> <p>FOR FIRST WINNER INDUSTRIES LTD.</p> <p><i>Pateel</i> DIRECTOR</p> <p><i>Pateel</i> FRN 108056W CHARTERED ACCOUNTANTS</p> <p><i>ay</i> DESHMUKH & ASSOCIATES Reg. No. 102375W CHARTERED ACCOUNTANTS</p> <p>FOR FIRST WINNER INDUSTRIES LTD.</p> <p><i>M. S. Patil</i> DIRECTOR</p> |