



# KANCO ENTERPRISES LIMITED

Registered Office : "Jasmine Tower", 3rd Floor  
31 Shakespeare Sarani Kolkata - 700 017, India, Telefax : 2281-5217

E-mail : [kanco@vsnl.com](mailto:kanco@vsnl.com), Website : [www.kanco.in](http://www.kanco.in)

E-mail : [compliance@kanco.in](mailto:compliance@kanco.in), CIN-L51909WB1991PLC053283


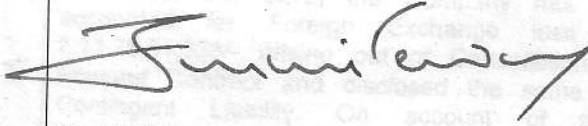
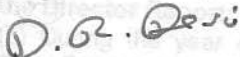
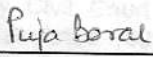
## FORM B

1.	Name of the Company	Kanco Enterprises Limited
2.	Annual Financial Statements for the year ended	September 30, 2014
3.	Type of Audit Observation	Qualified
4.	Frequency of observation	Repetitive Since year ended September 30, 2012
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the director report:	<p><b>Qualification in Audit report</b></p> <p>(a) As referred to in note no. 24(2) (a) (i) (b) of financial statements, during the year ended September 30, 2012, the Company has not accounted for Foreign Exchange loss of ₹.11,78,81,338/- arising out of Cancellation of Forward Contract and disclosed the same as Contingent Liability. On account of this, accumulated loss as at September 30, 2014 is lower by the said amount. The loss above does not include interest, if any.</p> <p>(b) Interest on Loan accounts with State Bank of India has been debited in the 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.</p> <p><b>Management response to the qualification in the Director Report:</b></p> <p>(a) During the year ended September 30, 2012, State Bank of India (SBI) has unilaterally cancelled the forward contracts and debited ₹.11,78,81,338/-, 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 is not in agreement with the action taken by the SBI and has lodged its objection with SBI. The Company filed a suit in Hon'ble Court at Calcutta on 6th day of August 2013 against State Bank of India and therefore disputes the forex losses. The said suit has been transferred to the City Civil Court in Ahmedabad pursuant to the order dated 18th day of August 2014 of Calcutta High Court. The Company therefore has not recognized the said forex loss in its books of accounts. The dispute is sub-judice.</p> <p>(b) SBI has not communicated any changes in the rate of interest to the Company and therefore Interest on loan accounts with State Bank of India has been provided at the last communicated rate.</p>
6.	Additional comments from the board / audit committee chairman:	--



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<p>7.</p>	<p>To be signed by:          Managing Director</p>	<p>For, Kanco Enterprises Limited  <b>For KANCO ENTERPRISES LIMITED</b>    <b>Managing Director,</b>          Umang Kanoria          Managing Director          For, Kanco Enterprises Limited</p>
	<p>Chief Financial Officer</p>	<p>          Sushil V. Tewary          Chief Financial Officer</p>
	<p>Auditor</p>	<p>For, B. R. Shah &amp; Associates,          Chartered Accounts          Firm Registration No. 129053W            Deval Desai          Partner          Place : Ahmedabad          For and on behalf of Audit Committee</p>
	<p>Audit Committee Chairperson</p>	<p>          Puja Boral          Signature          Chairperson - Audit Committee</p>



Additional comments from the board /  
 audit committee chairperson: