



KANCO ENTERPRISES LIMITED

ANNUAL REPORT & ACCOUNTS
for the year ended 31st March, 2017



KANCO ENTERPRISES LIMITED



KANCO ENTERPRISES LIMITED

(CIN : L51909WB1991PLC053283)

Annual Report & Accounts 2016-2017

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BOARD OF DIRECTORS

Mr. U. Kanoria

Chairman & Managing Director

Mr. S. Banerjee

Mr. K. K. Gupta

Ms. P. Borar

Directors

COMPANY SECRETARY

Ms. S. Shukla

CHIEF FINANCIAL OFFICER

Mr. S. V. Tewary

AUDITORS

M/s. B. R. Shah & Associates

Chartered Accountants

BANKER

State Bank of India

IDBI Bank Ltd.

REGISTERED OFFICE

Jasmine Tower, 3rd Floor

31, Shakespeare Sarani, Kolkata 700 017

Telefax : +91 33 2281 5217

Email : compliance@kanco.in

Website : www.kanco.in

BRANCH OFFICE

207, Shitiratna, 2nd Floor

Panchavati Circle, Ahmedabad - 380 006

PLANT

Kanco Overseas

Village : Walthera

Taluka : Dholka - 387 810

Dist. : Ahmedabad (Gujarat)

SHARE REGISTRARS

CB Management Services (P) Ltd.

P-22, Bondel Road, Kolkata 700 019

Phone : +91 33 2280 6692/93/94

E-mail : rta@cbmsl.com



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting of the Members of KANCO ENTERPRISES LIMITED will be held at "Shripati Singhanian Hall, ROTARY SADAN, 94/2, Chowringhee Road, Kolkata-700020" on Thursday, 3rd August, 2017 at 4:00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended 31st March, 2017, the reports of the Board of Directors and Auditors thereon;
2. To appoint a director in place of Mr. Susanta Banerjee (DIN: 01173116), who retires by rotation and being eligible, offers himself for re-appointment;
3. To appoint Messrs. B. R. Shah & Associates, Chartered Accountants, (Registration No. 129053W) as Statutory Auditors of the Company for the financial year 2017-2018 and fix their remuneration.

Special Business:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and all the applicable provisions, if any, Schedule V of the Companies Act, 2013, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended and such approvals, permissions and sanctions, as may be required, on the recommendation of the Nomination and Remuneration Committee of the Company, the approval of the Company is be and is hereby accorded to the re-appointment of Mr. Umang Kanoria (DIN: 00081108) as the Managing Director of the Company for a period of five years with effect from 1st January, 2018 to 31st December, 2022, without remuneration and he shall have the right to manage the day to day business and affairs of the Company subject to the superintendence, guidance, control and direction of the Board of Directors of the Company."

"RESOLVED FURTHER THAT Mr. Umang Kanoria (DIN: 00081108) shall have the right to exercise such powers of Management of the Company as may be delegated to him by the Board of Directors, from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company and/or Ms. Sohini Shukla, Company Secretary of the Company be and hereby authorised severally to take all such steps as it may consider necessary, proper or expedient to give effect to the aforesaid resolution."

Registered Office:
Jasmine Tower, 3rd Floor
31, Shakespeare Sarani, Kolkata - 700017
CIN: L51909WB1991PLC053283
Telefax: (033) 22815217
Email: compliance@kanco.in
Website: www.kanco.in
Dated: 29th May, 2017

By Order of the Board
For KANCO ENTERPRISES LIMITED

SOHINI SHUKLA
Company Secretary

NOTES:

- I. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The proxy form duly completed and signed, should be deposited with the company, at its registered office at least 48 hours before the time of the meeting. Proxies submitted on behalf of the Companies, societies, etc., must be supported by an appropriate resolution/authority as applicable. A proxy form for the Annual General Meeting is enclosed.

NOTICE (Contd.)

A person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or members.

As per Secretarial Standard on General Meeting (SS-2), the Proxy-holders are requested to bring valid identity proofs (viz., PAN Card, Voter ID, Passport, Aadhar Card, Driving License, Bank Pass Book with attested customer photograph and signature etc.) at the venue of the meeting for identification.

- II. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf in the meeting.
- III. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, in respect to the Special Business under Item No. 4 of the accompanying Notice is annexed hereto.
- IV. A brief resume of each of the directors proposed to be reappointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter se as stipulated under Regulation 36 of the SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard on General Meeting (SS-2), are provided in Details of Directors seeking reappointment at the Annual General Meeting annexed hereto.
- V. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 28th July, 2017 to 3rd August, 2017 (both days inclusive) for the purpose of the Annual General Meeting.
- VI. Members are requested to bring their copy of Annual Report at the Meeting and produce the enclosed attendance slip at the entrance to the place of the meeting.
- VII. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company on weekdays (3:00 p.m. to 5:00 p.m.) up to and including the date of the Annual General Meeting of the Company.
- VIII. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- IX. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- X. Copies of the Annual Report for the year 1st April 2016 to 31st March, 2017, the Notice of the 26th Annual General Meeting, instructions for e-voting, Attendance Slip, Proxy Form and the route map to the venue are being sent by electronic mode only to the members whose email addresses are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report for the year 1st April 2016 to 31st March, 2017, the Notice of the 26th Annual General Meeting, instructions for e-voting, Attendance Slip, Proxy Form and the route map to the venue are being sent by the permitted mode. Members may register their email address by visiting Website namely [www.cbmsl.com /green.php](http://www.cbmsl.com/green.php) of our Registrar and Share Transfer Agent.
- XI. Members may also note that the Notice of the Annual General Meeting and the Annual Report for the year 1st April 2016 to 31st March, 2017 will also be available on the Company's website www.kanco.in. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Kolkata for inspection during normal business hours on working days. Even after registering for e-communication, members



NOTICE (Contd.)

are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the members may also send requests to the email id: compliance@kanco.in or rta@cbmsl.com.

- XII. Members seeking any information with regard to Accounts may write to the Company 7 (seven) days before the date of the Annual General Meeting.
- XIII. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Registrar and Share Transfer Agent.
- XIV. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website.
- XV. Members are requested to furnish or update their e-mail IDs with the Registrar for sending the soft copies of the Annual Report of the Company as required vide circular no.17/2011 dated April 21, 2011 and circular no.18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs and to avail remote e-voting facility in respect of the resolutions which would be passed at the General Meetings of the Company.
- XVI. Pursuant to prohibition imposed vide Secretarial Standard on General Meeting (SS-2) issued by The Institute of Company Secretaries of India and The Ministry of Corporate Affairs circular, no gifts/coupons shall be distributed at the Meeting.
- XVII. Voting through electronic means:
 - a. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide its members facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 26th Annual General Meeting. The business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL).
 - b. The facility for voting either through ballot/polling papers shall also be made available at the venue of the 26th Annual General Meeting. The members attending the meeting, who have not cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.
 - c. Mr. A.K.Labh, Practising Company Secretary (Membership No. 3238) (Address: A.K.Labh & Co, 40, Weston Street, 3rd Floor, Kolkata - 700013) has been appointed as the Scrutinizer for conducting the remote e-voting and voting process at the AGM in a fair and transparent manner.
 - d. The e-Voting procedure to be followed by the shareholders to cast their votes:
 - A. In case of Members who receive the Notice in electronic mode:**
 - (i) The voting period begins 31st July, 2017 (9.00 am) and ends on 2nd August, 2017 (5.00 pm). During this period the shareholders' of the company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. 27th July, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 pm on 2nd August, 2017.

**NOTICE (Contd.)**

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Log on to the e-voting website www.evotingindia.com
- (iv) Click on "Shareholders" tab.
- (v) Now Enter your User ID
 - a. For **CDSL**: 16 digits beneficiary ID,
 - b. For **NSDL**: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

Particulars	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



NOTICE (Contd.)

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <KANCO ENTERPRISES LIMITED>.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the votes cast by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Institutional Shareholders and Custodians
 - Non-Individual shareholders - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

**NOTICE (Contd.)****B. In case of Members who receive the Notice by post:**

- (i) User ID and initial password will be provided with the Notice for the AGM.
- (ii) Please follow the steps from Sl. Nos. (iii) to (xx) mentioned in (A) above, to cast your vote.

C. Members already registered with CDSL for remote e-voting can use their existing user ID and password for Login. Thereafter please follow the steps from Sl. Nos. (xii) to (xx) mentioned in (A) above, to cast your vote.**XVI. General Information**

- (a) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 27th July, 2017, may obtain the USER ID and password by sending an e-mail request to rta@cbml.com / compliance@kanco.in.
- (b) There will be one vote for every Client ID No. / Registered Folio No. irrespective of the number of joint holders.
- (c) The Results of voting will be declared within 48 hours from the conclusion of the AGM and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes. The declared Results, alongwith the Scrutinizer's Report, will be available forthwith on the Company's corporate website www.kanco.in and on the website of CDSL; such Results will also be forwarded to The Calcutta Stock Exchange Limited and The Bombay Stock Exchange Limited.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 4**

Mr. Umang Kanoria (DIN:00081108), born on 2nd November, 1959, is a Commerce Graduate with Honours from St. Xavier's College, Kolkata and an Associate Member of the Institute of Cost Accountants of India. He also holds a Masters in Business Administration from International Institute for Management Development, Switzerland. He has vast experience in Tea and Textile Industry and has served as past president of Indian Chamber of Commerce and Tea Associations of India. He is pivotal for achieving a negotiated settlement with the bankers and then shaping the future growth and efficient management of the Company.

Mr. U. Kanoria holds directorship/committee membership in the following Public Companies in addition to his directorship in Kanco Enterprises Limited:-

- 1. Kanco Tea & Industries Limited
- 2. STEL Holdings Limited
- 3. Saregama India Limited
- 4. Spencer and Company Limited

Committee Positions

Sl No.	Name of Company	Nature of Office
1.	Kanco Enterprises Limited	Chairman- Share Transfer Committee Member- Stakeholders Relationship Committee Member- Finance and Investment Committee

NOTICE (Contd.)

2.	Kanco Tea & Industries Limited	Chairman- Share Transfer Committee Chairman- Stakeholders Relationship Committee Chairman- CSR Committee Member- Finance and Investment Committee
3.	Stel Holdings Limited	Chairman- Audit Committee Member- Stakeholders Relationship Committee Chairman- Nomination and Remuneration Committee
4.	Saregama India Limited	Member- Audit Committee Member- Nomination and Remuneration Committee Member- Stakeholders Relationship Committee Member- CSR Committee

Mr. U. Kanoria was reappointed as the Managing Director of the Company with effect from 1st January, 2015 for a period of 3 years and his tenure would expire on 31st December, 2017. He is holding 4008929 number of equity shares in the Company.

Considering his vast experience in Textile Industry and his long association with the Company, the Board of Directors of the Company in its meeting held on 29th May, 2017 has reappointed Mr. U. Kanoria as Managing Director of the Company for a further period of 5 (five) years w.e.f 1st January, 2018 without remuneration as recommended by the Nomination and Remuneration Committee and on such terms and conditions, as mentioned in the draft agreement, to be entered into between the Company and Mr. U. Kanoria, subject to approval of the Shareholders.

The abstract of the terms and conditions governing the reappointment of Mr. U. Kanoria as the Managing Director of the Company is as under:

- (a) Tenure: 1st January 2018 to 31st December, 2022
- (b) Remuneration: Nil
- (c) The Managing Director shall have the rights to manage the day-to -day business and affairs of the Company subject to the superintendence, guidance, control and direction of the Board of Directors of the Company.
- (d) The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (e) The Managing Director shall not be liable to determination by retirement of directors by rotation in accordance with the provisions of Section 152 of the Companies Act, 2013 read with rules made thereunder.
- (f) The Managing Director shall adhere to the Company's Code of Conduct & Ethics for Directors and Management Personnel.
- (g) The Managing Director and the Company shall have the rights to terminate the appointment by giving six months notice in writing to the other.

Mr. U. Kanoria shall not be paid any sitting fee for attending the meeting of the Board of Directors or any committee thereon.

Mr. U. Kanoria is interested in the resolution set out at item No. 4 which pertains to his re-appointment as the Managing Director of the Company. The relatives of Mr. U. Kanoria may be deemed interested in the resolution set out at item No. 4 of the Notice, to the extent of their shareholding interest, if any, in the Company.

**NOTICE (Contd.)**

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.4 of the Notice.

The Board therefore, recommends the Resolution to be passed as Ordinary Resolution by the Shareholders.

Details of Directors seeking reappointment at the Annual General Meeting pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard on General Meeting (SS-2)

For Item no. 2 of the Notice is as follows:

Particulars	Mr. Susanta Banerjee
Din	01173116
Date of Birth	13.03.1947
Date of Appointment	26.03.2013
Qualifications	B .Com
Experience in specific functional areas	Mr. Susanta Banerjee a graduate in Commerce from Calcutta University has over 30 years of rich experience across a wide spectrum of functional areas.
Directorship held in other listed entities	Orchid Securities Limited
Membership/Chairmanship of Committees of listed entities (includes only Audit Committee and Stakeholders' Relationship Committee)	Member of Audit Committee & Stakeholders' Relationship Committee of Kanco Enterprises Limited and also in Stakeholders' Relationship Committee of Orchid Securities Limited
Number of shares held in the company	65 Equity Shares
Relationship with any Director(s) of the Company	Nil

For Item No. 4 of the Notice, details have been provided in Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 to the notice of the 26th AGM of the Company.

Registered Office:

Jasmine Tower, 3rd Floor
31, Shakespeare Sarani, Kolkata - 700017
CIN: L51909WB1991PLC053283
Telefax: (033) 22815217
Email: compliance@kanco.in
Website: www.kanco.in
Dated: 29th May, 2017

By Order of the Board
For **Kanco Enterprises Limited**

SOHINI SHUKLA
Company Secretary