

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 of Kanco Enterprises Limited (the "Company") for the quarter ended June 30, 2018 (the "Statement"). 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") read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016, 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 lakhs, arising out of Cancellation of Forward Contract. 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) *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. The company has also not provided interest for the quarter ended June 2018.*

(c) *The company has not provided interest on unsecured inter-corporate loan of Rs.1916.93 lakhs from related party and unsecured loan of Rs. 150.00 lakhs received from non-related party. Amount of the Interest on the said loan as per last agreed rate with the parties for the quarter ended June 30, 2018 is Rs. 49.07 lakhs (for Quarter ended June 30, 2017 Rs. 41.52 lakhs), for the year ended March 31, 2018 is Rs. 123.58 lakhs.*

(d) *The company has not provided depreciation of Rs. 15.02 lakh for the quarter ended June 30, 2018 and Rs. 61.92 lakh for year ended March 31, 2018 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.*

(e) *Because of operational difficulties and to curtail the loss, company has suspended its manufacturing operation from September 30, 2015. The statement as at June 30, 2017 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 Indian Accounting Standards under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder 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, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016 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: August 14, 2018

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PART I

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2018

Sl. No.	Particulars	Quarter Ended		Year Ended	
		30.06.18	31.03.18	30.06.17	31.03.2018
		(Unaudited)	(Audited) (Refer note 11)	(Unaudited)	(Audited)
1.	Income from operations				
	(a) Revenue from operations	-	-	-	-
	(b) Other income	17	6	1	15
	Total income	17	6	1	15
2.	Expenses				
	(a) Cost of materials consumed	-	-	-	-
	(b) Employee benefits expense	15	18	23	85
	(c) Finance cost	-	-	261	-
	(d) Depreciation and amortisation expense	1	1	17	5
	(e) Other expenses	12	7	9	33
	Total expenses	28	26	310	123
3.	Profit / (Loss) before exceptional items and tax (1-2)	(11)	(20)	(309)	(108)
4.	Exceptional Items- income/(expense)	-	860	-	-
5.	Profit / (Loss) before tax (3-4)	(11)	840	(309)	(108)
6.	Tax expenses	-	-	-	-
7.	Net Profit/(Loss) for the period (5-6)	(11)	840	(309)	(108)
8.	Other comprehensive income (net of tax expenses)	-	-	-	-
9.	Total comprehensive income for the period (7+8)	(11)	840	(309)	(108)
10.	Paid -up equity share capital (Face value per share ₹. 10/-)	1,793	1,793	1,793	1,793
11.	Earning per share (EPS) of ₹. 10 per share				
	Basic & Diluted EPS (₹. per share) (Not annualised)	(0.06)	4.68	(1.72)	(0.60)

Notes:

- The above results were reviewed by the Audit Committee and approved at the meeting of Board of Directors held on August 14, 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.
- These results has been prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standard) Rules 2008.
- 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.
- 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.
- 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.
- 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 since April 1, 2017 considering OTS scheme entered with the bankers. (refer note no.8)
- The company has not provided interest on unsecured intercorporate loan of ₹. 1916.93 lakhs from related party and unsecured loan of ₹. 150.00 lakhs received from non-related party.
- 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.
- 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.
- 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.
- 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.
- The figures have been re-grouped and re-classified, wherever necessary to make them comparable.

Kolkata, the 14th August, 2018

By the order of the Board

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



KANCO ENTERPRISES LIMITED

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Statement of Unaudited Standalone Financial Results for the Quarter Ended 30th June, 2018

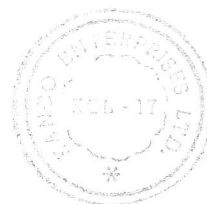
(₹ in Lakhs)

Sl. No.	Particulars	Quarter Ended 30/06/2018	Quarter Ended 31/03/2018	Quarter ended 30/06/2017	Year ended 31/03/2018
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1.	Total Income from Operations	17	6	1	15
2.	Net Profit/(Loss) for the period before tax	(11)	840	(309)	(108)
3.	Net Profit/(Loss) for the period after tax	(11)	840	(309)	(108)
4.	Total Comprehensive Income for the period (Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)	(11)	840	(309)	(108)
5.	Equity Share Capital	1793	1793	1793	1793
6.	Other Equity (As per balance sheet of previous accounting year)	-	-	-	(9022)
7.	Earning Per Share (of ₹10/- each) (for continuing and discontinued operations)				
	a) Basic (*not annualised)	(0.06)	4.68	(1.72)	(0.60)
	b) Diluted (*not annualised)	(0.06)	4.68	(1.72)	(0.60)

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) 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.cse-india.com> and on the Company website: <http://kanco.in>.
- The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 14th of August, 2018. The Statutory Auditors have carried out a "Limited Review" of the aforesaid results.

By the order of the Board



U. Kanoria

Chairman & Managing Director

DIN : 00081108

Kolkata, the 14th August, 2018