

## KOUTONS RETAIL INDIA LIMITED

Regd. Office: T-60/1, DCM School Road, New Rohat Road, Karol Bagh, New Delhi-110005

## Statement of Unaudited Financial Results for the Quarter and Nine Months Ended 31st December, 2012

Part-I Particulars	Quarter Ended			Nine Months Ended		Year Ended
	Quarter ended December 31, 2012	Quarter ended September 30, 2012	Quarter ended December 31, 2011	Nine Months Ended December 31, 2012	Nine Months Ended December 31, 2011	Year ended March 31, 2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Income from Operations</b>						
(a) Net Sales/Income from Operations (Net of excise duty)	446.11	331.64	3,508.94	1,321.94	14,960.33	16,526.55
(b) Other Operating Income	-	-	-	-	72.62	-
<b>Total Income from Operations (a+b)</b>	<b>446.11</b>	<b>331.64</b>	<b>3,508.94</b>	<b>1,321.94</b>	<b>15,032.95</b>	<b>16,526.55</b>
<b>2. Expenditure</b>						
a. Cost of Material consumed	39.00	33.29	98.29	77.52	159.99	209.27
b. Purchase of Stock-in-trade	-	-	11.83	-	58.38	75.98
c. Changes in inventories of finished goods, work-in progress and Stock-in-Trade	759.39	656.94	5,049.14	2,140.60	12,520.06	15,759.16
d. Employee benefits expense	16.28	8.98	144.94	87.55	523.00	612.77
e. Depreciation & amortisation expense	226.75	233.92	276.48	689.18	817.50	1,104.15
f. Other expenses	232.47	183.08	2,858.09	768.84	10,694.16	11,009.16
<b>Total Expenditure (a+b+c+d+e+f)</b>	<b>1,273.89</b>	<b>1,116.21</b>	<b>8,438.78</b>	<b>3,763.70</b>	<b>24,773.10</b>	<b>28,770.48</b>
<b>3. Profit / (loss) from Operations before Other Income, Finance costs &amp; Exceptional Items (1-2)</b>	<b>(827.79)</b>	<b>(784.56)</b>	<b>(4,929.84)</b>	<b>(2,441.76)</b>	<b>(9,740.14)</b>	<b>(12,243.93)</b>
4. Other Income	22.73	6.47	1,472.93	29.24	1,570.03	170.07
<b>5. Profit / (loss) from ordinary activities before Finance costs &amp; Exceptional Items (3+4)</b>	<b>(805.05)</b>	<b>(778.09)</b>	<b>(3,456.91)</b>	<b>(2,412.52)</b>	<b>(8,170.11)</b>	<b>(12,073.86)</b>
6. Finance Costs	2,225.20	2,670.08	3,139.92	6,839.46	7,792.97	8,503.38
<b>7. Profit / (loss) from ordinary activities after Finance costs &amp; Exceptional Items (5+6)</b>	<b>(3,030.25)</b>	<b>(3,448.18)</b>	<b>(6,596.83)</b>	<b>(9,251.98)</b>	<b>(15,963.08)</b>	<b>(20,577.24)</b>
8. Exceptional Items	-	-	-	-	-	-
<b>9. Profit / (Loss) from Ordinary Activities before tax (7+8)</b>	<b>(3,030.25)</b>	<b>(3,448.18)</b>	<b>(6,596.83)</b>	<b>(9,251.98)</b>	<b>(15,963.08)</b>	<b>(20,577.24)</b>
10. Tax expenses	0.15	0.10	(1,570.84)	0.37	(3,575.62)	(6,307.91)
<b>11. Net Profit / (Loss) from Ordinary Activities after tax (9-10)</b>	<b>(3,030.40)</b>	<b>(3,448.28)</b>	<b>(5,025.99)</b>	<b>(9,252.35)</b>	<b>(12,387.46)</b>	<b>(14,269.33)</b>
12. Extraordinary item / Prior period exp.	577.09	517.45	20.19	1,354.26	27.71	(873.80)
<b>13. Net Profit / (Loss) for the period (11-12)</b>	<b>(3,607.49)</b>	<b>(3,965.73)</b>	<b>(5,046.18)</b>	<b>(10,606.62)</b>	<b>(12,415.17)</b>	<b>(13,395.53)</b>
14. Share of Profit / (loss) of associates	-	-	-	-	-	-
15. Minority Interest	-	-	-	-	-	-
<b>16. Net Profit / (loss) after taxes, minority interest and share of profit / (loss) of associates(13-14-15)</b>	<b>(3,607.49)</b>	<b>(3,965.73)</b>	<b>(5,046.18)</b>	<b>(10,606.62)</b>	<b>(12,415.17)</b>	<b>(13,395.53)</b>
17. Paid-up equity share capital (Face Value of Rs. 10/- each)	3,055.14	3,055.14	3,055.14	3,055.14	3,055.14	3,055.14
18. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year.	-	-	-	-	-	-



<b>19. Earnings Per Share (EPS) in Rs.</b>						
(a) Basic EPS before Extraordinary items	(9.92)	(11.29)	(16.45)	(30.28)	(40.55)	(46.71)
(b) Diluted EPS before extraordinary items	(9.92)	(11.29)	(16.45)	(30.28)	(40.55)	(46.71)
(a) Basic EPS after Extraordinary items	(11.81)	(12.98)	(16.52)	(34.72)	(40.64)	(43.85)
(b) Diluted EPS after extraordinary items	(11.81)	(12.98)	(16.52)	(34.72)	(40.64)	(43.85)

**Part- II**

<b>A. PARTICULARS OF SHARE HOLDINGS</b>						
<b>1. Public shareholding</b>						
- Number of shares	28447812	28447812	23908912	0	23908912	2722381
- Percentage of shareholding	93.11%	93.11%	78.26%	0.00%	78.26%	89.11%
<b>2. Promoters and Promoter Group Shareholding</b>						
<b>a) Pledged / Encumbered</b>						
- Number of shares	1906763	1906763	6445663	0	6445663	313076
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	90.64%	90.64%	97.04%	0.00%	97.04%	94.08%
- Percentage of shares (as a % of the total share capital of the company)	6.24%	6.24%	21.09%	0.00%	21.10%	10.25%
<b>b) Non - encumbered</b>						
- Number of shares	196822	196822	196822	0	196822	196822
- Percentage of shares (as a % of the total shareholding of Promoter and Promoter group)	9.36%	9.36%	2.96%	0.00%	2.96%	5.91%
- Percentage of shares (as a % of the total share capital of the company)	0.64%	0.64%	0.64%	0.00%	0.64%	0.64%

<b>B. INVESTOR COMPLAINTS</b>		<b>Three Months ended December 31, 2012</b>
Pending at the beginning of the quarter		NIL
Received during the quarter		3
Disposed of during the quarter		3
Remaining unresolved at the end of the quarter		NIL

**Notes:-**

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 28th February 2013
- Basic and Diluted earning per share has been calculated in accordance with the Accounting Standard (AS-20)
- The Company operates in multiple segment, but the disclosure requirement under Accounting Standard-17 issued by ICAI is not applicable.
- Previous period figures have been regrouped/rearranged wherever necessary for the purpose of comparison.
- The Company's debts restructuring package approved by CDR empowered group & pursuant to that a few banks has reversed the Interest which is reflected in other income.

Place : Gurgaon  
 Date : 28th Febtuary 2013.

By Order of the Board  
 For Kwikas Retail India Limited  
  
 Bhupinder Singh Sawhney  
 Managing Director

**R. CHADHA & ASSOCIATES**  
CHARTERED ACCOUNTANTS

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**LIMITED REVIEW REPORT**

We have reviewed the accompanying statement of unaudited financial results of "KOUTONS RETAIL INDIA LIMITED" for the quarter ended December, 31 2012 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is responsibility of the company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial Statements based on our review.

We conducted our review in accordance with the Standard on Review, engagement (SRE) 2400, engagements to review the financial statements issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an Audit and accordingly, we do not express an Audit opinion.

Based on our review conducted as above, we report that,

1. These statements have been prepared by the management on the assumption of going concern. Further we are unable to comment up on due to various observations given below:
2. Out of the approx 900 retail stores, sales and accounts have been received only from 18 stores in the 3<sup>rd</sup> quarter of 2012-13. For the balance retail outlets the status is not known about their operation, accounts, expenses to be reimbursed, MG, commission and sales for a variety of reasons and no provisions has been made for such expenses in the financial statement for quarter ending Dec 2012.
3. The closing stock has been worked out on the basis of stock as per books after giving effect to the sale incurred in quarter ending Dec 2012. There is no physical verification of stock for stock lying in warehouses of the Company. There is no confirmation of stock lying with the franchisee stores and with the job workers. The valuation of stock as such is not verifiable.
4. Pending receipt of account statements from a number of Banks and some Banks are not yet giving effect of the interest concessions in the CDR package, the Company has given effect as given by various Banks. The balance of scheme under CDR package has not been accounted for in the books.
5. Some of the Bank balance reconciliations are either not there or have items in reconciliation requiring adjustments in books.



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6. Depreciation has also been provided for the assets lying in closed stores and closed warehouses and factories. Further no impairment has been accounted for the assets lying in closed stores and closed warehouses/factories.

7. The complete details of cases and claims filed against the company by parties like suppliers, landlords, banks and financial institution etc is not made available to us for review hence we are unable to comment there impact on the result of this quarter.

8. No interest has been provided in the books of accounts for quarter ending 31<sup>st</sup> December 2012 on securities received from franchisee except for stores running as mentioned in para 2 of this report.

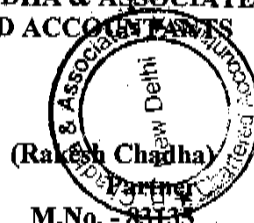
9. The impact of observations in point 1 to point 8 given above is not ascertainable with reasonable accuracy.

10. Pending such large reconciliation of accounts and ascertainment of current operational status retail outlets, which can result in large adjustment in the financial statements, the accounting in our opinion is incomplete and therefore we are not in a position to obtain moderate assurance as to whether the financial statements are free of material misstatements.

Place: New Delhi

Date: 28.02.2013

FOR R.CHADHA & ASSOCIATES  
CHARTERED ACCOUNTANTS



M.No. - 83135