

DIRECTORS' REPORT

To,
The Members
Winner Sports Private Limited

The Directors of your Company are pleased to present the Third Annual Report of the Company for the financial year ended 31st March, 2010.

FINANCIAL HIGHLIGHTS:

Particulars	(Rs. In Lacs)	
	For the year ended 31.03.2010	For the year ended 31.03.2009
Net Sales	15850.72	3345.10
Other income	93.87	42.06
Total Income	15944.60	3387.16
Expenditure before depreciation	15985.41	3370.60
Depreciation	174.97	55.05
Total Expenditure	16160.38	3425.65
Loss before tax	215.79	38.50
Taxations & Provisions	Nil	2.09
Net Loss	215.79	40.59
EPS (Rs.)	(89.91)	(240)

BUSINESS OVERVIEW

The Company earned total income of Rs.159.45 Cr as against 33.87 Cr during the previous year registering the growth of almost four fold denoting robust look out of consumer spending. However, as part of re-alignment process within the Group, the retail business Company's retail business has been transferred to the holding company w.e.f. 1 April 2010. Your Directors are exploring the other business opportunities in retail SEGMENT.

DIVIDEND

In view of loss, your Directors do not recommend any dividend for the year under review.

FIXED DEPOSIT

During the year under review, the Company has not accepted any deposit within the meaning of the Section 58A of the Companies Act, 1956.

DIRECTORS

In terms of section 255 and 256 of the Companies Act, 1956, Mr. Dinesh Maheshwari retires at the ensuing annual general meeting. Being eligible, he offers himself for the re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. that in the preparation of the Annual Accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanations relating to material departures;
2. that 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 at the end of the financial year and of the loss of the Company for the year ended 31st March, 2010;
3. that the Directors have taken proper and sufficient care 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 frauds and other irregularities;
 4. that the Directors have prepared the accounts for the financial year ended 31st March, 2010 on a 'going concern' basis.

AUDITORS

M/s. Lunawat & Co; Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting. They have issued a certificate to the effect that their re-appointment, if made at the ensuing annual general meeting, shall be within the limits of section 224(1B) of the Companies Act, 1956. Members are requested to consider and approve their re-appointment as auditors of the Company.

PARTICULARS OF EMPLOYEES

The Company has no employee drawing the salary/ remuneration in excess of the limits specified under section 217(2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A	Conservation of Energy	:	None
B	Technology Absorption	:	Not applicable to the Company since the Company does not have / use any technology.
C	Technology Absorption, adaptation & innovation	:	Not applicable to the Company since the Company does not have / use any technology.
D.	Foreign Exchange Earnings & Outgo	:	
	Activities relating to export /Services	:	None
	Initiative taken to increase exports	:	N.A.
	Development of new Export markets for products and services	:	None
	Export Plans	:	N.A.
	Foreign Exchange Earned	:	Nil
	Foreign Exchange Spent	:	Rs.398.08 Lacs (P.Y. Rs.87.75 Lacs)

Form A to the Annexure to the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules, 1988 does not apply to the Company.

COMPLIANCE CERTIFICATE

The Compliance Certificate obtained from Company Secretary in Wholetime Practise pursuant to section 383A of the Companies Act, 1956 for the financial year ended 31st March 2010, is annexed herewith as an Annexure I appended hereto and forms part of this report.

ACKNOWLEDGEMENT

The Board would like to place on record, its appreciation to all employees at all level for their dedicated efforts.

Your Directors also wish to place on record their appreciation and acknowledge with gratitude for the support and co-operation extended by various Government authorities, clients and bankers from time to time and look forward to their continued support.

**For and on behalf of the Board of
Winner Sports Limited**

sd/-
Dinesh Maheshwari
Director

sd/-
Sunil Mantri
Director

New Delhi, 25 August, 2010



AUDITORS' REPORT

To,
The Members of Winner Sports Limited (Formerly "Winner Sports Private Limited")

1. We have audited the attached Balance Sheet of Winner Sports Limited (Formerly "Winner Sports Private Limited") ('the company') as at 31st March 2010 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specify in paragraphs 4 and 5 of said order.
4. Further, to our comments in the Annexure referred to above, we report that:
 - (i) 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;
 - (ii) In our opinion, the company has kept proper books of account as required by law so far, as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956



(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
- (b) in the case of the Profit and Loss Account, of the loss for the year ended on that date and;
- (c) in the case of cash flow statement, of the Cash Flows for the period ended on that date.

For **Lunawat & Co.**

Chartered Accountants

F R No. 000629N

CA. Pramod Jain

Partner

M. No 90358



Place: -New Delhi

Date: - 26/8/10

ANNEXURE TO THE AUDITORS' REPORT

Re:- Winner Sports Limited (Formerly "Winner Sports Private Limited") ('the company')

Referred to in paragraph 3 of our report of even date,

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Some of the assets were physically verified by the management during the year *however we are unable to comment on it since all the assets have been transferred to the Holding Company as at the year end.*
- (c) During the year, *the company has disposed off all its fixed assets however in view of the future business plans of the company produced before us; there is no impact on going concern assumption.*
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records are not material.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in register maintained u/s 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended), are not applicable.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in register maintained u/s 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended), are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that there are no transactions that need to be entered into the register maintained under section 301



of the Companies Act, 1956. Accordingly, paragraph 4 (v) (a) and (b) of the Order are not applicable.

- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public in contravention with the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) In our opinion and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) In our opinion and according to the information and explanations given to us, the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 are not applicable to the company.
- (ix) (a) The company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of provident fund, investor education protection fund, employees' state insurance, income tax, wealth tax, service tax, sales tax, custom duty, excise duty, cess and other statutory dues which were outstanding, at the year end for a period of more than six months from the date they become payable.

(c) According to the information and explanation given to us, there are no dues of sale tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) The company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty percent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of any dues to any bank, financial institutions, etc during the year under audit.
- (xii) In our opinion and according to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) Accordingly, to information & explanation given to us the company is not dealing or trading in any shares, securities, debentures and others investments. Accordingly the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.



- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
- (xx) The Company has not raised any money through a public issue during the period.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Lunawat & Co.

Chartered Accountants

F R No. 000629N

CA. Pramod Jain

Partner

Membership No: 90358



Place: New Delhi.

Date: 25/8/10

WINNER SPORTS LIMITED (Formerly WINNER SPORTS PRIVATE LIMITED)

Balance Sheet as at 31st March, 2010

(Rs. In Lacs)

Particulars	Schedule	As at 31.03.2010	As at 31.03.2009
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Share Capital	1	100.03	24.00
(b) Share Application Money		61.03	136.25
(c) Reserves & Surplus	2	2,277.00	2,277.00
		2,438.03	2,437.25
2. Loan Funds			
Unsecured Loans	3	-	1,850.00
TOTAL		2,438.03	4,287.25
APPLICATION OF FUND			
1.Fixed Assets	4		
a) Gross Block		-	790.69
b) Less : Depreciation		-	(55.05)
c) Net Block		-	735.65
2.Investments	5	-	0.75
3.Current Assets, Loans and Advances			
a) Inventories	6	-	4,827.78
b) Sundry Debtors	7	-	1,697.36
c) Cash and Bank balance	8	-	155.92
d) Loans and Advances	9	2,181.50	675.44
Total Current Assets		2,181.50	7,356.50
Less : Current Liabilities and Provisions	10	-	3,846.39
Net Current Assets		2,181.50	3,510.11
5.Profit and Loss Account		256.53	40.74
TOTAL		2,438.03	4,287.25

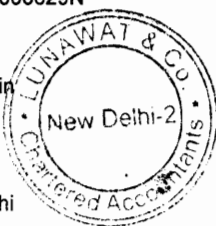
Significant Accounting Policies & Notes to Accounts

16

The schedule referred to above form an itegral part of the Balance Sheet
As per our separate report of even date annexed

For Lunawat & Co.
Chartered Accountants
Firm, Reg. No. 000629N

CA. Pramod Jain
Partner
M.No. 90358



Place: New Delhi
Date: 25/8/10

For & on behalf of the Board

Dinesh Maheshwari

Dinesh Maheshwari
Director

Sunil Mantri

Sunil Mantri
Director

Mukesh Bindal

Mukesh Bindal
Financial Controller

WINNER SPORTS LIMITED (Formerly WINNER SPORTS PRIVATE LIMITED)

Profit & Loss Account for the Year ended 31st March, 2010

(Rs. In Lacs)

Particulars	Schedule	For the year ended 31.03.2010	For the year ended 31.03.2009
INCOME			
Sales (Net of returns)		16,915.54	3,588.79
Less: Value added Tax / Sales Tax		(1,064.82)	(243.69)
		15,850.72	3,345.10
Other Income	11	93.87	42.06
TOTAL		15,944.60	3,387.16
EXPENDITURE			
Cost of goods sold	12	10,863.87	2,083.33
Personnel Cost	13	949.35	210.22
Operation and Other Expenses	14	3,557.07	896.95
Finance Charges	15	615.12	180.10
Depreciation	4	174.97	55.05
TOTAL		16,160.38	3,425.65
Profit Before Tax		(215.79)	(38.50)
Provision for taxation			
- Fringe Benefit Tax		-	2.09
Net Profit (Loss) after taxation		(215.79)	(40.59)
Balance brought forward from last year		(40.74)	(0.16)
Balance Carried to Balance Sheet		(256.53)	(40.74)
Earning Per Share (Rs.)			
- Basic		(89.91)	(240.00)

Significant Accounting Policies & Notes to Accounts

16

The schedule referred to above form an itegral part of the Balance Sheet
As per our separate report of even date annexed

For Lunawat & Co.
Chartered Accountants
Firm. Reg. No. 000629N

CA. Pramod Jain
Partner
M.No. 90358

Place: New Delhi
Date: 25/8/10



For & on behalf of the Board

Dinesh Maheshwari

Dinesh Maheshwari
Director

Sunil Mantri

Sunil Mantri
Director

Mukesh Bindal
Mukesh Bindal
Financial Controller

WINNER SPORTS LIMITED (Formerly WINNER SPORTS PRIVATE LIMITED)
Schedule to Balance Sheet As at 31st March, 2010

(Rs. In Lacs)

Particulars	As at 31.03.2010	As at 31.03.2009
<u>SCHEDULE - 1</u> <u>SHARE CAPITAL</u>		
Authorised : 400000 Equity shares of Rs. 10/- each	40.00	40.00
Preference Capital 760000(Previous Year NIL) preference shares of Rs. 10/- each	76.00	-
	116.00	40.00
Issued , Subscribed and fully paid-up :		
Equity Share Capital 240000 Equity shares of Rs. 10/- each, fully paid up in cash which is held by Pantaloon Retail India Limited, the Holding Company	24.00	24.00
Preference Share Capital 760000 (Previous Year NIL) 0.01% Non-Cumulative Redeemable Preference S of Rs. 10/- each fully paid up in cash, which is held by Pantaloon Retail India Limited, the Holding Company	76.00	-
	100.00	24.00
<u>SCHEDULE - 2</u> <u>RESERVES & SURPLUS</u>		
Securities Premium Account	2,277.00	2,277.00
	2,277.00	2,277.00
<u>SCHEDULE - 3</u> <u>UNSECURED LOANS</u>		
Inter Corporate Deposit	-	1,850.00
	-	1,850.00



WINNER SPORTS LIMITED (Formerly WINNER SPORTS PRIVATE LIMITED)

Schedule to Balance Sheet As at 31st March, 2010

SCHEDULE - 4

FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 01.04.2009	Additions	Deletions/Transfers	As at 31.03.2010	As At 01.04.2009	For the year	Adjustments	As At 31.03.2010	As at 31.03.2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<u>Tangible Assets:</u>									
Leasehold Improvements	434.41	398.92	833.33	-	27.13	127.47	154.60	-	407.28
Interiors & Fixtures	207.15	260.60	467.75	-	4.26	18.42	22.69	-	202.88
Office & other Equipments	29.26	12.73	41.98	-	0.46	2.10	2.56	-	28.80
Plant & Machinery	3.02	2.18	5.20	-	0.05	0.21	0.26	-	2.97
Computers & Software	30.79	4.60	35.40	-	1.63	5.25	6.88	-	29.16
<u>Intangible Assets:</u>									
Brand Rights	86.07	-	86.07	-	21.52	21.52	43.04	-	64.56
Total	790.69	679.03	1,469.72	-	55.05	174.97	230.02	-	735.65
Previous Year	-	790.69	-	790.69	-	55.05	-	55.05	735.65



WINNER SPORTS LIMITED (Formerly WINNER SPORTS PRIVATE LIMITED)
Schedule to Balance Sheet As at 31st March, 2010

(Rs. In Lacs)

Particulars	<u>As at</u> <u>31.03.2010</u>	<u>As at</u> <u>31.03.2009</u>
<u>SCHEDULE - 5</u>		
<u>INVESTMENTS</u>		
<u>Long Term - Others</u>		
(Unquoted, At Cost)		
Investment - Others - NSC	-	0.75
	-	0.75
<u>SCHEDULE - 6</u>		
<u>INVENTORIES</u>		
Trading Goods	-	4,584.03
(As taken, valued and certified by the management)		
Goods in Transit - Local	-	47.01
Goods in Transit - Imports	-	196.73
	-	4,827.78
<u>SCHEDULE - 7</u>		
<u>SUNDRY DEBTORS</u>		
(Unsecured)		
Outstanding for more than 6 months		
Considered Good	-	546.21
Considered Doubtful	-	63.91
Others		
Considered Good	-	0.01
Considered Doubtful	-	-
Total	-	1,761.28
Less : Provision for doubtful debts	-	(63.91)
	-	1,697.36
<u>SCHEDULE - 8</u>		
<u>CASH AND BANK BALANCES</u>		
Cash in hand (As certified by the management)	-	16.41
Balance with Scheduled Banks -		
in Current Account	-	132.45
in Fixed Deposits	-	7.05
	-	155.92
<u>SCHEDULE - 9</u>		
<u>LOANS AND ADVANCES (Unsecured, Considered good)</u>		
Advance Recoverable in cash or kind or for value to be received	2,181.50	144.85
Security Deposits	-	529.46
Accrued Interest	-	0.13
Payments/ Deduction of Income Tax (Net of Provisions)	-	1.00
	2,181.50	675.44



WINNER SPORTS LIMITED (Formerly WINNER SPORTS PRIVATE LIMITED)
Schedule to Balance Sheet As at 31st March, 2010

(Rs. In Lacs)

Particulars	As at 31.03.2010	As at 31.03.2009
<u>SCHEDULE - 10</u>		
<u>CURRENT LIABILITIES AND PROVISIONS</u>		
<u>A. CURRENT LIABILITIES:</u>		
Sundry Creditors	-	1,355.45
Outstanding liabilities	-	1,545.94
Duties & Taxes payable	-	113.54
Advances from Customers	-	566.49
Trade Deposits	-	42.34
Other liabilities	-	195.23
<u>B. PROVISIONS:</u>		
Fringe Benefit Tax	-	2.09
Leave encashment	-	16.56
Gratuity	-	8.74
	-	3,846
<u>SCHEDULE - 11</u>		
<u>OTHER INCOME</u>		
Foreign Exchange Fluctuation Gain	25.14	2.52
Interest received(Tax Deducted at Source Rs.0.36 Lacs(P.Y.-NIL))	3.48	0.16
Profit / (Loss) on Slump Sale	4.37	
Miscellaneous Income	60.88	39.38
	93.87	42.06
<u>SCHEDULE - 12</u>		
<u>COST OF GOODS SOLD</u>		
Opening Stock	4,584.03	-
<u>Add:</u> Purchases	11,787.91	6,667.36
<u>Less:</u> Closing Stock	5,508.07	4,584.03
Cost of Goods Sold	10,863.87	2,083.33
<u>SCHEDULE - 13</u>		
<u>EMPLOYEES COST</u>		
Salaries	887.09	180.84
Retirement Benefits	3.84	16.10
Contribution to PF and other funds	47.75	11.29
Staff Welfare	10.67	1.98
	949.35	210.22



WINNER SPORTS LIMITED (Formerly WINNER SPORTS PRIVATE LIMITED)
Schedule to Profit & Loss Account As at 31st March, 2010

(Rs. In Lacs)

Particulars	For the year ended 31.03.2010	For the year ended 31.03.2009
<u>SCHEDULE - 14</u>		
<u>Operation and Other Expenses</u>		
Rent	1,427.27	438.86
Communication Expenses	26.65	8.41
Travelling & Conveyance	98.48	24.61
Repairs & Maintenance	324.34	93.79
Legal & Professional Fee	54.68	18.08
Printing & Stationery	11.25	5.46
Office Expenses	59.95	16.83
Power and Fuel	177.66	36.54
Insurance	14.30	0.27
Rates & Taxes	0.03	0.04
Auditor's Remuneration and Expenses	1.93	1.38
Miscellaneous Expenses	11.76	0.31
Preliminary Expenses W/off	-	0.17
Commission Paid	290.59	75.67
Advertisement & Promotion	140.51	13.37
Freight & Forwarding Expenses	318.51	52.93
Discounts & Rebates	18.00	3.20
Royalty & Product Development	334.22	86.08
Packing Expenses	49.52	13.88
Fee for increase in authorised capital	0.78	0.82
Others	196.64	6.27
	3,557	897
<u>SCHEDULE - 15</u>		
<u>FINANCE CHARGES</u>		
Interest	534.68	157.35
Bank Charges	80.44	22.75
	615.12	180.10



WINNER SPORTS LIMITED (Formerly WINNER SPORTS PRIVATE LIMITED)

Cash Flow Statement For The Year Ended 31st March, 2010

(Rs. In Lacs)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
A. Cash Flow from Operating Activities:		
Net Profit before Tax and Exceptional Items as per Profit and Loss Account	(215.79)	(38.50)
Add: Non Cash Items		
Preliminary Expenses W/off	-	0.17
Net Profit before Tax	(215.79)	(38.32)
a) Depreciation and Amortisation Charges	(55.05)	55.05
b) Foreign Exchange Fluctuation Gain/Loss	25.14	2.52
c) Interest Income	(3.48)	(0.16)
d) Interest Paid	534.68	-
e) Interest Paid	(4.37)	-
f) Provision for Gratuity	(8.74)	8.74
g) Provision for leave encashment	(16.56)	16.56
Sub - Total	471.62	82.71
Operating Cash Profit before Working Capital Changes	255.84	44.38
Add/(Deduct) :		
a) Increase/(Decrease) in Trade Payable	(3,844.13)	3,816.15
b) (Increase)/Decrease in Trade and Other Receivable	191.30	(2,372.80)
a) (Increase)/Decrease in Inventories	4,827.78	(4,827.78)
Sub - Total	1,174.95	(3,384.43)
Cash Flow From Operating Activities	1,430.78	(3,340.05)
Add :		
Direct Taxes Paid	2.09	-
Net Cash Flow From Operating Activities	1,428.69	(3,340.05)
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	790.69	(790.69)
Sale of Fixed Assets	-	-
Profit(Loss) From Slump Sale	4.37	-
Investment in NSC	0.75	(0.75)
Interest Income	3.48	(0.16)
Net Cash Flow From Investing Activities	799.30	(791.60)
C. Cash Flow from Financing Activities:		
Proceeds of Borrowings	(1,850.00)	1,850.00
Repayment of Borrowings	-	-
Preliminary Expenses	-	-
Proceeds of Share Capital including Share Premium	0.78	2,436.25
Interest Paid	(534.68)	-
Net Cash Flow From Financing Activities	(2,383.90)	4,286.25
Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(155.91)	154.60
Add: Balance in the beginning of year	155.92	1.00
Balance at the end of year:	0.00	155.60

Signed in terms of our report of even date attached

For Lunawat & Co.

Chartered Accountants

Firm. Reg. No. 000629N

CA. Pramod Jain
Partner

M.No. 90358

Place: New Delhi

Date: 26/3/10



For & on behalf of the Board

(Signature) *(Signature)*

Dinesh Maheshwari
Director

Sunil Mantri
Director

(Signature)
Mukesh Bindal
Financial Controller

WINNER SPORTS LIMITED (Formerly WINNER SPORTS PRIVATE LIMITED)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :

I. REGISTRATION DETAILS

Registration No.	U36939RJ2007PTC024527
State Code	17
Balance Sheet Date	March 31,2010

II. CAPITAL RAISED DURING THE YEAR (Rs. In Lacs)

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs. In lacs)

Total Liabilities	2,438.03
Total Assets	2,438.03
Sources of Funds	
Paid Up Capital	100.00
Advance against Equity	61.03
Reserves & Surplus	2,277.00
Secured Loan	-
Unsecured Loans	-
Total	2,438.03
Application of Funds	
Net Fixed Assets	-
Capital Work-in-progress	-
Investments	-
Net Current Assets	2,181.50
Deferred Tax Asset(Liability)	-
Miscellaneous Expenditure	-
Accumulated Losses	256.53
Total	2,438.03

IV. PERFORMANCE OF THE COMPANY (Rs, in Lacs)

Turnover	15,850.72
Other Income	93.87
Total Expenditure	16,160.38
Profit (Loss) Before Tax	(215.79)
Profit (Loss) After Tax	(215.79)
Earning Per Share in Rs.	(89.91)
Dividend Rate	NIL

V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

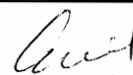
<u>Item Code</u> (ITC Code)	<u>Product Description</u>
880190	Sports Goods
640411	Sports Shoes
620000	Readymade Garments

Signatures to Schedule 1 to 18

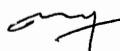
For & on behalf of the Board



Dinesh Maheshwari
Director



Sunil Mantri
Director



Mukesh Bindal
Financial Controller

Place: New Delhi

Date: 25/8/10

Winner Sports Limited (Formerly Winner Sports Private Limited)

Schedule 16 : Significant accounting policies and notes to accounts

A. Accounting policies

i. Basis of Accounting

The financial statements are prepared under the historical cost convention on the accrual basis and in accordance with applicable accounting standards notified by the Government of India/issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

ii. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of the contingent liabilities on the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

iii. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

iv. 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.

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and coincides with the delivery of the goods to the customer. Sales Tax and VAT deducted from turnover (gross) are the amount that is included in the amount of turnover (gross) and not the entire amount of liability arose during the period.

Interest

Revenue is recognized on accrual basis.

v. Foreign currency transaction

Foreign currency transactions are recorded at the exchange rates prevailing at the date of the transaction. Monetary foreign currency assets and liabilities are translated into Indian rupees at the exchange rate prevailing at the balance sheet. All exchange differences are dealt with in profit and loss account.



vi. Retirement and other employee benefits

- i. Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the period when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- ii. Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

vii. Income Tax

Tax expense comprises of current and deferred tax. Current income tax is measured at the amounts expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

viii. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

ix. Earning per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

x. Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



B. Notes to accounts**1. Contingent liabilities not provided for:**

i) Outstanding guarantees given by the banks on behalf of the Company aggregate Rs. **-NIL-** (previous year Rs.6.90 lacs).

2. Leases**General description of Company's significant leasing arrangement**

The Company has taken office and various shop premises under operating lease arrangements. These are generally not non-cancelable and are renewable either by mutual consent on mutually agreed terms or at the option of the lessees.

Operating Leases

	(Rs. In Lacs)	
	For the year ended 31.03.2010	For the year ended 31.03.2009
Lease payments for the year.	1,427.27	438.86
Minimum Lease Payments:		
Not later than one year	NIL	712.05
Later than one year	NIL	540.02

3. Segmental Reporting

The Company is engaged in the business of retailing sports goods, footwear apparels and related accessories in India. The entire operations are governed by the same set of risks and rewards and hence, it operates in a single segment; consequently no information under the requirement of the Accounting Standard 17 on Segment Reporting is applicable. The same has been considered representing a single primary segment and secondary segment.

4. Pursuant to the amendment of Schedule VI of the Companies Act, 1956, regarding disclosure of amount due to creditors which are Micro, Medium and Small Enterprises (MSME), None of our creditors are registered under the MSMED, Act 2006.

5. Related Party Disclosure (as certified by the Management)**A. Relationship**

- I. Enterprises that directly, or indirectly through one or more intermediaries, control the reporting enterprises.

Pantaloon Retail (India) Limited

- II. Enterprises that directly, or indirectly through one or more intermediaries are under common control with the reporting enterprise:

1. Home Solutions Retail (India) Limited
2. Future Human Development Limited (erstwhile Home Solutions Services (India) Limited) (till 29 June 2010)
3. Future Brands Limited



4. Future Knowledge Services Limited
5. Erudite Knowledge Services Limited (till 29 June, 2009)
6. Future Media (India) Limited
7. Home Lighting India Limited (till 4 January 2010)
8. Future Agrovet Limited
9. Future Capital Holdings Ltd.
10. Future Capital Financial Services Ltd. (erstwhile Future Finmart Ltd)
11. Future Finance Limited (erstwhile Sivagami Finance & Investments Limited)
12. Indivision Investment Advisors Ltd.
13. Kshitij Investment Advisory Company Limited
14. Myra Mall Management Company Limited
15. Ambit Investment Advisory Company Limited
16. Axon Development Solutions Limited
17. Kshitij Property Solutions Private Limited
18. Future Hospitality Management Limited
19. CIG Infrastructure Private Limited
20. Future E-Commerce Infrastructure Limited
21. Future Mobiles and Accessories Limited
22. Future Consumer Products Limited
23. Future Merchandising Ltd.
24. Future Consumer Enterprises Ltd.
25. Future Mall Management Limited
26. Futurebazaar India Limited
27. Future Value Retail Limited (erstwhile Pantaloon Future Ventures Limited)
28. Future Learning and Development Limited
29. FH Residencies Limited (till 29 June 2009)
30. Galaxy Entertainment Corporation Limited
31. FLSL Distribution Services Limited (till 27 August 2009 and w.e.f. 29 December 2009)

III. Key Management Personnel:

Mr. Ravdeep Singh, Director



NOTE TO THE ACCOUNTS

IV. Transactions with the Related Parties are as follows:

(Rs. In Lacs)

Relationship	Holding Company		Fellow Subsidiaries		Enterprise owned or significantly influenced by key management personnel or their relatives	
	2010	2009	2010	2009	2010	2009
Services Received						
Pantaloon Retail (India) Limited	151.84	-	-	-	-	-
Future Ventures India Limited	-	-	-	8.01	-	-
Future Brands Limited	-	-	10.92	-	-	-
Future Learning and Development Limited	-	-	2.70	-	-	-
Future Media (India) Limited	-	-	1.21	-	-	-
Sale of Goods						
Pantaloon Retail (India) Limited	5,782.57	335.83	-	-	-	-
Future E Commerce Infrastructure Limited	-	-	2.95	-	-	-
Future Value Retail Limited	-	-	260.38	-	-	-
Business Transfer to Pantaloon Retail (India) Ltd.	21.50	-	-	-	-	-
Purchase of Goods						
Pantaloon Retail (India) Limited	705.72	-	-	-	-	-
Reimbursements charged to						
Pantaloon Retail (India) Limited	0.10	-	-	-	-	-
Reimbursements charged by						
Pantaloon Retail (India) Limited	1.12	39.80	-	-	-	-
Assets Purchased						
Pantaloon Retail (India) Limited	24.70	-	-	-	-	-
Equity shares allotted						
Pantaloon Retail (India) Limited	-	23.00	-	-	-	-
Premium on allotted Equity Shares						
Pantaloon Retail (India) Limited	-	2,277.00	-	-	-	-
Share application money received						
Pantaloon Retail (India) Limited	-	136.25	-	-	-	-
Interest Paid on Unsecured Loan						
Pantaloon Retail (India) Limited	29.53	-	-	-	-	-
Unsecured Loan						
Pantaloon Retail (India) Limited	5,800.00	-	-	1,850.00	-	-
Balance outstanding as at the period end Debit / (Credit)						
Pantaloon Retail (India) Limited	2,181.50	1,109.81	-	-	-	-
Future Ventures India Limited	-	-	-	(1,850.00)	-	-
Future E Commerce Infrastructure Limited	-	-	-	2.28	-	-



6. Employee Benefits

The disclosure required as per AS-15 (revised) notified under the Companies (Accounting Standards)

Rules 2006 is given below:-

Profit and Loss account

Net employee benefit expense (recognized in Employee Cost)

(Rs. In Lacs)

	Gratuity		Leave Encashment	
	For the year ended 31.03.2010	For the year ended 31.03.2009	For the year ended 31.03.2010	For the year ended 31.03.2009
Reconciliation of opening and closing balances of Defined Benefit Obligation				
Defined benefit obligation at the beginning of the Year	8.74	-	4.47	-
Current service cost	8.22	5.10	5.49	3.42
Interest cost on benefit obligation	0.70	-	0.36	-
Actuarial(gain) / loss	(5.81)	3.64	2.18	1.89
Benefits paid	-	-	(1.71)	(0.85)
Transferred to Holding Co.	(11.85)	-	(10.78)	-
Defined benefit obligation at the year end	-	8.74	-	4.47
Reconciliation of Fair Value Assets and Obligations				
Fair Value of Plan Assets as at 31st March	-	-	-	-
Present Value of Obligation at end of the year - Long Term	11.85	8.74	10.78	4.47
Present Value of Obligation at end of the year- Short Term*	-	-	-	-
Transferred to Holding Co.	(11.85)	-	(10.78)	-
Amount Recognized in Balance Sheet at the end of the year	-	8.74	-	4.47
Expenses Recognized during the year				
Current Service Cost	8.22	5.10	5.49	3.42
Interest Cost	0.70	-	0.36	-
Expected return on plan assets	-	-	-	-
Actuarial (gain)/loss	(5.81)	3.64	0.47	1.89
Net Gain	3.11	8.74	6.32	5.31
Short Term Liabilities*	-	-	5.08	1.13

Actuarial assumptions				
Mortality Table	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
Attrition Rate	1%	1%	1%	1%
Imputed Rate of Interest	8%	8%	8%	8%
Salary Rise	5%	5%	5%	5%
Return on Plan Assets	-	-	-	-
Retiring Age	58 Yrs.	58 Yrs.	58 Yrs.	58 Yrs.
Investment details	-	-	-	-



*Short Term Leave Encashment obligation is calculated on the basis of estimates.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

7. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956

(i) Quantitative details for inventories

Particulars in respect of sales, purchases and opening and closing stocks of traded goods

Particulars		Opening Stock	Purchases	Sales	Balance Stock *
ACCESSORIES	Quantity	140,940	593,871	585,206	152,981
	Value (Rs. In Lacs)	472.73	772.53	1,501.48	448.43
Previous Year	Quantity	-	227,852	92,919	140,940
	Value (Rs. In Lacs)	-	661.05	374.04	472.73
APPAREL	Quantity	241,274	1,166,492	1,100,621	310,315
	Value (Rs. In Lacs)	1,441.28	3,365.58	4,562.07	1,575.92
Previous Year	Quantity	-	397,463	155,874	241,274
	Value (Rs. In Lacs)	-	2211.94	993.84	1441.28
EQUIPMENT	Quantity	120,343	653,649	552,119	222,311
	Value (Rs. In Lacs)	763.45	1,292.62	2,049.56	1,212.36
Previous Year	Quantity	-	244,625	117,052	120,343
	Value (Rs. In Lacs)	-	959.96	475.00	763.45
FOOTWEAR	Quantity	161,034	1,442,050	1,348,198	256,054
	Value (Rs. In Lacs)	1,906.57	6,357.19	8,802.42	2,271.36
Previous Year	Quantity	-	347,692	186,786	161,034
	Value (Rs. In Lacs)	-	2834.42	1745.91	1906.57
Total	Quantity	663,591	3,856,062	3,586,144	941,661
	Value (Rs. In Lacs)	4,584.03	11,787.91	16,915.54	5,508.07 **
Previous Year	Quantity	-	1,217,632	552,631	663,591
	Value (Rs. In Lacs)	-	6,667.36	3,588.79	4,584.03

* Adjusted for physical verification and after quantity loss due to defective & shortages

** Balance Stock transferred to Holding Company on March 31, 2010 and Closing Stock as on March 31, 2010 is Nil.

8. Value of Imports on CIF Basis Rs. In Lacs

	Current Year	Previous Year
Trading Goods	2,597.95	510.98

9. Expenditure in foreign currency Rs. In Lacs

	Current Year	Previous Year
Royalty	6.76	1.47
Travel	334.22	78.68
Others	57.10	7.60
TOTAL :-	398.08	87.75



10. Dues from companies under the same management are as follows:

(Rs. In Lacs)		
Dues from companies under the same management	As at 31.03.2010	As at 31.03.2009
1. Included in Debtors		
I. Pantaloon Retail (India) Ltd. (Maximum amount outstanding during the period Rs. 291,529,186 (previous year Rs. 106322959)	2,181.50	1,063.23
II. Future Value Retail Ltd. (Maximum amount outstanding during the period Rs. 26,037,629 (previous year Rs. NIL)	NIL	NIL
III. Future e- Commerce Infrastructure Ltd. (Maximum amount outstanding during the period Rs. 295,097 (previous year Rs. NIL)	NIL	NIL
2. Included in Loans and Advances		
Pantaloon Retail (India) Ltd. (Maximum amount outstanding during the period Rs. 8178852 (previous year Rs. 8178852)	NIL	81.79

11. Earning Per Share (Basic and Diluted):

	Units	For the year ended 31.03.2010	For the year ended 31.03.2009
Net (loss) for calculation of basic and diluted EPS	Rs. In Lacs	(215.79)	(40.59)
Weighted average number of equity shares for calculating basic and diluted EPS	No.	240,000	16,932
Nominal value per share	Rs.	Rs.10	Rs.10
Basic and Diluted EPS	Rs.	(89.91)	(240.00)

12. Auditors Remuneration comprises of the following

(Rs. In Lacs)		
Particulars	For the year ended 31.03.2010	For the year ended 31.03.2009
Audit Fees (Including service Tax)	1.50	1.00
Service Tax	0.15	0.10
Tax Audit Fees	0.25	0.25
Service Tax	0.03	0.03
Total	1.93	1.38



13. Disclosure of Deferred Tax Liability/(Assets) as per Accounting Standard (AS-22) "Accounting for Taxes on Income":

(Rs. In Lacs)			
Particulars		As at 31.03.2010	As at 31.03.2009
Items for Deferred Tax Liability	A	-Nil-	-Nil-
Items for Deferred Tax Assets			
a) Deferece in the block of assets as per companies Act & Income Tax Act		-Nil-	0.19
b) Unabsorbed depreciation & C/F business loss		80.18	7.14
c) Effect of expenditures debited to Profit & Loss account in current year but allowed for tax purposes in following years		0.03	5.52
Gross deferred Tax Assets	B	80.21	12.85
Net Deferred Tax Liability/(Assets)		(80.21)	(12.85)

Note: Since there is no virtual certainty of future taxable income; hence Deferred Tax Asset has not been recognized in the books of accounts.

14. Straight lining of Lease Rent

Pursuant to clarification issued by Expert Advisory Committee of the Institute of Chartered Accountants of India on Accounting Standard – 19 on Leases on recognition of operating lease rent expense. The management has decided not to recognize the schedule rent increases over the lease terms on straight line basis in respect of all agreement still in force.

15. As approved by the shareholders, the company had transferred its entire business, as a going concern, to its holding company Pantaloon Retail (India) Limited, with effect from March 31, 2010.

16. Previous year figures have been regrouped, rearranged wherever necessary.

Notes to Accounts & Schedules 1 to 16 form an integral part of the Balance Sheet & Profit & Loss Account.

As per our Audit Report of even date annexed.

For Lunawat & Co.
Chartered Accountants
F R No. 000629N

CA. Pramod Jain
Partner


Membership No: 90358

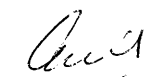
Place: New Delhi

Date: 25/9/10



For and on behalf of the Board of Directors of
Winner Sports Limited


Dinesh Maheshwari
Director


Sunil Mantri
Director


Mukesh Bindal
Financial Controller