

PART I		STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED 31ST DECEMBER, 2015					(₹. in Lacs)
Sl. No.	Particulars	Quarter Ended			Fifteen Months Ended	Previous Year Ended	
		31.12.2015	30.09.2015	31.12.2014	31.12.2015	30.09.2014	
		(Unaudited)			(Unaudited)	(Audited)	
1.	Income from operations						
	(a) Net sales/income from operations (Net of excise duty)	95	3,492	3,734	14,174	15,966	
	(b) Other operating income	-	-	7	38	14	
	Total income from operations (net)	95	3,492	3,741	14,212	15,980	
2.	Expenses						
	(a) Cost of materials consumed	(32)	2,270	2,464	9,356	11,852	
	(b) Changes in inventories of finished goods, work-in progress and stocks-in-trade	102	524	207	617	8	
	(c) Employee benefits expense	31	284	276	1,229	1,113	
	(d) Power & fuel	37	367	489	1,887	1,675	
	(e) Depreciation and amortisation expense	71	73	72	360	373	
	(f) Selling & distribution expense	-	36	48	206	186	
	(g) Other expenses	29	183	210	879	851	
	Total expenses	236	3,777	3,765	14,834	16,056	
3.	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(143)	(285)	(25)	(422)	(78)	
4.	Other income	-	-	-	53	23	
5.	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(143)	(285)	(25)	(369)	(55)	
6.	Finance costs	233	241	236	1,257	931	
7.	Profit/ (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(378)	(526)	(261)	(1,626)	(988)	
8.	Exceptional items	-	-	-	-	-	
9.	Profit/(Loss) from ordinary activities before tax (7+8)	(378)	(526)	(261)	(1,626)	(988)	
10.	Tax expenses	-	-	-	-	-	
11.	Net Profit/(Loss) from ordinary activities after tax (9-10)	(378)	(526)	(261)	(1,626)	(988)	
12.	Extraordinary items (net of tax expenses)	-	-	-	-	-	
13.	Net Profit/(Loss) for the period (11-12)	(378)	(526)	(261)	(1,626)	(988)	
14.	Paid-up equity share capital (Face value per share ₹.10/-)	1,793	1,793	1,793	1,793	1,793	
15.	Reserves excluding revaluation reserve as per balance sheet of previous accounting year	-	-	-	-	(5,404)	
16.	Earning per share (before & after extraordinary items) (of ₹. 10 each) (not annualised)						
	a. Basic	(2.10)	(2.93)	(1.46)	(9.07)	(5.50)	
	b. Diluted	(2.10)	(2.93)	(1.46)	(9.07)	(5.50)	

Notes:

- The above results were reviewed by the Audit Committee and approved at the meeting of Board of Directors held on May 30, 2016; and these have been subjected to a limited review by the Statutory Auditors of the Company and their qualifications have been dealt with in the Note Nos. 4, 5 and 6 below which are self explanatory.
- The Company is engaged in the business of manufacturing of cotton yarn & knitted fabrics. Since the Company's business falls within a single business segment, disclosure under Accounting Standard (AS) -17 Segment Reporting is not applicable.
- In absence of virtual certainty, the Company has recognised deferred tax assets only to the extent of deferred tax liability, as stipulated by Accounting Standard -22.
- During the year ended September 30, 2012, State Bank of India (SBI) has unilaterally cancelled the forward contracts and debited ₹.1,178.81 lacs, being the losses on account of foreign exchange difference excluding interest, if any, into our cash credit account without any authorization from us. The company was not in agreement with the action taken by the SBI and lodged its objection with SBI. The Company has filed a suit in Hon'ble High Court at Calcutta on 6th day of August, 2013 against State Bank of India and therefore disputes the forex loss. The said suit has been transferred to the Hon'ble City Civil Court at Ahmedabad pursuant to the order dated 18th day of August 2014 of Hon'ble High Court at Calcutta. The Company therefore has not recognized the said forex loss in its books of accounts. The dispute is sub-judice.
- The loan accounts of the Company have become NPA in the books of the lenders namely State Bank of India and IDBI Limited. Interest on these accounts has been provided as per the last communicated rates or at the rate debited by the bank.
- The Company has not provided interest for the period from April 1, 2015 to December 31, 2015 on unsecured intercorporate loan of ₹.4,34,34,766 from related party and unsecured loan of ₹. 1,50,00,000/- received from non-related party.
- The Company suspended operations in September, 2015 to contain losses due to un-favourable market conditions and financial constraints. The incentives given to new cotton spinning units under the state textile policy created an uneven playing field making it difficult for the older units to compete in times of general lack of demand and a situation of oversupply in the market. The financial statements as at 31-12-2015 have been therefore been prepared on non going concern basis.
- During the quarter ended 31st December, 2014, the Company has reassessed the useful lives of its fixed assets in accordance with Part C of Schedule II to the Companies Act, 2013. As a consequence of such reassessment, the charge on account of depreciation for the quarter and period ended 31st December, 2015 is lower by ₹.19.17 lacs & ₹.93.35 lacs compared to useful lives estimated in earlier periods. In case of assets whose useful lives have ended, ₹.113.40 Lacs being the carrying value, net of residual value as on 1st October, 2014, has been adjusted to the opening balance of Deficit to Profit & Loss Account as on 1st October, 2014 pursuant to provisions of Schedule II to the Companies Act, 2013.
- The Company's appeal filed on 18/01/2013 in Appellate Authority for Industrial and Financial Reconstruction u/s 25(1) the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA, 1985) against the order passed by the Board of Industrial and Financial Reconstruction (BIFR) for reference bearing no.3/2012 filed u/s 15(1) of the SICA, 1985 is pending. The Company's reference bearing no.5/2013 filed u/s 15(1) of SICA, 1985 filed with BIFR is also pending.
- The Board of Directors has decided to change the current Financial Year of the Company from 1st October, 2014 - 30th September, 2015 to 1st October, 2014 to 31st March, 2016 so as to align its financial year in terms of provision of section 2(41) of the Companies Act, 2013.
- The figures have been re-grouped and re-classified, wherever necessary to make them comparable.

Kolkata, the 30th May, 2016



For the order of the Board
 Manoj Kumar
 Chairman & Managing Director

LIMITED REVIEW REPORT

The Board of Directors
Kanco Enterprises Limited
Jasmine Towers,
3rd Floor, 31, Shakespeare Sarani,
Kolkata - 700017


1. We have reviewed the statement of unaudited financial results (the "Statement") of Kanco Enterprises Limited (the "Company") for the quarter and fifteen months ended December 31, 2015. This statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (the "Listing regulation, 2015"), which has been initialled by us for identification purpose. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" 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 Statement is free from material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. (a) *During the year ended September 30, 2012, the Company has not accounted for Foreign Exchange loss of Rs. 1178.81 lacs, arising out of Cancellation of Forward Contract. On account of this, accumulated loss as at September 30, 2015 is lower by the said amount. The loss above does not include interest, if any.*

(b) *Interest on Loan accounts with State Bank of India has been debited in the books of accounts as per last agreed rate. We have been explained that the Company has no information about any change in the rate of interest, so impact, if any, of the same in statement of profit and loss and Reserve and Surplus is not determinable.*

(c) *the company has not provided interest for the period from April 1, 2015 to December 31, 2015 on unsecured intercorporate loan of Rs. 434.35 lacs from related party and unsecured loan of Rs. 150 lacs received from non-related party. Amount of the Interest for the said period on the said loan as per last agreed rate with the parties is Rs. 42.94 lacs. On account of this, for the fifteen months ended December 31, 2015, quarter ended on December 31, 2015 and quarter ended September 30, 2015, stated in attached statement of profit and loss is lower by Rs. 42.94 lacs, Rs. 14.31 lacs and Rs. 28.63 lacs respectively. If this interest provision would have been accounted then losses per share for fifteen months and quarter ended December 31, 2015 and quarter ended September 30, 2015 would have been higher by Rs. 0.24, Rs. 0.08 and Rs. 0.16 respectively.*

(d) *Because of operational difficulties and to curtail the loss, company has suspended its manufacturing operation from September 30, 2015. The statement as at 31-12-2015 have been therefore been prepared on non going concern basis and assets are stated at lower of carrying value or net realisable value.*
5. Based on our review conducted as above and except for the above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B.R.Shah & Associates
Firm Registration No. 129053W
Chartered Accountants



Deval Desai
Partner
Membership No. 132426

Ahmedabad
Date: May 30, 2016

