

PART I

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2018

(₹. in Lakhs)

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		(Audited)	(Unaudited)	(Unaudited) (Refer Note 11)	(Audited)	(Audited) (Refer Note 11)
1.	Income from operations					
	(a) Revenue from operations	-	-	-	-	-
	(b) Other income	6	-	7	15	46
	Total income	6	-	7	15	46
2.	Expenses					
	(a) Cost of materials consumed	-	-	-	-	-
	(b) Employee benefits expense	18	22	21	85	96
	(c) Finance cost	-	281	196	-	967
	(d) Depreciation and amortisation expense	1	16	54	5	267
	(e) Other expenses	7	6	33	33	90
	Total expenses	26	325	304	123	1,420
3.	Profit / (Loss) before exceptional items and tax (1-2)	(20)	(325)	(297)	(108)	(1,374)
4.	Exceptional items- income/(expense)	860	-	-	-	-
5.	Profit / (Loss) before tax (3-4)	840	(325)	(297)	(108)	(1,374)
6.	Tax expenses	-	-	-	-	-
7.	Net Profit/(Loss) for the period (5-6)	840	(325)	(297)	(108)	(1,374)
8.	Other comprehensive income (net of tax expenses)	-	-	-	-	-
9.	Total comprehensive income for the period (7+8)	840	(325)	(297)	(108)	(1,374)
10.	Paid-up equity share capital (Face value per share ₹. 10/-)	1,793	1,793	1,793	1,793	1,793
11.	Earning per share (EPS) of ₹. 10 per share					
	Basic & Diluted EPS (₹. per share) (Not annualised)	4.68	(1.81)	(1.66)	(0.60)	(7.66)

Part II - Statement of Assets and Liabilities				(₹. in Lakhs)	
Sl. No.	Particulars	As at		As at	
		31/03/2018		31/03/2017	
		(Audited)	(Audited)	(Audited)	(Audited)
A.	Assets				
1	Non-Current Assets				
	(a) Property, plant and equipment	1,583	1,588		
	(b) Financial assets				
	Others	4	4		
	(c) Other non-current assets	86	187		
	Sub-total Non-Current Assets (A)	1,673	1,779		
2	Current Assets				
	(a) Inventories	24	24		
	(b) Financial assets				
	Cash and cash equivalents	32	40		
	(c) Other current assets	17	19		
	Sub-Total Current Assets (B)	73	83		
	Total Assets (A + B)	1,746	1,862		
B	Equity and Liabilities				
1	Equity				
	(a) Equity share capital	1,793	1,793		
	(b) Other equity	(9,022)	(8,915)		
	Sub-total - Equity (A)	(7,229)	(7,122)		
2	Non-Current Liabilities				
	(a) Financial liabilities				
	Borrowing	434	434		
	Sub-total - Non-Current Liabilities (B)	434	434		
3	Current Liabilities				
	(a) Financial liabilities				
	Borrowing	2,370	1,948		
	Trade payable	6	45		
	Other financial liabilities	6,152	6,544		
	(b) Other current liabilities	7	8		
	(c) Provisions	6	5		
	Sub-total - Current Liabilities (C)	8,541	8,550		
	Total Equity and Liabilities (A + B + C)	1,746	1,862		



/s/

Notes:

1. The above results were reviewed by the Audit Committee and approved at the meeting of Board of Directors held on May 26, 2018; and the Statutory Auditors have qualified their Audit Report in the matter stated in Note Nos. 5, 6 and 7 below which are self explanatory.
2. The Company has adopted Indian Accounting Standard ('Ind AS') notified by the Ministry of Corporate Affairs with effect from April 01, 2017 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 read with rules issued thereunder. The date of transition is April 01, 2016. The impact of transition if any, has been accounted for in opening reserves and the comparative period results has been restated accordingly.
3. 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 Indian Accounting Standard (Ind AS) -108 Operating Segments is not applicable.
4. In absence of probable future taxable profit, the Company has recognised deferred tax assets only to the extent of deferred tax liability, as stipulated by Indian Accounting Standard (Ind AS) -12.
5. During the year ended September 30, 2012, State Bank of India (SBI) has unilaterally cancelled the forward contracts and debited ₹. 1178.81 lakhs, 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's proposal for One Time Settlement (OTS) with SBI & IDBI has been accepted for ₹.2375 lakhs by them vide letters dated 23.02.2018 & 07.02.2018 respectively. The Negotiated Settlement is towards settlement of all dues of principal, interest and any other amounts outstanding & payable to the bankers. On completion of the payment of negotiated settlement amount these liabilities which is appearing as contingent liability will be extinguished.
6. The loan accounts of the Company have become NPA in the books of the lenders namely State Bank of India and IDBI Bank. Interest on these accounts has been provided as per the last communicated rates or at the rate debited by the bank till March 31, 2017. Company has not provided interest for bank loans for the year ended March 31, 2018 considering OTS scheme entered with the bankers. (refer note no.8)
7. The company has not provided interest on unsecured intercorporate loan of ₹. 1356.43 lakhs from related party and unsecured loan of ₹. 150.00 lakhs received from non-related party.
8. The Company's proposal for One Time Settlement (OTS) with SBI & IDBI has been accepted for ₹. 2375 lakhs by them vide letters dated 23.02.2018 & 07.02.2018 respectively. The Company is in process of making payments as per negotiated settlement with the bankers however no dues certificate & other related documents will be released by bankers on completion of payments. Considering this, no accounting entries are passed to that effect in the accounts for the current year and no provision for interest has been made for the year on the loan amounts Also the Company has reversed interest provision of ₹813.75 lakhs provided till quarter ended December 31, 2017 and has been shown the same as exceptional item for the quarter ended March 31, 2018.
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 30-09-2015 and afterwards have been therefore been prepared on non going concern basis.
10. Company has not provided depreciation on Building, Plant & Equipments for the year ended March 31, 2018 in absence of active use of the same. Also the Company has reversed depreciation provision of ₹.46.67 lakhs provided till quarter ended December 31, 2017 and has been shown the same as exceptional item for the quarter ended March 31, 2018.
11. The Ind AS compliant financial results for the quarter and year ended March 31, 2017 have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that financial results provide true and fair view of its affairs.
12. There is no reconciliation between previously reported (referred to as "Previous GAAP") and Ind AS for the year ended March 31, 2017 and there is no change in results between previously reported (referred to as "Previous GAAP") and Ind AS for the quarter and year ended March 31, 2017, hence reconciliation for the same is not given.
13. The results for the quarter ended 31st March, 2018 are derived figures arrived at by subtracting the published results for nine months ended on 31st December, 2017 from the audited results for the year ended 31st March, 2018.
14. The figures have been re-grouped and re-classified, wherever necessary to make them comparable.

Kolkata, the 26th May, 2018

By the order of the Board

U. Kanoria
U. Kanoria
Chairman & Managing Director
DIN:00081108



B. R. Shah & Associates
Chartered Accountants

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**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 accompanying the Statement of the quarterly financial results of Kanco Enterprises Limited ("the Company") for the quarter & year ended March 31, 2018, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ("SEBI regulations"). The quarterly financial results derived figures between audited figures in respect of the year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, 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 & year ended March 31, 2018 have been prepared on the basis of the financial results for the nine-month period ended December 31, 2017, the audited annual IND AS financial statements as at and for the year ended March 31, 2018, and the relevant requirements of SEBI 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, 2017 which were prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (IND AS) 34 for Interim Financial Reporting, specified 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 IND AS financial statements as at and for the year ended March 31, 2018; and the relevant requirement of SEBI 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. 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. 1178.81 lakh arising out of Cancellation of Forward Contract and disclosed the same as contingent liability. On account of this, accumulated loss as at March 31, 2018 and March 31, 2017 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. Till March 31, 2017, Interest charged on borrowing from State Bank of India has been accounted as per last agreed rate of 2011-2012 and actual interest debited by IDBI has been accounted. 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 company has not booked of Interest on the said loan of Rs. 1094.47 lakh for the year 2017-18 on account of acceptance of OTS proposal of the company by bankers and the company has reversed provision of interest expenses of Rs. 813.75 lakh provided from quarter ended June 30, 2017 to quarter ended December 31, 2017 and has been shown the same as exceptional item for the quarter ended March 31, 2018.*
- (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 periods 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 on unsecured inter-corporate loan of Rs.1356.43 lakhs from related party and unsecured loan of Rs. 150.00 lakhs received from non-related party. Amount of the Interest*

for the current year on the said loan as per last agreed rate with the parties is Rs. 123.58 lakhs (PY Rs. 111.17 lakhs)

(f) The company has not provided depreciation of Rs. 61.92 lakh on building and plant & equipment in absence of active use of premises at factory location. Also the company has reversed depreciation provisions of Rs. 46.68 lakhs provided from quarter ended June 30, 2017 to quarter ended December 31, 2017 and has been shown the same as exceptional item for the quarter ended March 31, 2018.

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 profit and other financial information for the quarter ended March 31, 2018 and the net loss and other financial information the year ended March 31, 2018

5. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2018 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2018 and the published year-to-date figures upto December 31, 2017, 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



Deval R Desai
Partner
Membership Number: 132426

Ahmedabad
May 26, 2018

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


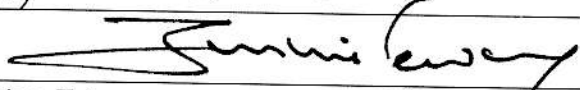
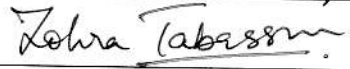
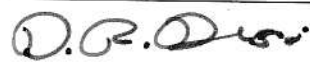
Statement on Impact of Audit Qualifications for the year ended on 31 st March, 2018

I	SI No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/Total Income	1,527,520	1,527,520
	2.	Total Expenditure	12,270,495	140,267,393
	3.	Net Profit/(Loss)	(10,742,975)	(138,739,873)
	4.	Earnings Per Share	(0.60)	(7.74)
	5.	Total Assets	174,607,073	168,414,676
	6.	Total Liabilities	897,519,477	1,154,048,322
	7.	Net Worth	(722,912,404)	(985,633,646)
	8.	Any other financial item(s)(as felt appropriate by the management)		
II	Audit Qualification (each audit qualification separately):			
1.	a. Details of Audit Qualification: The Company has not accounted for Foreign Exchange loss of Rs. 11,78,81,338/- 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, 2018 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 th September, 2012, 30 th September, 2013, 30 th September, 2014, 31 st March, 2016 and 31 st March, 2017			
	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. All outstanding dues to SBI and IDBI have agreed to be settled against payment of Rs.23.75 crores by way of a negotiated settlement. On completion of the payment as per the terms agreed under the negotiated settlement the liability under the forward contract losses and any interest thereon will be extinguished.			
	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: In view of the			



	negotiated settlement with SBI and IDBI, the dispute on account of forward contract losses has become redundant. On payment of the negotiated settlement amount the liability on account of forward contract losses and any interest thereon will be extinguished.
	(iii) Auditors' Comments on (i) or (ii) above: We have reviewed the above and have no comment.
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 company has not booked of Interest of Rs.10,94,46,574/- on the said loan for the year 2017-18 on account of acceptance of OTS proposal of the company by the bankers.
	b. Type of Audit Qualification: Qualified Opinion
	c. Frequency of qualification: Appeared earlier in Annual Report for the period ended 30 th September, 2012, 30 th September, 2013, 30 th September, 2014, 31 st March, 2016 and 31 st March, 2017
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: As the company's proposal for one time settlement (OTS) have been accepted by bankers and the company is in process for making payment as per negotiated settlement, the company has not made provision for interest for current year.
	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: In view of the negotiated settlement with the Bankers no provision for interest for the current year needs to be made.
	(iv) Auditors' Comments on (i) or (ii) above: We have reviewed the above and have no comment.
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 st March, 2016 and 31 st March, 2017
	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 sent any statement of account nor issued any balance confirmation. The balances therefore are as per management estimates based on last communicated rates of interest.
	(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: Appeared earlier in Annual Report for the year ended 31 st March, 2017
	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 year 2015-16 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. 44,52,624 /- in March, 2017 to Rs. 5,52,625/- in March, 2018.
	(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 on unsecured inter-corporate loan of Rs.13,56,42,766 from related party and unsecured loan of Rs. 1,50,00,000/- received from non-related party. Amount of the Interest for the current year on the said loan as per last agreed rate with the parties is Rs. 1,23,57,927/- (PY Rs. 1,11,17,238/-)
	b. Type of Audit Qualification: Qualified Opinion
	c. Frequency of qualification: Appeared earlier in Annual Report for the year ended 31 st March, 2017
	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.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: Not Applicable
6.	a. Details of Audit Qualification: The company has not provided depreciation of Rs. 61,92,397/- on building and plant & equipment in absence of active use of premises at factory location.
	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: As the said assets were not used by the company for the previous year, the company has not provided depreciation for the same.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: Not Applicable
III	<u>Signatories:</u>
	<ul style="list-style-type: none"> CEO/ Managing Director – U. Kanoria (DIN: 00081108)  CFO – S V Tewary  Audit Committee Chair person – Zohra Tabassum (DIN: 08103558)  Statutory Auditor For B R Shah & Associates Firm Registration No. 129053W, Chartered Accountants Deval R Desai Partner Membership No. 132426 
	Date: May 26, 2018

KANCO ENTERPRISES LIMITED

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 Extract of Statement of Standalone Audited Financial Results for the Quarter and Year Ended 31st March, 2018

Sl. No.	Particulars	Quarter ended 31/03/2018 (Audited)	Quarter ended 31/12/2017 (Unaudited)	Quarter ended 31/03/2017 (Unaudited)	Year ended 31/03/2018 (Audited)	Year ended 31/03/2017 (Audited)
1.	Total Income from Operations (net)	6	-	7	15	46
2.	Net Profit/(Loss) from ordinary activities (before tax, exceptional items)	(20)	(325)	(297)	(108)	(1374)
3.	Net Profit/(Loss) for the period before tax (after Exceptional items)	840	(325)	(297)	(108)	(1374)
4.	Net Profit/(Loss) for the period after tax (after Exceptional items)	840	(325)	(297)	(108)	(1374)
5.	Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive income (after tax)]	840	(325)	(297)	(108)	(1374)
6.	Equity Share Capital	1793	1793	1793	1793	1793
7.	Reserves excluding Revaluation Reserve as per balance sheet	-	-	-	(9022)	(8915)
8.	Earning Per Share (of ₹10/- each)					
	a) Basic (*not annualised)	(4.68)*	(1.81)*	(1.66)*	(0.60)	(7.66)
	b) Diluted (*not annualised)	(4.68)*	(1.81)*	(1.66)*	(0.60)	(7.66)

Note:

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

By the order of the Board

U. Kanoria
 U. Kanoria
 Chairman & Managing Director
 DIN : 00081108



Place: Kolkata
 Date : 26th May, 2018