
13th Annual Report 2014-15



FIRST WINNER



Message from Managing Director



Global economy is not growing as expected. However, Indian economy is signaling some signs of recovery which is a positive factor. Due to substantial reduction in crude oil prices, there has been some relief from continuing high inflation which has led to adoption of easy monetary policy by Reserve Bank of India by reducing interest rates. It is expected that interest cost will decline in the near future leading to revival of investment in industry and infrastructure. With the new stable government at the centre which is committed to several reforms, our economy in the coming years should grow at a rapid pace.

During 2014-15, our Company had to face several challenges in terms of higher input costs and pressure on selling prices of almost all the products manufactured by the Company which are reflected in the results given in the Annual Report. The expected demand push did not happen and un-seasonal monsoon in many parts of the country has placed adverse pressure on consumer demand in general. With the new Government committed to the revival of business sentiments in the country, the outlook of the Company may remain stable.

I would like to extend my gratitude to all our stakeholders including the staff members and customers for their unstinted support in shaping the performance of the Company.

Thank You

Yours' Sincerely
Rinku Patodia

First Winner Industries Limited

Board of Directors

Mr. Rinku Patodia
Managing Director

Mrs. Anita Patodia
Executive Director

Mr. Binod Kumar Tiwari
Independent, Non Executive Director

Ms. Priyanka Upadhyay
Independent, Non Executive Director

Mr. Nand Koshore Tiwari
Independent, Non Executive Director

Company Secretary

Ms. Avani Gandhi

Auditors

M/S AVCS & Associates, Chartered Accountant, 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
Email: first_w@yahoo.com
Website: www.firstwinnerind.in

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirteenth Annual General Meeting of the members of First Winner Industries Limited will be held on Monday, the 28th September, 2015 at Nidhivan, Pawan Baug Road, Chincholi Phatak, 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, 2015, the Profit & Loss Account and Cash Flow Statement for the year ended on that date along with the Schedules and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Anita Patodia, who retires by rotation and being eligible, seeks re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. AVCS & Associates, Chartered Accountants (Membership No. 148465) be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this 13th Annual General Meeting until the conclusion of the 18th Annual General Meeting, subject to ratification of their appointment by the shareholders at every Annual General Meeting of the Company at such remuneration as may be determined by the Board of Directors in mutual agreement with the Auditors.”

AS SPECIAL BUSINESS:

4. Appointment of Mr. Rinku Patodia as Managing Director

To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Mr. Rinku Patodia (DIN: 00752500) as Managing Director of the Company for a period of Five years, with effect from 1st August 2015 to 31st July 2020, at NIL remuneration, with authority to the Nomination and Remuneration Committee of the Board to alter and vary the remuneration as it may deem fit and to fix the quantum, composition and periodicity of the remuneration payable to the Managing Director subject however that the annual remuneration does not exceed the prescribed limit.”

14th August, 2015

By Order of the Board
First Winner Industries Ltd

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

sd/-
Rinku Patodia
Chairman & Managing Director
DIN: 00752500

NOTES:

1. An Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (“the Act”) in respect of the business under Item No. 4 of the Notice, is annexed hereto.
2. A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A SHAREHOLDER OF THE COMPANY.
3. 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.
4. Members are requested to notify any change in their address at the Registered Office of the Company immediately.

5. Pursuant to Section 91 of the Companies Act, 2013, Register of shareholders and Share Transfer Books of the Company will remain closed from Monday, September 21, 2015 to Monday, September 28, 2015, both days inclusive, for the purpose of the Annual General Meeting.
6. 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.
7. Members are requested to preferably send their queries to the Registered Office 7 days before the date of the Annual General Meeting.
8. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
9. As required by Clause 49 of the Listing Agreement, members are informed that Mrs. Anita Patodia holds 2435130 equity shares in the Company and the additional information in respect of the said Director recommended for re-election at the AGM is mentioned below:

| | |
|---|---|
| Name of Director | Mrs. Anita Patodia |
| Date of Birth | 23.12.1978 |
| Date of Appointment | 10.03.2007 |
| Brief Resume | B.Com |
| Expertise in specific functional areas | Diploma in Fashion Designing |
| Experience | 7 Years experience in Marketing of Yarn & Fabrics, Controlling all administrative work, etc |
| Directorship in other Indian Public Limited Companies | 1. First Winner Lifestyle Ltd 2. Ramshyam Textile Industries Ltd |
| Chairman/Member of the Committees of the Board of other Indian Public Companies | Nil |
| Shareholding in the Company | 2435130 shares |
| No of Board Meetings attended | 7 |
| Disclosure of relationships between directors | Except Mr. Rinku Patodia none of the Directors & KMP or their relatives are related to Mrs. Anita Patodia |

10. Investor Grievance Redressal: The Company has designated an exclusive e mail id i.e. firstcompliance@yahoo.com to enable investors to register their complaints/correspondence, if any.
11. **Voting through electronic means:**

In terms of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the listing agreement, the Company is providing facility to exercise votes on the items of business given in the notice through electronic voting system, to shareholders holding shares as on Monday, September 21, 2015 being the cut-off date ("Record date" for the purpose of Rule 20(3)(vii) of the said Rules) fixed for determining voting rights of shareholders entitled to participate in the e-voting process through the e-voting platform provided by Central Depository Services (India) Limited (CDSL).

The e-voting rights of the shareholders/beneficiary owners shall be reckoned on the equity shares held by them as on Monday, September 21, 2015.

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on Friday, September 25, 2015 at 9.00 a.m. and ends on Sunday, September 27, 2015 at 5.00 p.m.. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 21, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field. |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

12. General Instructions:

- The e-voting period commences on Friday, September 25, 2015 (9.00 a.m. IST) and ends on Sunday, September 27, 2015 (5.00 p.m. IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on Monday, September 21, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on Monday, September 21, 2015.
- The Company has appointed, M/s. Nishant Jawasa & Associates, Practicing Company Secretary (Membership No. FCS 6993) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The Scrutinizer after conclusion of the AGM, submit the consolidated Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company, who shall countersign the same and declare the result of the voting forthwith.
- The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.firstwinnerind.in and on the website of CDSL www.evoting.cdsl.com within two days of the passing of the resolutions at the 13th AGM of the Company on Monday, September 28, 2015 and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

14th August, 2015

By Order of the Board
First Winner Industries Ltd

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

sd/-
Rinku Patodia
Chairman & Managing Director
DIN: 00752500

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 4**

As per the provisions of the Companies Act 2013 and rules mentioned there under, a Managing Director shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting of the company.

In accordance, consent of the members is required for appointment of Mr. Rinku Patodia as a Managing Director of the Company for a period of five years with effect from 1st August 2015 to 31st July 2020, at NIL remuneration, with authority to the Nomination and Remuneration Committee of the Board to alter and vary the remuneration as it may deem fit. The Board at its meeting held on August 14, 2015 has approved the proposal for appointment of Mr. Rinku Patodia as Managing Director of the Company.

The main terms and conditions relating to the appointment of Mr. Rinku Patodia as the Managing Director are as follows:

1. Period of Appointment: 5 years commencing from August 1, 2015 to July 31, 2020.
2. Duties: The MD shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board of Directors from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.
3. Remuneration: NIL with authority to the Nomination and Remuneration Committee of the Board to alter and vary the remuneration as it may deem fit and to fix the quantum, composition and periodicity of the remuneration payable to the Managing Director subject however that the annual remuneration does not exceed the prescribed limit.
4. The MD so long as he functions as such, shall not be paid any sitting fees for attending the meetings of the Board of Directors or committees thereof of the Company or its subsidiary from the date of his appointment.

Further the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India requires certain additional disclosures with respect to appointment of MD which are as below:

| | |
|---|---|
| Date of Birth | 20.05.1978 |
| Qualification | B.Com. |
| Experience | 12 Year wide experience in Marketing of Yarn & Fabrics & Controlling Finance operation |
| Remuneration last drawn | 9 lacs (upto Dec 2012) |
| Date of appointment on Board | 04.08.2003 |
| Directorships held in other public Companies | First Winner Lifestyle Ltd Ramshyam Textile Industries Ltd |
| Memberships of committees across companies | NIL |
| Shareholding in the Company (Equity) | 3527505 shares |
| Relationship with other Directors/ Key Managerial Personnel | Except Mrs. Anita Patodia none of the Directors & KMP or their relatives are related to Mr. Rinku Patodia |
| Number of Board Meetings attended | 7 out of 7 Board Meetings |

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise except for Mr. Rinku Patodia is interested in the said matter.

14th August, 2015

By Order of the Board
First Winner Industries Ltd

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

sd/-
Rinku Patodia
Chairman & Managing Director
DIN: 00752500

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 13th Annual Report on the business and operations of the Company and the accounts for the financial year ended March 31, 2015.

Financial Results

| | Standalone | | Consolidated | |
|---|------------|------------|--------------|------------|
| | 2014-15 | 2013-14 | 2014-15 | 2013-14 |
| | Rupees | Rupees | Rupees | Rupees |
| Total Revenue | 5458775 | 160066859 | 7722493 | 209389473 |
| Profit before depreciation and tax | -133869779 | -74949139 | -264716617 | -211999311 |
| Less: Depreciation | 66765710 | 54545389 | 100986935 | 81180253 |
| Profit after depreciation but before tax | -200635489 | -129494529 | -365703552 | -293179564 |
| Less: Provision for tax | -- | -- | -- | 74090 |
| Deferred tax | -23765274 | -15338627 | -32314874 | -30421165 |
| Fringe Benefit tax | -- | -- | -- | -- |
| Profit after tax | -176870215 | -114155902 | -333388678 | -262832490 |
| Add: Balance brought forward from previous year | -51926281 | 64295909 | -135993232 | 129897013 |
| Less: Short provision for earlier year | -- | -2066289 | -- | -3060337 |
| Less: Minority Interest in Current years profit | -- | -- | -- | 2582 |
| Balance carried forward | -228796496 | -51926281 | -469381910 | -135993232 |

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.

State of Company's affair

The Company registered total revenue of Rs. 54,58,775/- during the year under review as against Rs. 16,00,66,859/- in the previous financial year. There is a loss of Rs. (17,68,70,215)/- for the financial year ended March 31, 2015 compared to Rs. (11,41,55,902)/- in previous year. Due to high interest costs, ever increasing input costs in all the segments and adverse market conditions in which the Company operates, the performance of the Company has not been up to a desired level.

Deposits

The Company has not accepted any deposits covered under chapter V of the Companies Act, 2013.

Change in the Nature of Business, if any

There were no changes in nature of the business of the Company done during the year.

Material Changes and Commitment, if any, affecting the financial position of the Company which have occurred between the end of financial year of the Company to which the financial statements relate and the date of report

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

During the year under review no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Details in respect of adequacy of internal financial controls with reference to the Financial Statements

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

Details of Subsidiary Companies & their Financial Position

The Company has three wholly owned subsidiaries, viz. First Winner Lifestyle Limited (Material Subsidiary), 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.

➤ **First Winner Lifestyle Limited:**

First Winner Lifestyle Limited is wholly owned subsidiary (Material Subsidiary) of the Company. It reported the total revenue of Rs. 22,63,438/- and net loss of Rs. (6,36,29,381)/-.

➤ **Ramshyam Textile Industries Limited:**

Ramshyam Textile Industries Limited, a wholly owned subsidiary of the Company did not undertake any business during the financial year under review.

➤ **Pal Trading Company Private Limited:**

Pal Trading Company Private Limited is a wholly owned subsidiary of the Company. It only earned an Interest income from long term investments during the financial year under review.

The audited accounts of the subsidiary companies are placed on Company's website.

Consolidated Financial Statements

The Consolidated Financial Statement, prepared by the Company in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Listing Agreement with the stock exchanges forms the part of this annual report.

Directors' Responsibility Statement

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and 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, 2015 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Corporate Social Responsibility (CSR)

During any financial year preceding the FY 2014-15 the Company was not falling under any of the criteria which mandate the Company to comply with the Section 135 of the Companies Act, 2013 in FY 2014-15.

Contracts & Arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on company's website.

Details of establishment of Vigil Mechanism for directors and employees

In accordance with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, your Company has a vigil mechanism which has incorporated a whistle blower policy with a view to provide a mechanism for directors and employees of the Company to approach the Chairman of the Audit Committee of the Company. Protected disclosures can