

PART I						(₹. in Lacs)				
STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2017										
Sl. No.	Particulars	Quarter Ended			Year Ended	Eighteen Months Ended				
		31.03.2017 (Audited)	31.12.2016 (Unaudited)	31.03.2016 (Unaudited)	31.03.2017 (Audited)	31.03.2016 (Audited)				
1.	Income from operations									
	(a) Net sales/income from operations (Net of excise duty)	-	-	-	-	14,174				
	(b) Other operating income	-	-	-	-	41				
	Total income from operations (net)	-	-	3	2	14,215				
2.	Expenses									
	(a) Cost of materials consumed	-	-	-	-	9,356				
	(b) Changes in inventories of finished goods, work-in progress and stocks-in-trade	-	-	-	-	617				
	(c) Employee benefits expense	21	23	39	96	1,268				
	(d) Power & fuel	1	3	3	9	1,990				
	(e) Depreciation and amortisation expense	54	71	72	267	432				
	(f) Selling & distribution expense	-	-	-	-	206				
	(g) Other expenses	32	8	46	81	925				
	Total expenses	108	105	160	453	14,794				
3.	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(108)	(105)	(157)	(451)	(579)				
4.	Other income	7	15	20	44	73				
5.	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(101)	(90)	(137)	(407)	(506)				
6.	Finance costs	196	262	169	967	1,427				
7.	Profit/ (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(297)	(352)	(306)	(1,374)	(1,933)				
8.	Exceptional items	-	-	-	-	-				
9.	Profit / (Loss) from ordinary activities before tax (7+8)	(297)	(352)	(306)	(1,374)	(1,933)				
10.	Tax expenses	-	-	-	-	-				
11.	Net Profit/(Loss) from ordinary activities after tax (9-10)	(297)	(352)	(306)	(1,374)	(1,933)				
12.	Extraordinary items (net of tax expenses)	-	-	-	-	-				
13.	Net Profit/(Loss) for the period (11-12)	(297)	(352)	(306)	(1,374)	(1,933)				
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	-	-	-	(8,915)	(7,540)				
16.	Earning per share (before & after extraordinary items)(of ₹.10 each)									
	a. Basic (* not annualised)	(1.66)*	(1.96)*	(1.71)*	(7.66)	(10.78)				
	b. Diluted (* not annualised)	(1.66)*	(1.96)*	(1.71)*	(7.66)	(10.78)				

Statement of Assets and Liabilities

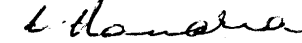
Statement of Assets and Liabilities			(₹. in Lacs)	
Sl. No.	Particulars			
		As at 31/03/2017 (Audited)	As at 31/03/2016 (Audited)	
A	Equity and Liabilities			
1	Shareholders' Funds:			
	(a) Share Capital		1,793	
	(b) Reserves and Surplus	1,793	(7,540)	
	Sub-total - Shareholders' Funds	(8,915)	(5,747)	
2	Non-Current Liabilities			
	(a) Long-Term Borrowings	434	434	
	(b) Long-Term Provisions	-	-	
	Sub-total - Non-Current Liabilities	434	434	
3	Current Liabilities			
	(a) Short-Term Borrowings	1,948	1,938	
	(b) Trade Payables	45	96	
	(c) Other Current Liabilities	6,552	5,634	
	(d) Short-Term Provisions	5	5	
	Sub-total - Current Liabilities	8,550	7,673	
	Total Equity and Liabilities	1,862	2,360	
B	Assets			
1	Non-Current Assets			
	(a) Fixed Assets	1,588	1,855	
	(b) Long-Term Loans and Advances	200	150	
	Sub-total Non-Current Assets	1,788	2,005	
2	Current Assets			
	(a) Current Investments	-	-	
	(b) Inventories	24	66	
	(c) Trade Receivable	-	-	
	(d) Cash and Cash Equivalents	40	126	
	(e) Short-Term Loans and Advances	10	163	
	Sub-Total Current Assets	74	355	
	Total Assets	1,862	2,360	

Notes:

1. The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 29, 2017 and the Statutory Auditor have qualified their Audit Report on the matter stated in Note 4, 5 & 6 below.
2. 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.
3. 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.
4. During the year ended September 30, 2012, State Bank of India (SBI) has unilaterally cancelled the forward contracts and debited ₹.1178.81 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.
5. 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.
6. The company has not provided interest for the year on unsecured intercorporate loan of ₹.9,24,34,766/- (PY ₹.4,34,34,766/-) and loan of ₹.10,20,000/- received during the current year from related party and unsecured loan of ₹. 1,50,00,000/- received from non-related party.
7. The Government of India vide its notification dated 25th November 2016, has repealed SICA with effect from 1st December 2016 by notifying and bringing into effect the long enacted provisions of the Sick Industrial Companies (Special Provisions) Repeal Act, 2003 ("SICA Repeal Act"). Accordingly, the Company's appeal bearing no.3/2015 before Appellate Authority for Industrial and Financial Reconstruction and reference bearing no.6/2013 filed u/s 15(1) of SICA, 1985 filed with Board of Industrial and Financial Reconstruction (BIFR) stands abated.
8. The previous period figures have been regrouped/reclassified, wherever necessary to confirm to the current year presentation. The Financial Year of the Company was changed from 1st October, 2014 - 30th September, 2015 to 1st October, 2014 - 31st March, 2016 to align with the requirement of the provisions of section 2(41) of the Companies Act, 2013. Therefore, the previous period figures are not comparable with the current year figures.
9. 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 31-03-2017 have been therefore been prepared on non going concern basis.
10. The results for the quarter ended 31st March, 2017 are derived figures arrived at by subtracting the published results for nine months ended on 31st December, 2016 from the audited results for the year ended 31st March, 2017.

Kolkata, the 29th May, 2017

By the order of the Board



U. Kanoria  
Chairman & Managing Director  
DIN:00081108



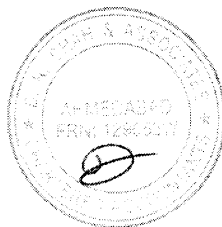
**B. R. Shah & Associates**  
**Chartered Accountants**

712, Atma House,  
Opp. Old RBI, Ashram Road,  
Ahmedabad 380009  
Tel: +91 79 26564175  
Fax: +91 79 26563704

**Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company  
Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015**

To  
Board of Directors of  
Kanco Enterprises Limited

1. We have audited the quarterly financial results of Kanco Enterprises Limited for the quarter ended March 31, 2017 and for the year ended March 31, 2017, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The quarterly financial results derived figures between audited figures in respect of the year ended March 31, 2017 and the published year-to-date figures up to December 31, 2016, being the date of the end of the third quarter for the current financial year, which were subject to limited review. The financial results for the quarter ended March 31, 2017 and the year ended March 31, 2017 have been prepared on the basis of the financial results for the nine-month period ended December 31, 2016, the audited annual financial statement as at and for the year ended March 31, 2017, and the relevant requirements of Regulations, which are the responsibility of the company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the nine-month period ended December 31, 2016 which were prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (As) 25 for Interim Financial Reporting, prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; and other accounting principles generally accepted in India; our audit of the annual financial statements as at and for the year ended March 31, 2017; and the relevant requirement of Regulations.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. (a) *During the year ended September 30, 2012, the Company has not accounted for Foreign Exchange loss of Rs. 117,881,338/- arising out of Cancellation of Forward Contract and disclosed the same as contingent liability. On account of this, accumulated loss as at March 31, 2017 and March 31, 2016 is lower by the said amount. The loss above does not include interest, if any.*
- (b) *Company has stopped repaying Secured loan and interest thereon to State Bank of India and IDBI bank since 2011-2012. Interest charged on borrowing from State Bank of India has been accounted as per last agreed rate of 2011-2012. 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. The said loans have been recalled by the respective lenders and matter is sub-judice.*
- (c) *Balance of secured loan and interest thereon from State bank of India and IDBI Bank are as per books of accounts and subject to confirmation by lenders.*
- (d) *The company has not made provision for interest for delay in payment to vendors during the previous period as per agreed terms with vendors. Also trade Payables are subject to confirmations. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.*
- (e) *The company has not provided interest for the period from April 1, 2015 to March 31, 2016 on unsecured intercorporate loan of Rs.4,34,34,766 from related party from April 1, 2016 to March 31, 2017 on unsecured intercorporate loan of Rs. 9,24,34,766 and unsecured loan of Rs. 10,20,000 received during the current year from related party and unsecured loan of Rs. 1,50,00,000/- received from non-related party from April 1, 2015 to March 31, 2017. Amount of the interest for the current year on the said loan as per last agreed rate with the parties is Rs. 1,11,17,238/- (PY Rs. 57,25,768/-)*



4. In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matter described in the paragraph 3, these quarterly financial results as well as the year to date results:

(i) are presented in accordance with the requirements of Regulation in this regard; and

(ii) give a true and fair view of the net loss and other financial information for the quarter ended March 31, 2017 and the year ended March 31, 2017

5. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2017 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2017 and the published year-to-date figures upto December 31, 2016, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Regulation.

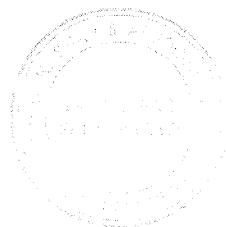
For B. R. Shah & Associates  
Firm Registration Number: 129053W  
Chartered Accountants

D. R. Desai

Deval R Desai  
Partner

Membership Number: 132426

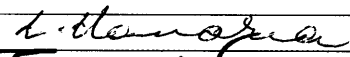
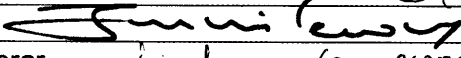
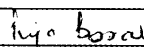
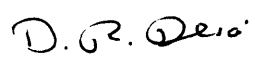
Ahmedabad  
May 29, 2017



**Statement on Impact of Audit Qualifications (for audit report with modified opinion)  
submitted along-with Annual Audited Financial Results**

<b>Statement on Impact of Audit Qualifications for the year ended on 31 st March, 2017</b>				
<b>I</b>	<b>SI No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications)</b>	<b>Adjusted Figures (audited figures after adjusting for qualifications)</b>
	1.	Turnover/Total Income	45,69,004	45,69,004
	2.	Total Expenditure	14,20,27,717	15,31,44,955
	3.	Net Profit/(Loss)	(19,32,26,303)	(14,85,75,951)
	4.	Earnings Per Share	(7.67)	(8.29)
	5.	Total Assets	18,62,47,122	18,62,47,122
	6.	Total Liabilities	89,84,16,551	1,03,31,40,895
	7.	Net Worth	(71,21,69,429)	(84,68,93,773)
	8.	Any other financial item(s)(as felt appropriate by the management)		
<b>II</b>	<b>Audit Qualification (each audit qualification separately):</b>			
1.	a. Details of Audit Qualification: The Company has not accounted for Foreign Exchange loss of Rs. 117,881,338/- arising out of Cancellation of Forward Contract during the year ended September 30, 2012, and disclosed the same as contingent liability. On account of this, accumulated loss as at March 31, 2017 is lower by the said amount. The loss above does not include interest, if any.			
	b. Type of Audit Qualification: Qualified Opinion			
	c. Frequency of qualification: Appeared earlier in Annual Report for the period ended 30 <sup>th</sup> September, 2012, 30 <sup>th</sup> September, 2013, 30 <sup>th</sup> September, 2014, 31 <sup>st</sup> March, 2016			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: During the year ended September 30, 2012, State Bank of India (SBI) has unilaterally cancelled the forward contracts and debited Rs.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.			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:			
	(i) Management's estimation on the impact of audit qualification: Not Applicable			
	(ii) If management is unable to estimate the impact, reasons for the same: The company has disputed the principal amount of forward contract losses of Rs.117,881,338/-. The Company is of the opinion that the principal amount is not payable and consequently payment of interest on principal does not arise.			
	(iii) Auditors' Comments on (i) or (ii) above: In absence of adequate information and			

	communication from bank regarding interest charged till date if any, impact of the same cannot be ascertained.
2.	a. Details of Audit Qualification: Company has stopped repaying Secured loan and interest thereon to State Bank of India and IDBI bank since 2011-2012. Interest charged on borrowing from State Bank of India has been accounted as per last agreed rate of 2011-2012. 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. The said loans have been recalled by the respective lenders and matter is sub-judice.
	b. Type of Audit Qualification: Qualified Opinion
	c. Frequency of qualification: Appeared earlier in Annual Report for the period ended 30 <sup>th</sup> September, 2012, 30 <sup>th</sup> September, 2013, 30 <sup>th</sup> September, 2014 and 31 <sup>st</sup> March, 2016
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Not Applicable
	(ii) If management is unable to estimate the impact, reasons for the same: 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.
	(iii) Auditors' Comments on (i) or (ii) above: In absence of adequate information and communication from bank regarding changes in interest rate if any, impact of the same cannot be ascertained.
3.	a. Details of Audit Qualification: Balance of secured loan and Interest thereon from State bank of India and IDBI Bank are as per books of accounts and subject to confirmation by lenders.
	b. Type of Audit Qualification: Qualified Opinion
	c. Frequency of qualification: Appeared earlier in Annual Report for the period ended 31 <sup>st</sup> March, 2016
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Not Applicable
	(ii) If management is unable to estimate the impact, reasons for the same: Both SBI and IDBI have neither send any statement of account nor issued any balance confirmation and therefore the management is unable to get the confirmation.
	(iii) Auditors' Comments on (i) or (ii) above: In absence of bank confirmation, we are not able to check correctness and completeness of the same and impact if any cannot be ascertained.
4.	a. Details of Audit Qualification: The company has not made provision for interest for delayed in payment to vendors during the previous period as per agreed terms with vendors. Also trade Payables are subject to confirmations. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

	b. Type of Audit Qualification: Qualified Opinion
	c. Frequency of qualification: Appearing for the first time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Not Applicable
	(ii) If management is unable to estimate the impact, reasons for the same: As per the understanding reached with vendors, the Company has decided not to provide any interest on delayed payment due to financial constraints and closure of operation and during the previous year no such bill for interest has been raised by the vendors. Further, no legal action has also been taken by the vendors for not providing interest on delayed payment. The trade payable has been reduced from Rs.95,55,027 /- in March, 2016 to Rs.44,52,624/- in March, 2017.
	(iii) Auditors' Comments on(i) or (ii) above: In absence of vendor confirmations available with the company, we are not able to check the correctness and completeness of the same, and hence impact of the same cannot be ascertained
5.	a. Details of Audit Qualification: not provided interest for the period from April 1, 2015 to March 31, 2016 on unsecured intercorporate loan of Rs.4,34,34,766 from related party from April 1, 2016 to March 31, 2017 on unsecured intercorporate loan of Rs. 9,24,34,766 and unsecured loan of Rs. 10,20,000 received during the current year from related party and unsecured loan of Rs. 1,50,00,000/- received from non-related party from April 1, 2015 to March 31, 2017. Amount of the Interest for the current year on the said loan as per last agreed rate with the parties is Rs. 1,11,17,238/- (PY Rs. 57,25,768/-)
	b. Type of Audit Qualification: Qualified Opinion
	c. Frequency of qualification: Appearing for the first time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The Company has shut down its operation in September, 2015 and lenders have recalled the loan and the loan accounts have been declared NPA. The Company is facing acute liquidity crunch and therefore unable to make any payment to its lenders at the moment and therefore no interest has been provided on unsecured loans.
	(iv) For Audit Qualification(s) where the impact is not quantified by the auditor: Not Applicable
III	<u>Signatories:</u>
	• CEO/ Managing Director – U. Kanoria  (DIN: 00081108)
	• CFO – S V Tewary 
	• Audit Committee Chairperson – P Borar  (DIN: 06873157)
	• Statutory Auditor For B R Shah & Associates
	 Firm Registration No. 129053W, Chartered Accountants Deval R Desai Partner Membership No. 132426
	Date: May 29, 2017

**KANCO ENTERPRISES LIMITED**

Registered Office: 'Jasmine Tower' 3rd Floor, 31, Shakespeare Sarani, Kolkata - 700017

Telefax: (+91 33)22815217, Email: compliance@kanco.in, Website: www.kanco.in, CIN: L51909WB1991PLC053283

Extract of Statement of Standalone Audited Financial Results for the Quarter and Year Ended 31st March, 2017

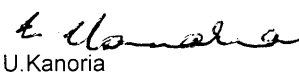
(₹ in Lakhs)

Sl. No.	Particulars	Quarter ended 31/03/2017	Year ended 31/03/2017	Quarter ended 31/03/2016
1.	Total Income from Operations (net)	-	2	3
2.	Net Profit/(Loss) from ordinary activities after tax	(297)	(1374)	(306)
3.	Net Profit/(Loss) for the period after tax (after Extraordinary items)	(297)	(1374)	(306)
4.	Equity Share Capital	1793	1793	1793
5.	Reserves excluding Revaluation Reserve as per balance sheet	(8915)	(8915)	(7540)
6.	Earning Per Share (before extraordinary items) (of ₹10/- each)			
	a) Basic (*not annualised)	(1.66)*	(7.66)	(1.71)*
	b) Diluted (*not annualised)	(1.66)*	(7.66)	(1.71)*
7.	Earning Per Share (after extraordinary items) (of ₹10/- each)			
	a) Basic (*not annualised)	(1.66)*	(7.66)	(1.71)*
	b) Diluted (*not annualised)	(1.66)*	(7.66)	(1.71)*

**Note:**

The above is an extract of the detailed format of Quarterly Results filed with the Bombay Stock Exchange Limited and Calcutta Stock Exchange Limited, under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The full format of the Quarterly Results along with Report of the Statutory Auditors are available on the Stock Exchange website: <http://www.bseindia.com> and <http://www.cse-india.com> and on the Company website: <http://kanco.in>.

By the order of the Board



U. Kanoria  
Chairman & Managing Director  
DIN : 00081108

Place: Kolkata  
Date : 29th May, 2017