

KUSH INDUSTRIES LIMITED

(Formerly known as SNS Textiles Limited)

[CIN: L17119GJ1992PLC017218]

Registered Office & Works : Plot No. 330-A, GIDC, Opp. Atul Products, Ankleshwar – 393 002, Dist: Bharuch (Gujarat)
Tel.: +91-2646-224049, 224050 Fax: + 91 – 2646 – 252381 Email: snstex@yahoo.co.in

20th August, 2019

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

Company Code No. 514240

Dear Sirs;

Sub: Submission of Notice of 27th Annual General Meeting and Annual Report 2018-19

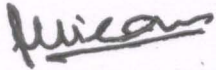
Pursuant to Regulation 30 and 34(1)(a) of SEBI (LODR) Regulations, 2015, we are enclosing herewith:

1. Notice of 27th Annual General Meeting of the members of the Company.
2. Annual Report 2018-19.

Kindly acknowledge receipt of the same.

Thanking you,

Yours faithfully,
for KUSH INDUSTRIES LIMITED,



MANSUKH K. VIRANI
WHOLE TIME DIRECTOR



Encl: As above.

27th Annual Report
2018-19

KUSH INDUSTRIES LIMITED

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27TH ANNUAL REPORT 2018-19

BOARD OF DIRECTORS	:	Mr. Mansukh K. Virani Mrs. Kiran M. Virani Mr. Priyesh G. Shah Mr. Ranjitsinh A. Parmar	Chairman & Whole time Director Director Director Director
MANAGEMENT TEAM	:	Mr. Dipak S. Patel Ms. Bhoomi S. Shah	Chief Finance Officer Company Secretary
AUDITORS	:	SNK & Co., Chartered Accountants, 'SNK House', 31A, Adarsh Society, Opp., Seventhday Adventist High School, Athwa Lines, Surat – 395 001	
INTERNAL AUDITORS	:	M/s. SMRN & Co., Chartered Accountants, Mumbai	
SECRETARIAL AUDITORS	:	M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad.	
REGISTERED OFFICE & WORKS	:	Plot No.330- A, GIDC, Opp. Atul Products Ltd, Ankleshwar, Dist: Bharuch, Gujarat – 393 002	
REGISTRAR & SHARE TRANSFER AGENTS	:	Link Intime India Pvt. Ltd. 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre Near St. Xavier's College Corner Off C G Road, Ahmedabad 380006	
WEBSITE	:	www.kushindustrieslimited.com	

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NOTICE

NOTICE is hereby given that the **27TH ANNUAL GENERAL MEETING** of the Members of **KUSH INDUSTRIES LIMITED** will be held as scheduled below:

Date	: 25 th September, 2019
Day	: Wednesday
Time	: 1.00 p.m.
Place	: At the Registered Office of the Company at: Plot No.330- A, GIDC, Opp. Atul Products Ltd, Ankleshwar, Dist: Bharuch, Gujarat – 393 002

to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Kiran M. Virani (DIN: 07126947), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. To consider and if thought fit to, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘Listing Regulations’) as amended from time to time, Mr. Ranjitsinh A. Parmar (DIN – 00002613), whose term as an Independent Director of the Company expires on the conclusion of this 27th Annual General Meeting and who has consented to act as an Independent Director of the Company and who has submitted his declarations that he meets the criteria of independence as specified for Independent Director under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and in respect of whom a notice in writing pursuant to Section 160 (1) of the Companies Act, 2013 has been received from a member signifying his intention to propose his candidature for the office of the Director of Company, be and is hereby re-appointed as an Independent Director of the Company for a second consecutive term of 5 years from the conclusion of this 27th Annual General Meeting up to the conclusion of the 32nd Annual General Meeting to be held in the calendar year 2024 and he will not be liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

4. To consider and if thought fit to, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘Listing

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Regulations') as amended from time to time, Mr. Priyesh G. Shah (DIN – 00523312), whose term as an Independent Director of the Company expires on the conclusion of this 27th Annual General Meeting and who has consented to act as an Independent Director of the Company and who has submitted his declarations that he meets the criteria of independence as specified for Independent Director under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and in respect of whom a notice in writing pursuant to Section 160 (1) of the Companies Act, 2013 has been received from a member signifying his intention to propose his candidature for the office of the Director of Company, be and is hereby re-appointed as an Independent Director of the Company for a second consecutive term of 5 years from the conclusion of this 27th Annual General Meeting up to the conclusion of the 32nd Annual General Meeting to be held in the calendar year 2024 and he will not be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 188, 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Company do hereby accord its approval to the re-appointment of Mr. Mansukh K. Virani (DIN: 00873403) as Whole Time Director of the Company, liable to retire by rotation, for a period of 5 years with effect from 1st October, 2019 to 30th September, 2024 on the terms and conditions (which have been recommended by Nomination and Remuneration Committee) as set out in the Explanatory Statement which is permissible under Section II of Part II of Schedule V of the Companies Act, 2013."

Registered Office :

Plot No.330- A, GIDC,
Opp. Atul Products Ltd.,
Ankleshwar, Dist : Bharuch,
Gujarat – 393 002.
Place : Ankleshwar
Date : 18th July, 2019

By Order of the Board

Mansukh K. Virani
Chairman

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business at item nos. 3, 4 and 5 in the Notice is annexed hereto.
2. The Register of Members and Share Transfer Books will remain closed from **18th September, 2019 to 25th September, 2019** (both days inclusive) for the purpose of Annual General Meeting (AGM).
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY OR PROXIES TO ATTEND AND, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% 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 SHAREHOLDER.

The instrument of Proxy in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable.

4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of Board Resolution/ Authorisation document authorising their representative to attend and vote on their behalf at the AGM.
5. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, power of attorney, change of address, change in name, etc, to their Depository Participant (DP). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members. Members holding shares in physical form are requested to intimate the changes to the Registrar & Share Transfer Agents of the Company (RTA). Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
6. Pursuant to the requirement of Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India , the brief profile/particulars of the Directors of the Company seeking their appointment or re-appointment at the Annual General Meeting (AGM) are stated at the end of the Explanatory Statement annexed hereto.
7. Details under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India in respect of Directors seeking re-appointment/appointment/ confirmation at the ensuing Annual General Meeting is provided in the Corporate Governance Report forming part of the Annual Report. The Directors have furnished the requisite declarations for their appointment / re-appointment.
8. 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 the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
9. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
9. The Shareholders holding Shares in Physical form are advised to get their shares dematerialised as no physical shares can be traded in the Stock Exchanges in terms of SEBI and Stock Exchange guidelines.
10. **This is to bring to the notice of the Shareholders that as per SEBI Notification, the request for effecting transfer of securities held in Physical form (except in case of transmission or transposition) would not be entertained and shall not be processed by the Company/ RTA of the Company w.e.f. 1st April, 2019. Hence, Shareholders are advised to get their physical shares dematerialized.**
11. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
12. Members/Proxies are requested to bring duly filled attendance form along with their copy of Annual Report at the Meeting. Copies of Annual Report will not be distributed at the Meeting.
13. All documents referred to in the Notice and Explanatory Statement shall be available for inspection by members at the Registered Office of the Company during the business hours between 11.00 a.m. to 1.00 p.m. on all working days of the Company up to the date of the Annual General Meeting.
14. To support the "Green Initiative", Members who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Registrar & Share Transfer Agents of the Company for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
15. In support of the 'Green Initiative' announced by the Government of India, electronic copies of the Annual Report for 2018-19 and this Notice inter alia indicating the process and manner of e-voting

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along with Attendance Form and Proxy Form are being sent by email to all the Members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes, unless any Member has requested only for a hard copy of the same. For Members who have not registered their email address, physical copies will be sent to them in the permitted mode. The Notice of AGM will also be available on the Company's website, www.kushindustrieslimited.com and that of Central Depository Services (India) Limited ("CDSL"), www.evotingindia.com

16. Members and proxies thereof are requested to bring their Folio No. / DP Id-Client Id for identification.

17. VOTING THROUGH ELECTRONIC MEANS:

- (a) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') is provided by Central Depository Services (India) Limited.
- (b) The facility for voting through ballot paper shall be made available at the AGM, and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot. **E-voting facility will not be made available at the AGM venue.**
- (c) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- (d) The remote e-voting period commences **at 9.00 a.m. on Sunday, 22nd September, 2019 and ends at 5:00 p.m. on Tuesday, 24th September, 2019**. During this period members/shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 18th September, 2019**, may cast their vote electronically (i.e. by remote e-voting). The remote e-voting module shall be disabled by CDSL for e-voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- (e) The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date.

The procedure and instructions for remote e-voting are, as follows:

- (i) Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com.
- (ii) Now click on "Shareholders" to cast your votes.
- (iii) Now, fill up the following details in the appropriate boxes:

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

- (iv) Next, enter the Image Verification as displayed and Click on Login.

- (v) 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.

(vi) If you are holding shares in demat form and has forgotten the existing password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(vii) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Address Slip/ email pertaining to the notice of this Annual General Meeting.
Dividend Bank Details OR Date of Birth (DOB)	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 (iii).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) 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.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on Electronic Voting Sequence Number (EVSN) of KUSH INDUSTRIES LIMITED.

(xii) 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.

(xiii) Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on 'Click here to print' option on the Voting page.

(xvii) Shareholders can also use Mobile app - "m - Voting" for e voting . m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).

(xviii) Note for Non – Individual Members and Custodians:

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Non-Individual Members (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 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.

- (f) In case you have any queries or issues regarding remote 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.
- (g) **Mr. Kashyap R. Mehta, Proprietor, M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad** has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (h) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of 'Ballot Paper' for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility. **E-voting facility will not be made available at the AGM venue.**
- (i) The Scrutinizer shall, immediately after the conclusion of voting at AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than two days from the conclusion of meeting, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.
- (j) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website- www.kushindustrieslimited.com and on the website of CDSL- www.evotingindia.com immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESSES MENTIONED AT ITEM NO. 3, 4 AND 5 IN THE NOTICE OF 27TH ANNUAL GENERAL MEETING DATED 18TH JULY, 2019.

In respect of Item No. 3 & 4:

Mr. Ranjitsinh A. Parmar and Mr. Priyesh G. Shah were appointed as Independent Directors of the Company for a consecutive term of 5 years w.e.f. conclusion of 22nd Annual General Meeting held on 22nd September, 2014 and they were not liable to retire by rotation. Their said appointment is due to expire at the conclusion of this 27th Annual General Meeting of the members of the Company.

Pursuant to the provisions of section 149(10) of the Companies Act, 2013, an Independent Director shall be eligible for re-appointment for second term on passing of a Special Resolution by the Company.

The Company has received a notice in writing from Member of the Company under section 160(1) of the Companies Act, 2013 proposing the candidature of Mr. Ranjitsinh A. Parmar and Mr. Priyesh G. Shah for the office of Independent Directors of the Company.

In the opinion of the Board, Mr. Ranjitsinh A. Parmar and Mr. Priyesh G. Shah fulfill the conditions of their appointment as Independent Directors of the Company as per the applicable provisions specified in the Companies Act, 2013 and SEBI - Listing Regulations for appointment as Independent Director and are independent of the management of the Company.

Details of Mr. Ranjitsinh A. Parmar and Mr. Priyesh G. Shah are provided in the "Annexure" to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

In view of above and also considering the recommendation of Nomination and Remuneration Committee of the Company for re-appointment of Mr. Ranjitsinh A. Parmar and Mr. Priyesh G. Shah as Independent Directors of the Company for a further consecutive second term of five years (viz. from the conclusion of this 27th Annual General Meeting up to the conclusion of the 32nd Annual General Meeting to be held in the calendar year 2024), on the basis of their skills, performance evaluation, extensive and enriched experience in diverse areas and suitability to the Company as well as fulfilling the criteria of their independence under Section 149(6) of Companies Act, 2013 read with Schedule IV thereto and Regulation 16(1) (b) and 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the said resolutions at item No. 3 & 4 are being recommended by the Board of Directors to the members of the Company for their consideration and accord approval thereto by way of Special Resolutions.

Mr. Ranjitsinh A. Parmar and Mr. Priyesh G. Shah, respectively, are concerned or interested in the Resolutions mentioned at Item Nos. 3 & 4 of the Notice relating to their own re-appointment. Other than these Directors, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolutions mentioned at Item No. 3 & 4 of the Notice.

In respect of Item No. 5:

'Shareholders may recall that in the 22nd Annual General Meeting held on 22nd September, 2014, Mr. Mansukh K. Virani was reappointed as Whole Time Director of the Company for a period of five years from 1st October, 2014.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, in their meeting held on 18th July, 2019 have reappointed Mr. Mansukh K. Virani as Whole Time Director for a period of 5 years i.e. from 1st October, 2019 to 30th September, 2024.

The major terms of the remuneration of Whole Time Director are as under:

I. PERIOD:

The term of the Whole Time Director shall be for a period of five years from 1st October, 2019 to 30th September, 2024.

II. REMUNERATION:

The Whole-time Director will not be entitled for any remuneration.

- III.** The Whole Time Director shall be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.
- IV.** The Whole Time Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.

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V. DUTIES:

Subject to the superintendence, direction and control of the Board of Directors of the Company, the Whole Time Director shall be entrusted with substantial powers of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time. The headquarter of the Whole Time Director shall be at Ahmedabad or at such place as the Board of Directors may decide from time to time.

VI. TERMINATION:

The Whole-time Director may be removed from his office for gross negligence, breach of duty or trust if a Special Resolution to that effect is passed by the Company in its General Meeting. The Whole-time Director may resign from his office by giving 90 days' notice to the Company.

As per the provisions of Sections 188, 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013, it is advisable to make appointment of Mr. Mansukh K. Virani as Whole Time Director of the Company by passing Special Resolution.

The following is the details of interest of Directors/ Key Managerial Personnel/ Relative of Director/ Relative of Key Managerial Personnel:

Sr. Category No	Name of Director / KMP	Financial Interest	Non-Financial Interest
1. Director	Mansukh K. Virani	Relates to his reappointment as Whole-time Director, he may be deemed to be concerned or interested in the business	
2. Key Managerial Personnel	-	-	-
3. Relative of Director	Kiran M. Virani	Relates to reappointment of Mansukh K. Virani as Whole time Director, who is relative of Directors and, therefore, they may be deemed to be concerned or interested in the business	
4. Relative of Key Managerial Personnel	-	-	-

As reappointment of Mr. Mansukh K. Virani as Whole time Director is without payment of any remuneration, no other information is required to be given under Section II of Part II of Schedule V of the Companies Act, 2013 with Notice annexed hereto.

The above proposals are in the interest of the Company and the Directors recommend the Resolution Nos. 3 to 5 (both inclusive) of this Notice for consent and approval by the Members.

Registered Office :

Plot No.330- A, GIDC,
Opp. Atul Products Ltd.,
Ankleshwar, Dist : Bharuch,
Gujarat – 393 002.
Place : Ankleshwar
Date : 18th July, 2019

By Order of the Board

Mansukh K. Virani
Chairman

ANNUAL REPORT 2018-19

BRIEF PARTICULARS/PROFILE OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT PURSUANT TO THE PROVISIONS OF REGULATION 26(4) & 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD 2 ISSUED BY ICSI:

Name of Directors	Mrs. Kiran M. Virani	Mr. Ranjitsinh A. Parmar	Mr. Priyesh G. Shah	Mr. Mansukh K. Virani
Age (in years)	64	63	58	66
Date of Birth	07-04-1955	26-08-1955	15-11-1960	17-12-1952
Date of Appointment	19-03-2015	22-05-1996	08-07-1995	04-03-1992
Qualifications	B.Com.	B.E. (Civil)	B.Com.	B.Sc.
Experience / Expertise	She is having experience in the field of Accounts and Administration. At present, she is acting as Woman Director.	He possesses appropriate skills and experience in the field of Administration and Accounts. He is acting as Independent Director of the Company.	He possesses appropriate skills and experience in the field of Marketing. He is acting as Independent Director of the Company.	He is having business experience of more than 2 decades. He has experience of various Functionaries including in the field of Management & administration. At present he is acting as Whole Time Director
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	The Director is liable to retire by rotation and offers herself for reappointment	As per the resolution at item nos. 3, 4 & 5 of the Notice convening this Meeting read with explanatory statement thereto		
Remuneration last drawn by such person, if any.	Refer to report on Corporate Governance and Form No. MGT-9 (Extract of Annual Return)			
Shareholding in the Company	11,79,291 Shares	Nil	1,39,574 Shares	10,10,700 Shares
Relationship with other Directors, Manager and other KMP of the Company	Mrs. Kiran M. Virani and Mr. Mansukh K. Virani are related to each other.	Not related to any Director/KMP		Mrs. Kiran M. Virani and Mr. Mansukh K. Virani are related to each other
Number of Meetings of the Board attended during the year	4	5	5	5
List of other Public Companies in which Directorships held	Nil	1. Suzlon Generators Limited 2. Suzlon Gujarat Wind Park Limited 3. Shubh Realty (South) Limited	Nil	1. Sahajanand Laser Technology Limited
List of Private Limited Companies in which Directorships held	Nil	1. Sugati Beach Resort Private Limited 2. Se Shipping India Private Limited 3. Suzlon Foundation	1. Sagar Powertex Private Limited 2. Sagar Properties Pvt Ltd 3. Sagar Marketings Pvt Ltd	1. Kush Synthetics Private Limited 2. Suzlon Fashions Private Limited 3. Kush Fincon Services Private Limited
Chairman/Member of the Committees of Directors of other Companies	-	-	-	-
Justification for choosing the appointee for appointment as Independent Directors	N.A.	On the basis of their skills, performance evaluation, extensive and enriched experience in diverse areas and suitability to the Company.		N.A.

DIRECTORS' REPORT

Dear Members,

Your Directors present the 27th ANNUAL REPORT together with the Audited Financial Statements for the Financial Year 2018-19 ended 31st March, 2019.

1. FINANCIAL RESULTS :

(` in Lakh)

Particulars	2018-19	2017-18
Loss before Depreciation and Tax	15.45	12.57
Add: Depreciation	9.58	10.68
Loss before/after tax	25.03	23.25
Opening debit balance of Profit & Loss	3217.45	3194.20
Loss carried forward to Balance sheet	3242.48	3217.45
Other comprehensive income	0.77	0.82

There are no material changes and commitment off the financial position of company which have occurred between 1st April, 2019 and date of this report.

2. OPERATIONS:

During the year under review the sales comprises of the Job work of furnishing fabrics and manufacturing of transfer printing and ceramics totaling to Rs. 122.98 lakh as compared to Job work & own production of furnishing fabrics and ceramics of Rs. 128.57 lakh during 2017-18. The Company has earned other income of Rs. 16.32 lakh during the year under review as compared to Rs. 21.52 lakh during 2017-18. The business of ceramic has not yielded desired results.

During the year under review, the Company incurred Loss before Depreciation of Rs. 15.45 lakh compared to Loss of Rs. 12.57 lakh during 2017-18. After providing for depreciation of Rs. 9.58 lakh, the Loss after depreciation stood at Rs. 25.03 lakh.

The other comprehensive income stood at Rs. 0.77 lakh during the year as compared to Rs. 0.82 lakh for the year 2017-18.

The transfer printing machine division as well as the restarted ceramic division have not performed as expected.

The furnishing machineries were disposed off during the year.

3. DIVIDEND:

In view of the large accumulated losses, your Directors regret their inability to recommend any dividend on the Equity Shares of the Company.

4. FUTURE OUT LOOK:

The Company had installed second hand transfer printing paper machinery. The transfer printing machine division as well as the restarted ceramic division have not performed as expected. So the company plans to lease out its facilities.

5. FINANCE:

Fund arrangements including working capital have been prudently managed and during the current financial year company did not enjoy any financial assistance from Financial Institutions and Banks.

The Company has not raised any term loan during the year as well as not given any guarantee for loans taken by others from bank or financial institutions.

The Company's Income-tax Assessment has been completed up to the Assessment Year 2014-15 and Sales tax Assessment is completed up to the Financial Year 2001-02.

6. LISTING:

The Equity Shares of the Company are listed on BSE Limited. The Company is regular in payment of Annual Listing Fees. The Company has paid Listing fees up to the year 2019-20.

7. SHARE CAPITAL:

The paid up Share Capital of the Company as on 31st March, 2019 was Rs. 15,25,00,000/-. As on 31st March, 2019, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity and none of the Directors of the Company hold any convertible instruments.

8. DIRECTORS:

8.1 One of your Directors viz. Mrs. Kiran M. Virani retires by rotation in terms of the Articles of Association of the Company. However, being eligible offers herself for re-appointment. Further, subject to approval of the Members at the ensuing Annual General Meeting (AGM), the Board has resolved to re-appoint Mr. Mansukh K. Virani as Whole Time Director of the Company.

The above re-appointments forms a part of the Notice of the forthcoming 27th AGM and the resolutions are recommended for your approval.

8.2 Based on the recommendations of the Nomination and Remuneration Committee, it is proposed to re-appoint Mr. Ranjitsinh A. Parmar and Mr. Priyesh G. Shah as Independent Directors of the Company for a second consecutive term of 5 years from the conclusion of this 27th AGM up to the conclusion of the 32nd AGM respectively and they will not be liable to retire by rotation.

8.3 The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (the Act) that they meet with the criteria of their independence laid down in Section 149(6) of the Act.

8.4 Brief profile of the Directors being appointed and re-appointed as required under Regulations 36(3) of Listing Regulations, 2015 and Secretarial Standard on General Meetings and the justification for re-appointment of Independent Directors are provided in the notice for the forthcoming AGM of the Company.

8.5 The Board of Directors duly met 5 times during the financial year under review.

8.6 The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (the Act) that they meet with the criteria of their independence laid down in Section 149(6) of the Act.

8.7 FORMAL ANNUAL EVALUATION:

The Nomination and Remuneration Committee adopted a formal mechanism for evaluating the performance of the Board of Directors as well as that of its Committees and individual Directors, including Chairman of the Board, Key Managerial Personnel/ Senior Management etc. The exercise was carried out through an evaluation process covering aspects such as composition of the Board, experience, competencies, governance issues etc.

8.8 DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134 of the Companies Act, 2013, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31st March, 2019 being end of the financial year 2018-19 and of the Loss of the Company for the year;
- (iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.
- (v) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

9. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY:

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

10. MANAGERIAL REMUNERATION:

REMUNERATION OF DIRECTORS:

The Company has not paid any Managerial Remuneration or other benefits to any of its Directors. The Board of Directors has framed a Remuneration Policy that assures the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management to enhance the quality required to run the Company successfully. The Relationship of remuneration to performance is clear and meets appropriate performance benchmarks. All the Board Members and Senior Management personnel have affirmed time to time implementation of the said Remuneration policy.

The Nomination and Remuneration Policy are available on the Company's website-
www.kushindustrieslimited.com

11. KEY MANAGERIAL PERSONNEL (KMP) AND PERSONNEL:

Remuneration of KMP:

Sr. No.	Name of the KMP	Designation	Remuneration
1.	Mr. Dipak S. Patel	CFO	3,65,465/-
2.	Mrs. Bhoomi S. Shah	Company Secretary	1,67,500/-

#Mrs. Bhoomi S. Shah was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 20th July, 2018.

12. PERSONNEL AND H. R. D.:

12.1 INDUSTRIAL RELATIONS:

The industrial relations continued to remain cordial and peaceful and your Company continued to give ever increasing importance to training at all levels and other aspects of H. R. D.

The number of Employees of the Company are 7 (Seven). The relationship between average increase in remuneration and Company's performance is as per the appropriate performance benchmarks and reflects short and long term performance objectives appropriate to the working of the Company and its goals.

12.2 PARTICULARS OF EMPLOYEES:

There is no Employee drawing remuneration requiring disclosure under Rule 5(2) of Companies Appointment & Remuneration of Managerial personnel) Rules, 2014.

13. RELATED PARTY TRANSACTION AND DETAILS OF LOANS, GUARANTEES, INVESTMENT & SECURITIES PROVIDED:

Details of Related Party Transactions and Details of Loans, Guarantees and Investments covered under the provisions of Section 188 and 186 of the Companies Act, 2013 respectively are given in the notes to the Financial Statements attached to the Directors' Report.

All transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any transactions with related parties which could be considered as material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at www.kushindustrieslimited.com

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information required under Section 134(3) (m) of the Companies Act, 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014, relating to the conservation of Energy and Technology Absorption forms part of this report and is given by way of **Annexure - A**.

15. CORPORATE GOVERNANCE AND MDA:

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance, Management Discussion and Analysis (MDA) and a certificate regarding compliance with the conditions of Corporate Governance are appended to the Annual Report as **Annexure - B**.

16. SECRETARIAL AUDIT REPORT:

Your Company has obtained Secretarial Audit Report as required under Section 204(1) of the Companies Act, 2013 from M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad. The said Report is attached with this Report as **Annexure – D**. As regards the observation of the Auditors, the Company has appointed Whole-time Company Secretary and have also uploaded requisite information on the website of the Company as on the date of this Report. With regard to SEBI Circular No. SEBI/ HO/ MIRSD/ DOP1/ CIR/ P/ 2018/ 73 dated 20th April, 2018, the Company has yet not taken special efforts to collect copy of PAN, and bank account details of all securities holders holding securities in physical form. However, the Company has placed note for the same in the Annual Report for the year 2018-19 and also in the notice of the forthcoming Annual General Meeting.

17. EXTRACT OF ANNUAL RETURN:

The extract of Annual return in Form – MGT-9 has been attached herewith as **Annexure – E**. The same is also available on the Company's website at www.kushindustrieslimited.com.

18. AUDIT COMMITTEE/ NOMINATION AND REMUNERATION COMMITTEE/ STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The details of various committees and their functions are part of Corporate Governance Report.

19. GENERAL:

19.1. AUDITORS:

STATUTORY AUDITORS:

The present Auditors of the Company M/s. SNK & Co., Chartered Accountants, Surat, were appointed as Statutory Auditors of the Company at the 25th Annual General Meeting for a period of 5 years i.e. for financial years 2017-18 to 2021-22. They continue to hold office as Statutory Auditors till the conclusion of 30th AGM to be held in the year 2022.

19.2 INSURANCE:

The movable and immovable properties of the Company including plant and Machinery and stocks wherever necessary and to the extent required have been adequately insured against the risks of fire, riot, strike, malicious damage etc. as per the consistent policy of the Company.

19.3 DEPOSITS:

The Company has not accepted during the year under review any Deposits and there were no overdue deposits.

19.4 RISKS MANAGEMENT POLICY:

The Company has a risk management policy, which from time to time, is reviewed by the Audit Committee of Directors as well as by the Board of Directors. The Policy is reviewed quarterly by assessing the threats and opportunities that will impact the objectives set for the Company as a whole. The Policy is designed to provide the categorization of risk into threat and its cause, impact, treatment and control measures. As part of the Risk Management policy, the relevant parameters for protection of environment, safety of operations and health of people at work are monitored regularly with reference to statutory regulations and guidelines defined by the Company.

19.5 SUBSIDIARIES/ ASSOCIATES/ JVS:

The Company does not have any Subsidiaries/ Associates Companies / JVs.

19.6 RESEARCH & DEVELOPMENT:

The Company is continuously working on Research and Development resulting in new innovation leading to cost reduction and better product quality.

19.7 CODE OF CONDUCT:

The Board of Directors has laid down a Code of Conduct applicable to the Board of Directors and Senior Management. All the Board Members and Senior Management personnel have affirmed compliance with the code of conduct.

19.8 SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There have been no significant and material orders passed by any regulators or courts or tribunals, impacting the going concern status of the Company and its future operations.

19.9 ENVIRONMENT AND SAFETY:

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

19.10 DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The Company has in place an Anti Sexual Harassment Policy, in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, the Company did not receive any complaint.

19.11 INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS:

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

19.12 SECRETARIAL STANDARDS:

The Company complies with the Secretarial Standards, issued by the Institute of Company Secretaries of India, which are mandatorily applicable to the Company.

20. DISCLOSURE OF ACCOUNTING TREATMENT:

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

21. DEMATERIALISATION OF EQUITY SHARES:

Shareholders have an option to dematerialise their shares with either of the depositories viz NSDL and CDSL. The ISIN No. allotted is INE979D01011.

22. ACKNOWLEDGEMENT:

Your Directors express their sincere thanks and appreciation to Promoters and Shareholders for their constant support and co operation. Your Directors also place on record their grateful appreciation and co operation received from Bankers, Financial Institutions, Government Agencies and employees of the Company.

for and on behalf of the Board,

Mansukh K. Virani
Chairman

Place : Ankleshwar
Date : 18th July, 2019

FORM – A

Disclosure of particulars with respect to Conservation of Energy

(A) CONSERVATION OF ENERGY:

Steps taken or impact on conservation of energy	In line with the Company's commitment towards conservation of energy, all units continue with their efforts aimed at improving energy efficiency through innovative measures to reduce wastage and optimize consumption using gas energy
Steps taken by the Company for utilising alternate sources of energy	No significant steps have been taken during the year under review
Capital investment on energy conservation equipments	No investment has been made during the year under review

(B) TECHNOLOGY ABSORPTION:

Efforts made in Research and Development and Technology Absorption as per Form B prescribed in the Rules is as under:			
1.	Research & Development (R & D):		
	(a)	Specific areas in which R&D carried out by the Company.	: Improvement in Quality.
	(b)	Benefits derived as a result of the above R&D	: Increase in the range of products
	(c)	Future plan of action	: To maintain improved quality of products
	(d)	Expenditure on R&D	: Marginal
2.	Technology absorption, adoption and innovation		: The Company does not envisage any technology absorption.

(C) FOREIGN EXCHANGE EARNINGS & OUTGO:

(Rs. in Lakh)

Sr. No.	Particulars	2018-19	2017-18
	Total Foreign Exchanges used and earned		
(a)	Total Foreign Exchange used	NIL	NIL
(b)	Total Foreign Exchange earned	NIL	NIL

for and on behalf of the Board,

Mansukh K. Virani
Chairman

Place : Ankleshwar
Date : 18th July, 2019

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The Directors, hereunder, present the Company's Report on Corporate Governance for the year ended 31st March, 2019 and also up to the date of this Report:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability.

Effective Corporate Governance is the key element ensuring investor's protection; providing finest work environment leading to highest standards of management and maximization of everlasting long-term values. Your Company believes in the philosophy on practicing Code of Corporate Governance that provides a structure by which the rights and responsibility of different constituents such as the board, employees and shareholders are carved out.

A Report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 (Listing Regulation) is given below:

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors as on 31st March, 2019 and on the date of report is:

Name	Category of Directorship	No. of other Directorships@	No. of Committee position in other Companies**		No. of Board Meetings attended during 2018-19	Attendance at the AGM held on 25-09-2018 Yes(Y)/No(N)
			Chairman	Member		
Mr. Mansukh K. Virani Chairman	Promoter Executive	1	-	-	5	Y
Mr. Ranjitsinh A. Parmar	Independent	3	-	-	5	Y
Mr. Priyesh G. Shah	Independent	-	-	-	5	N
Mrs. Kiran M. Virani	Promoter Non Executive	-	-	-	4	Y

@ Private Companies, foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded

** for the purpose of reckoning the limit of committees, only chairmanship/membership of the Audit Committee and Stakeholders' Relationship Committee has been considered.

- Mr. Mansukh K. Virani and Mrs. Kiran M. Virani are related to each other.

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- b) Directorship in Listed Entities other than Kush Industries Limited and the category of directorship as on 31st March, 2019, is as follows:

Name of Director	Name of listed Company	Category of Directorship
Mr. Mansukh K. Virani	-	-
Mrs. Kiran M. Virani	-	-
Mr. Ranjitsinh A. Parmar	-	-
Mr. Priyesh G. Shah	-	-

- c) **Relationships between directors inter-se:**

Mr. Mansukh K. Virani and Mrs. Kiran M. Virani are related to each other.

- d) **Board Procedures:**

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/ Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors for a period from 1st April, 2018 to 31st March, 2019 were held 5 times on 30-05-2018; 20-07-2018; 14-08-2018; 02-11-2018; 14-02-2019.

- e) **Shareholding of Non- Executive Directors as on 31st March, 2019:**

Name of the Non- Executive Director	No. of Shares held	% of Shareholding
Mr. Priyesh G. Shah	139574	0.92
Mrs. Kiran M. Virani	1179291	7.73
Total	1318865	8.65

No other Non-Executive Directors hold any Equity Share or convertible securities in the Company.

- f) **Familiarisation Program for Independent Directors:**

The details of the familiarization program are available on the Company's website – www.kushindustrieslimited.com

- g) **Chart or Matrix setting out the skills/expertise/competence of the board of directors specifying the following:**

Name	Qualifications	Experience	Expertise
Mr. Mansukh K. Virani	B. Sc.	Experience of more than 2 decades in Ceramic and Weaving Industry	Expertise in Management and Administration
Mrs. Kiran M. Virani	B. Com.	Experience of more than 2 decades in Accounts and Administration skills	Expertise in Accounts and Administration
Mr. Ranjitsinh A. Parmar	B.E. (Civil)	Experience in the field of Company administration skills	Expertise in Administration and Accounts
Mr. Priyesh G. Shah	B. Com.	Experience in marketing industry	Expertise in Marketing and selling skills

- h) In accordance with para C of Schedule V of the Listing Regulations, the Board of Directors of the Company hereby confirm that the Independent Directors of the Company fulfill the conditions specified in the Regulations and are independent of the management.
- i) None of the Independent Directors of the Company resigned during the financial year and hence no disclosure is required with respect to Clause 2(g) of para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. AUDIT COMMITTEE:

The Audit Committee consists of the following Directors as on date of this Report:

Name of the Directors	Expertise	Terms of reference & functions of the Committee	No. of Meetings Attended during 2018-19
Mr. Ranjitsinh A. Parmar, Chairman	All members are Non-Executive. Chairman is Independent Director and majority are independent. One member has thorough financial and accounting knowledge.	The functions of the Audit Committee are as per Company Law and Listing Regulations prescribed by SEBI which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	4 of 4
Mr. Priyesh G. Shah			4 of 4
Mrs. Kiran M. Virani			3 of 4

The Audit Committee met 4 times during the Financial Year 2018-19. The maximum gap between two meetings was not more than 120 days. The Committee met on 30-05-2018; 14-08-2018; 02-11-2018 and 14-02-2019. The necessary quorum was present for all Meetings. The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company.

4. NOMINATION & REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee consists of the following Directors as on the date of the Report.

Name of the Directors	Functions of the Committee	No. of Meetings Attended during 2018-19
Mr. Ranjitsinh A. Parmar, Chairman	All members are Non executive. The Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation Package for the Managing Director. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.	1 of 1
Mr. Priyesh G. Shah		1 of 1
Mrs. Kiran M. Virani		1 of 1

Terms of reference and Nomination & Remuneration Policy:

The Committee identifies and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.

The Committee fixes remuneration of the Directors on the basis of their performance and also practice in the industry. The terms of reference of the Nomination & Remuneration Committee include review and recommendation to the Board of Directors of the remuneration paid to the Directors. The Committee meets as and when required to consider remuneration of Directors.

Performance Evaluation Criteria for Independent Directors:

The Board evaluates the performance of independent directors (excluding the director being evaluated) on the basis of the contributions and suggestions made to the Board with respect to financial strategy, business operations etc.

5. REMUNERATION OF DIRECTORS:

1. Mr. Mansukh K. Virani, Whole time Director has not drawn any managerial remuneration during the financial year 2018-19.

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2. No Sitting Fees, Commission or Stock Option has been offered to any other Directors.
3. No Commission or Stock Option has been offered to the Directors.
4. The terms of appointment of Managing Director / Whole-time Director are governed by the resolutions of the members and applicable rules of the Company. None of the Directors are entitled to severance fees.
5. Commission based on performance criteria, if any, as approved by the Board and subject to maximum limit specified in the Act.
6. The Nomination and Remuneration Policy of the Company is given in Directors' Report which specifies the criteria of making payments to Non Executive Directors.
7. Service contract and notice period are as per the terms and conditions mentioned in their Letter of Appointments.
8. There are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Non-Executive Directors except those disclosed in the financial statements for the financial year ended on 31st March, 2019.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Board has constituted a Stakeholders' Relationship Committee for the purpose of effective Redressal of the complaints and concerns of the shareholders and other stakeholders of the Company.

The Board re-constituted the Stakeholders' Relationship Committee in their meeting held on 14th February, 2019 pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The Committee comprises the following Directors as members as on the date of this Report:

- | | |
|-----------------------------|----------|
| 1. Mr. Ranjitsinh A. Parmar | Chairman |
| 2. Mr. Mansukh K. Virani | Member |
| 3. Mrs. Kiran M. Virani | Member |

The Company has not received any complaints during the year. There was no valid request for transfer of shares pending as on 31st March, 2019.

Mrs. Bhoomi S. Shah, Company Secretary is the Compliance Officer for the above purpose.

7. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2015-16	27-09-2016	1:00 p.m.	Plot No.330-A, GIDC, Opp. Atul Products Ltd, Ankleshwar, Dist. Bharuch, Gujarat – 393 002. Special Resolutions: 1. Authority to the Board of Directors to make investment under section 186 of the Companies Act, 2013.
2016-17	25-09-2017	1:00 p.m.	Plot No.330-A, GIDC, Opp. Atul Products Ltd, Ankleshwar, Dist. Bharuch, Gujarat – 393 002. Special Resolutions: 1. Authority to Link Intime India Private Limited (RTA) for maintaining Register of Members together with the Index of Members of the Company and copies of Annual Returns
2017-18	25-09-2018	1:00 p.m.	Plot No.330-A, GIDC, Opp. Atul Products Ltd, Ankleshwar, Dist. Bharuch, Gujarat – 393 002. Special Resolutions: 1. Authority to Board of Directors under Section 186 of the Companies Act, 2013.

8. MEANS OF COMMUNICATION:

In compliance with the requirements of the SEBI (LODR) Regulations, the Company regularly intimates Unaudited/Audited Financial Results to the Stock Exchanges immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in 'Western Times' (English and Gujarati). Results are also displayed on Company's website www.kushindustrieslimited.com

The reports, statements, documents, filings and any other information is electronically submitted to the recognized stock exchanges, unless there are any technical difficulties while filing the same. All important information and official press releases are displayed on the website for the benefit of the public at large.

During the year ended on 31st March, 2019, no presentations were made to Institutional Investors or analyst or any other enterprise.

9. GENERAL SHAREHOLDERS' INFORMATION:

- a) Registered Office : Plot No.330-A, GIDC Estate,
Opp. Atul Products Ltd,
Ankleshwar – 393 002, Dist : Bharuch, Gujarat
- b) Annual General Meeting : Day : Wednesday
Date : 25th September, 2019
Time : 1.00 p.m.
Venue : Plot No.330-A, GIDC Estate,
Opp. Atul Products Ltd,
Ankleshwar – 393 002,
Dist : Bharuch, Gujarat
- c) Financial Calendar 1st April, 2018 to 31st March, 2019
- d) Financial Calendar 1st Quarter Results : Mid-August, 2019.
Half-yearly Results : Mid-November, 2019.
3rd Quarter Results : Mid-February, 2020.
Audited yearly Results: End May, 2020.
- e) Book Closure Dates : **From** : Wednesday, the 18th September, 2019
To : Wednesday, the 25th September, 2019
(Both days inclusive).
- f) Dividend Payment Date : N.A.
- g) Listing of Shares on Stock Exchanges **BSE Limited**
P. J. Towers, Dalal Street, Mumbai – 400001.
The Company has paid the annual listing fees for the financial year 2019-20 to the Stock Exchange where its securities are listed.
- h) Stock Exchange Code :

<u>Stock Exchange</u>	<u>Code</u>
BSE	514240
- i) Registrar and Share Transfer Agents :
Registrars and Share Transfer Agents (RTA) for both Physical and Demat Segment of Equity Shares of the Company:
Link Intime India Private Limited
506-508, Amarnath Business Centre-1(ABC-1), Besides Gala Business Centre,
Near St. Xavier's College Corner, Off C G Road, Ahmedabad - 380 006
Tele. No. : (079) 2646 5179
e-mail Address: ahmedabad@linkintime.co.in

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j) Share Transfer System:

The transfer of shares in physical form is processed and completed by M/s. Link Intime India Pvt. Ltd. (RTA of the Company) within a period of 15 days from the date of receipt thereof.

Pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018, SEBI has amended Regulation 40 of the Listing regulations effective from 1st April 2019, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in Demat form. However, the transfer deed(s) lodged prior to the 1st April, 2019 deadline and returned due to deficiency in the document, may be re-lodged for transfer even after the deadline of 1st April 2019 with the Registrar and Share transfer Agents of the Company. Hence, Shareholders are advised to get their shares dematerialized.

In case of Shares in electronic form, the transfers are processed by NSDL/ CDSL through the respective Depository Participants.

k) Stock Price Data: The shares of the Company were traded on the BSE Limited. The information on stock price data, BSE Sensex details are as under:

Month	BSE			BSE Sensex
	High (₹)	Low (₹)	Shares Traded (No.)	
April, 2018	0.93	0.77	4331	35160.36
May, 2018	-	-	0	35322.38
June, 2018	-	-	0	35423.48
July, 2018	0.99	0.92	3001	37606.58
August, 2018	1.03	1.03	1	38645.07
September, 2018	-	-	0	36227.14
October, 2018	1.00	1.00	500	34442.05
November, 2018	-	-	0	36194.30
December, 2018	-	-	0	36068.33
January, 2019	-	-	0	36256.69
February, 2019	-	-	0	35867.44
March, 2019	1.05	1.00	93	38672.91

l) Distribution of Shareholding as on 31st March, 2019:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up to 500	3525	76.28	922501	6.04
501 to 1000	525	11.36	472701	3.10
1001 to 2000	242	5.24	400874	2.63
2001 to 3000	84	1.82	220420	1.45
3001 to 4000	32	0.69	114798	0.75
4001 to 5000	54	1.17	262203	1.72
5001 to 10000	59	1.28	459572	3.01
10001 & Above	101	2.19	12396931	81.29
Grand Total	4621	100.00	15250000	100.00

- m) Category of Shareholders as on 31st March, 2019:

Category	No. of Shares held	% of Shareholding
Promoters (Directors & Relatives)	8686579	56.96
Financial Institutions/ Banks	15000	0.10
State Government	409000	2.68
Mutual Fund	—	—
Domestic Companies	355395	2.33
Indian Public	4161887	27.29
NRI & CM	1468605	9.63
HUF	103534	0.68
Foreign Corporate	50000	0.33
Grand Total	15250000	100.00

- n) Outstanding GDRs/ADRs/Warrants or any convertible instruments, Conversion date and likely impact on equity:

The Company has not issued any GDRs / ADRs

- o) Dematerialisation of Shares and liquidity:

The Company's Equity Shares are traded compulsorily in dematerialised form. Approximately 80.62% of the Equity Shares have been dematerialised. ISIN number for dematerialisation of the Equity Shares of the Company is INE979D01011.

- p) Commodity Price Risks and Commodity Hedging Activities:

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board. The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages these risks through forward booking Inventory management and proactive vendor development practices.

- q) Plant Location:

Plot No.330-A, GIDC, Opp. Atul Products Ltd, Ankleshwar – 393 002, Dist: Bharuch, Gujarat

- r) Address for Correspondence:

For any assistance regarding correspondence dematerialisation of shares, share transfers, transactions, change of address, non receipt of dividend or any other query relating to shares, Shareholders' correspondence should be addressed to the Company's Registrar and Share Transfer Agent at:

Link Intime India Private Limited.

506-508, Amarnath Business Centre-1(ABC-1),

Besides Gala Business Centre, Near St. Xavier's College Corner,

Off C. G. Road, Ahmedabad - 380 006

Tele. No. : (079) 2646 5179

e-mail address: ahmedabad@linkintime.co.in

Compliance Officer : Mrs. Bhoomi S. Shah

- s) Credit Ratings:

The Company has not obtained any Credit Rating during the financial year and hence no disclosure is required with respect to Clause 9(q) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. MANAGEMENT DISCUSSION AND ANALYSIS:

a. Industry Structure and Developments:

The Company has installed second hand transfer printing paper machinery and the Company has also activity of Ceramic business.

b. Opportunities and Threats:

The Ceramics products of the Company are consumer retail products and designing & Quality development is highly needed. The Ceramics Products faces competition from small players. The T P Paper printing is expected to grow in demand in future.

c. Segment wise Performance:

The Company is operating in two segments. The Company is reporting its segment wise performance.

d. Recent Trend and Future outlook:

The newly started Ceramics activity needed design and quality upgradation. The Company needs machinery upgradation also. The T. P. Technology is expected to increase in future.

e. Risks and Concerns:

The Company operates in a competitive sector. The Company procures orders from market as per the recent trends. We may face competition in level of order quantity.

f. Internal Control Systems and their Adequacy:

The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

g. Financial Performance with respect to Operational Performance:

The financial performance of the Company for the year 2018-19 is described in the Directors' Report.

h. Material Developments in Human Resources and Industrial Relations Front:

The Company has continued to give special attention to Human Resources/Industrial Relations development.

i. Key Financial Ratios:

Key Ratios	FY 2018-19	FY 2017-18	Change %	Explanation, if required
Debtors Turnover (days)	1.74 times	3.61 times	(52%)	Debtors / Creditors knock off.
Inventory Turnover (days)	1.34 times	0.47 times	185%	Reduction in Inventory level.
Interest Coverage Ratio	-	-		No interest paid
Current Ratio	0.16	0.19	(15.79%)	Difference is negligible.
Debt Equity Ratio (long term)	-	-		Negative balance of equity
Operating Profit Margin (%)	-	-		No profit, loss only.
Net Profit Margin (%)	-	-		No profit, loss only.
Return on Networth	-	-		Negative balance of equity

j. Cautionary Statement:

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

11. DISCLOSURES:

- a. The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has no subsidiary.
- b. There has neither been any non compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchange/s or SEBI or any other authorities, on any matters related to Capital Market during the last three years.
- c. The Company has implemented Vigil Mechanism and Whistle Blower Policy and it is hereby affirmed that no personnel have been denied access to the Audit Committee.
- d. The Company is generally in compliance with all mandatory requirements under Listing Regulations. Adoption of non-mandatory requirements of Listing Regulations is being reviewed by the Board from time to time.
- e. The policy on related party transactions is disclosed on the Company's website viz. www.kushindustrieslimited.com
- f. Disclosure of Accounting Treatment :
Your Company has followed all relevant Indian Accounting Standard notified under section 133 of the Companies Act, 2013 read together with Rule 3 of Companies (Indian Accounting Standard) Rules, 2015.
- g. The Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement (QIP) during the financial year and hence no disclosure is required with respect to Clause 10(h) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- h. A Certificate from M/s. Kashyap R. Mehta & Associates, Practicing Company Secretaries to the effect that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been attached as **Annexure –C**.
- i. During the financial year, the Board of Directors of the Company has not rejected any recommendation of any committee of the Board which was mandatorily required under the Companies Act, 2013 or the Listing Regulations.
- j. The details of total fees for all services paid by the Company to the statutory auditor of the Company viz. SNK & Co. and all entities in the network firm/network entity of which the statutory auditor is a part are as follows:

Type of fee	2018-19	2017-18
Audit Fees	50000/-	50000/-
Other fees (Certification of UFR + LRR)	30000/-	25000/-
Other fees (Filing of Tax Returns)	12000/-	5000/-
Other fees (Income Tax assessment fees)	50000/-	-

- k. disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Sr. No.	Particulars	No. of complaints
1	Complaints filed during the financial year	Nil
2	Complaints disposed of during the financial year	Nil
3	Complaints pending as at the end of the financial year	Nil

12. DETAILS OF NON COMPLIANCE CORPORATE GOVERNANCE REQUIREMENT:

There was no non-compliance during the year and no penalties were imposed or strictures passed on the Company by the Stock Exchanges, SEBI or any other statutory authority.

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)

13. Non-Mandatory requirements of regulation 27 (1) & Part E of Schedule II of the Listing Regulations:

- i. The Company has an Executive Chairman.
- ii. The quarterly / half yearly results are not sent to the shareholders. However, the same are published in the newspapers and also posted on the Company's website.
- iii. The Company's financial statements for the financial year 2018–19 do not contain any audit qualification.
- iv. The internal auditors report to the Audit Committee.

14. The Company is in compliance with the corporate governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Regulations.

For and on behalf of the Board,

Place : Ankleshwar
Date : 18th July, 2019

Mansukh K. Virani
Chairman

DECLARATION

All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct of Board of Directors and Senior Management for the year ended on 31st March, 2019.

For, Kush Industries Limited,

Place : Ankleshwar
Date : 18th July, 2019

Mansukh K. Virani **Dipak S. Patel**
Whole-time Director **Chief Financial Officer**

CERTIFICATE

To
The Members of
Kush Industries Limited

We have examined the compliance of conditions of Corporate Governance by M/s Kush Industries Limited (Formerly known as SNS Textiles Limited), for the year ended on 31st March, 2019 and also up to the date of this report as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance as stipulated in LODR. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 & Part E of Schedule II of LODR.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KASHYAP R. MEHTA & ASSOCIATES
COMPANY SECRETARIES

KASHYAP R. MEHTA
PROPRIETOR
FCS: 1821
C.O.P. No. 2052
FRN: S2011GJ166500
PR - 583/2019

Place : Ahmedabad
Date : 18th July, 2019

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Kush Industries Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kush Industries Limited (Formerly Known as SNS Textiles Limited)** [CIN: **L17119GJ1992PLC017218**] ('hereinafter called the Company') having Registered Office at Plot No. 330-A, GIDC, Opp. Atul Products, Ankleshwar – 393 002, Dist: Bharuch (Gujarat). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable during the audit period)
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Requirements, 2014 (Not Applicable during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable during the audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable during the audit period)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable during the audit period); and
- (vi) Various common laws applicable to the manufacturing and other activities of the Company such as Labour Laws, Pollution Control Laws, Land Laws, Patents Act, 1970, The Trade Marks Act, 1999 etc. and various Sectoral specific acts such as Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 and Textiles (Development and Regulation) Order, 2001 for which we have relied on Certificates/ Reports/ Declarations/ Consents/ Confirmations obtained by the Company from the experts of the relevant field such as Advocate, Labour Law Consultants, Engineers, Occupier of the Factories,

Registered Valuers, Chartered Engineers, Factory Manager, Chief Technology Officer of the Company, Local Authorities, Effluent Treatment Adviser etc. and have found that the Company is generally regular in complying with the provisions of various applicable Acts. As confirmed and certified by the management there is no law specifically applicable to the Company based on ceramic sector industry.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards SS – 1 & SS – 2 issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

The following are our observations during the Audit:

- 1. *During the part of the year of 2018-19, the Company did not had a whole time Company Secretary pursuant to Section 203 of the Companies Act, 2013 and Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. However, the Company have a Company Secretary and Compliance officer as on the date of this report.*
- 2. *During the year 2018-19, there was delay in uploading requisite information on the website of the Company. However all the requisite information are available on the website of the Company as on the date of Report.*
- 3. *Pursuant to point 12 of para II of Annexure to the SEBI Circular No. SEBI/HO/ MIRSD/ DOP1/ CIR/ P/ 2018/ 73 dated 20th April, 2018, the Company has yet not taken special efforts to collect copy of PAN, and bank account details of all securities holders holding securities in physical form. The Company is obliged to take special efforts. The Company has placed note for the same in the Annual Report for the year 2017-18.*

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes being carried out in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has duly passed Special Resolution under Section 186 and other applicable provisions of the Companies Act, 2013 at the 26th Annual General Meeting of the members of the Company held on 25th September, 2018.

For KASHYAP R. MEHTA & ASSOCIATES
COMPANY SECRETARIES

KASHYAP R. MEHTA
PROPRIETOR
FCS: 1821
C.O.P. No. 2052
FRN: S2011GJ166500
PR - 583/2019

Place : Ahmedabad
Date : 18th July, 2019

Note: This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.

To,
The Members,
Kush Industries Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For KASHYAP R. MEHTA & ASSOCIATES
COMPANY SECRETARIES

KASHYAP R. MEHTA
PROPRIETOR
FCS: 1821
C.O.P. No. 2052
FRN: S2011GJ166500
PR - 583/2019

Place : Ahmedabad
Date : 18th July, 2019

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN AS ON 31ST MARCH, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(1)	CIN	L17119GJ1992PLC017218
(2)	Registration Date	04-03-1992
(3)	Name of the Company	KUSH INDUSTRIES LIMITED (formerly known as SNS Textiles Limited)
(4)	Category / Sub-Category of the Company	Public Company Limited by Shares
(5)	Address of the registered Office and Contact Details	Plot No.330- A, GIDC, Opp. Atul Products Ltd, Ankleshwar, Dist: Bharuch, Gujarat-393 002
(6)	Whether Listed Company	Yes
(7)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited 506-508, Amarnath Business Centre-1(ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ahmedabad - 380 006 Tel no:(079) 2646 5179 Fax:(079) 2646 5179 Email:ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover
Textiles	13921	59.88%
Ceramics	23939	40.12%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

The Company has no Holding/ Subsidiary/ Associate Company.

IV. SHARE HOLDING PATTERN:

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held as on 1 st April, 2018				No. of Shares held as on 31 st March, 2019				%
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Change during 2018-19
A. Promoters									
(1) Indian									
a) Individual/ HUF	7776379	-	7776379	50.99	7776379	-	7776379	50.99	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	910200	-	910200	5.97	910200		910200	5.97	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	8686579	-	8686579	56.96	8686579	-	8686579	56.96	-

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	15000	-	15000	0.10	15000	-	15000	0.10	-
c) Central Govt	409000	-	409000	2.68	409000	-	409000	2.68	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) VCF	-	-	-	-	-	-	-	-	-
f) Ins. Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign VCF	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	424000	-	424000	2.78	424000	-	424000	2.78	-
2. Non-Institutions									
a) Bodies Corp.	130123	244200	374323	2.45	111195	244200	355395	2.33	(0.12)
b) Individuals									
i) Individuals holding < ` 1,00,000	1412224	942851	2355075	15.44	1429838	942251	2372089	15.50	0.06
ii) Individuals holding > ` 1,00,000	1480597	309500	1790097	11.74	1480298	309500	1789798	11.74	-
c) Others (specify)									
NRIs	54472	1409950	1464422	9.60	54472	1409950	1464422	9.60	-
OCB	-	50000	50000	0.33	-	50000	50000	0.33	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	3170	-	3170	0.02	4183	-	4183	0.03	0.01
Trusts	-	-	-	-	-	-	-	-	-
Others (HUF)	102334	-	102334	0.67	103534	-	103534	0.68	0.01
Sub-total (B)(2):-	3182920	2956501	6139421	40.25	3183520	2955901	6139421	40.21	(0.04)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3606920	2956501	6563421	43.03	3607520	2955901	6563421	42.99	(0.04)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	12293499	2956501	15250000	100.00	12294099	2955901	15250000	100.00	-

ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding as on 01-04-2018			Share holding as on 31-03-2019			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Prashant Virani	1264896	8.29	-	1264896	8.29	-	-
2	Jay Virani	1250300	8.20	-	1250300	8.20	-	-
3	Rasila Virani	1238092	8.12	-	1238092	8.12	-	-
4	Kiranben M. Patel	1179291	7.73	-	1179291	7.73	-	-
5	Vibha Patel	1011600	6.63	-	1011600	6.63	-	-
6	Mansukh K. Virani	1010700	6.63	-	1010700	6.63	-	-
7	Kush Synthetics Pvt. Ltd.	910200	5.97	-	910200	5.97	-	-
8	Dinesh Virani	821500	5.39	-	821500	5.39	-	-
	Total	8686579	56.96	-	8686579	56.96	-	-

iii) Change in Promoters' Shareholding:

There is no change in the Promoters' Shareholding during the year 2018-19.

iv) Shareholding Pattern of top ten Shareholders:

(other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding as on 01-04-2018		Changes during the Year (decrease due to transfer)	Shareholding as on 31-03-2019	
		No. of shares	% of total shares		No. of shares	% of total shares
	Top ten as on 01-04-2018					
1	Gujarat State Financial Corporation	409000	2.68	-	409000	2.68
2	Sandhya S. Batavia	196500	1.29	-	196500	1.29
3	Kesharben Patel	136116	0.89	-	136116	0.89
4	Meenaben Babaria	131500	0.86	-	131500	0.86
5	Radharani Sahu	108200	0.71	(299)	107901	0.71
6	Blue Blends (India) Ltd	100000	0.66	-	100000	0.66
7	Dharmik Himanshubhai Kothari	87500	0.57	-	87500	0.57
8	Darshil Himanshukumar Kothari	87500	0.57	-	87500	0.57
9	Ashita S Batavia	83200	0.55	-	83200	0.55
10	Sandeep S. Batavia	69900	0.46	-	69900	0.46

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding, if any, of each Directors and each Key Managerial Personnel	Shareholding as on 01-04-2018		Changes during the Year	Shareholding as on 31-03-2019	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1.	Mr. Mansukh K. Virani	1010700	6.63	-	1010700	6.63
2.	Mr. Priyesh G. Shah	139574	0.92	-	139574	0.92
3.	Mr. Ranjitsinh A. Parmar	-	-	-	-	-
4.	Ms. Kiran M. Virani	1179291	7.73	-	1179291	7.73
5.	Mr. Dipak S. Patel	-	-	-	-	-

V. INDEBTEDNESS :

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in Lakh)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A.	Indebtedness as on 01-04-2018				
	i) Principal Amount	-	1622.10	-	1622.10
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	-	1622.10	-	1622.10
B.	Change in Indebtedness during 2018-19				
	*Addition	-	3.25	-	3.25
	*(Reduction)	-	(18.00)	-	(18.00)
	Net Change	-	(14.75)	-	(14.75)
C.	Indebtedness as on 31-03-2019				
	i) Principal Amount	-	1607.35	-	1607.35
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	-	1607.35	-	1607.35

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

Executive Director is not drawing any remuneration from the Company.

B. Remuneration to other Directors:

No remuneration is paid to any Director of the Company.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration		
		Dipak S. Patel, CFO	Bhoomi S. Shah, CS*
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 3,65,465/-	Rs. 1,67,500/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	
2.	Stock Option	-	
3.	Sweat Equity	-	
4.	Commission		
	- As % of profit	-	
	- Others, specify	-	
5.	Others, Please specify	-	
	Total	Rs.3,65,465/-	Rs. 1,67,500/-

* Mrs. Bhoomi S. Shah was appointed as Company Secretary w.e.f. 20th July, 2018.

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There are no such Penalties/ Punishment/ Compounding of Offences during the year 2018-19.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
Kush Industries Limited
330-A, GIDC,
Opp. Atul Products,
Ankleshwar,
Bharuch – 393 002

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Kush Industries Limited** having CIN: L17119GJ1992PLC017218 and having registered office at 330-A, GIDC, Opp. Atul Products, Ankleshwar, Bharuch – 393 002 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Ranjitsinh Abhaysinh Parmar	00002613	22-05-1996 [#]
2	Priyesh Gauttambhai Shah	00523312	08-07-1995 [#]
3	Mansukhlal Karsandas Virani	00873403	04-03-1992
4	Kiranben Mansukhlal Virani	07126947	19-03-2015

[#] Appointed as Independent Director of the Company for period of 5 consecutive years w.e.f. 22-09-2014.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KASHYAP R. MEHTA & ASSOCIATES
COMPANY SECRETARIES

KASHYAP R. MEHTA
PROPRIETOR
FCS: 1821
C.O.P. No. 2052
FRN: S2011GJ166500
PR - 583/2019

Place : Ahmedabad
Date : 18th July, 2019

INDEPENDENT AUDITORS' REPORT

To,
The Members of
KUSH INDUSTRIES LIMITED (formerly known as SNS TEXTILES LTD.)

Opinion

We have audited the accompanying standalone financial statements of **Kush Industries Limited** (Earlier Known as SNS Textiles Limited) ("the Company"), which comprise the balance sheet as at 31st March 2019, the statement of profit and loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Auditor's Response
Unsecured loan: The Company has not provided the loan agreement in respect of loans availed from directors and Corporate.	We are unable to form an opinion about the timely repayment of these outstanding debts. However, management is confident for repayment of the said loan.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cashflows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists

related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of The Companies Act 2013, we give in the **"Annexure A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion the aforesaid financial statements comply with Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014,
 - (e) On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our report in **Annexure – 'B'**.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note - Disclosure as required by AS 29 "Provisions, Contingent Liability and contingent Assets" to the financial statements.
 - ii. the Company has not undertaken any long-term contracts including derivative contracts.
 - iii. The Company is not required to transfer any amount to Investor Education and Protection Fund.

Place: Surat
Date : 30th May, 2019

For SNK & Co.,
Chartered Accountants
ICAI Firm Registration No.:109176W
Mihir Gandhi
Partner
Membership No. **125394**

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)

ANNEXURE-A TO THE AUDITOR'S REPORT

Referred to in our Report of even date an annexure on the matters specified in paragraphs 3 and 4 of the CARO on the Statements of Accounts of **Kush Industries Limited (Earlier Known as SNSTextiles Limited)** as at and for the Year ended **March 31, 2019** we report that:

1. Fixed Assets

The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

The company has a regular program of physical verification of fixed assets by the management during the year. The procedure and periodicity of verification in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties other than self-constructed immovable property (buildings), as disclosed in fixed assets to the financial statement, are held in the name of the company except the following:..

Nature of Property	Total number of cases	Name in the Lease / Sale Deed	Gross Block as on 31-03-2019 (₹ in Lakh)	Net Block as on 31-03-2019 (₹ in Lakh)
Leasehold Land	03	Suzlon Fibres Ltd.	34.41	33.45
		Suzler Synthetics Pvt. Ltd.		
Land	01	Suzlon Fibres Ltd.		

The Company was formerly named as Suzlon Fibres Ltd. The name of the Company is however not changed in the title deeds as Kush Industries Ltd, The company has started the process for amending the name by filing necessary applications.

2. Inventory

As explained to us, the physical verification of inventories has been conducted at reasonable intervals by the management. No discrepancies were noticed on physical verification.

3. Loans granted by the company

According to the information and explanations given by the management, the Company has not granted any loans, secured or unsecured to companies. Firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore the Clause 3(iii) of the Companies (Auditor's Report) Order, 2016 is not applicable.

4. Loans, investments, guarantees and security

In our opinion and according to the information and explanations given to us, the company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 and 186 of the Act.

5. Deposits

The Company has not accepted any deposits as per the directive issued by the Reserve Bank of India and as per the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Accordingly, the clause 3 (v) of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.

6. Cost Records

Maintenance of cost records as specified by the Central Government under sub section (1) of section 148 of the Companies act is not applicable to the company. Accordingly, the clause 3(vi) of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.

7. Statutory Dues

According to information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employee's State Insurance, Income Tax, Service tax, sales tax, goods and service tax, excise duty, custom duty and other statutory dues.

According to the information and explanation given to us, there were no outstanding statutory dues as at March 31, 2019 for a period of more than six months from the date they became payable.

According to the information and explanation given to us and the records of the company, there are no dues of provident fund, income tax, central sales tax, VAT, excise duty, service tax, GST and other statutory dues which have not been deposited on account of any dispute except the following-

Name of the Statute	Nature of Dues	Amount under Dispute (₹)	Period to which the amount relates	Forum where dispute is pending	Amount deposited against (₹)
Foreign Trade, 1992	Custom Duty / Export Obligation	Not yet determined	1997-98	Deputy Commissioner of Customs, Raigad, Maharashtra	21,00,000/-
Central Excise Act, 1944	Excise Duty	30,42,620/-	Jul'95 to Feb'97	CESTAT, Mumbai	6,80,000/-
Income Tax Act, 1961	Income Tax	54,49,019/-	AY. 1994-95	ITAT, Ahmedabad	3,84,530/-
Income Tax Act, 1961	Income Tax	18,64,220/-	AY. 1996-97	ITAT, Ahmedabad	—
Sales tax Act, 1969	Sales Tax	3,299,845/-	A.Y. 2001-02	Joint Commissioner Gujarat Value Added Tax Dept.	—

The aforesaid legal disputes and resulting liability in some of the cases does not quantify the amount of interest or penalty vide respective show cause notice or order of the jurisdictional officer, which may increase the liability eventually when the respective cases are finally adjudicated.

8. Repayment of financial dues

In our opinion and according to information and explanations given by the management, the Company has neither borrowed funds from any financial institutions, banks or government, nor it has issued debentures till 31st March, 2019. Consequently, in our opinion, the question of reporting on defaults in repayment of dues to financial institutions, banks, government and debenture holders does not arise.

9. Public Offer:

According to information and explanation given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) or obtained term loans during the year.

10. End use of funds

On the basis of our examination of records and information and explanations given to us the term loans have been applied for the purpose for which they were raised.

11. Fraud

Based on our audit procedure, as per our opinion and according to the information and explanation given by the management, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.

12. Managerial Remuneration

According to the information and explanations given to us and based on our examination of the books and records of the Company, we are of the opinion that the Company has not paid any managerial remuneration during the year under audit and consequently, the requirements of clause 3(xi) of Companies (Auditor's Report) Order, 2016 is not applicable.

13. Nidhi Company

In our opinion and according to the information and explanations given by the management, the Company is not a Nidhi company. Accordingly, Clause 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable.

14. Preferential Allotment of shares/debentures

Based on our audit procedures and as per the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and accordingly the provision of clause 3(xiv) of the CARO is not applicable to the Company.

15. Related party transactions

According to the information and explanations given by the management and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

16. Non-cash transactions

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

17. NBFC company

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For SNK & Co.,
Chartered Accountants
ICAI Firm Registration No.:109176W
Mihir Gandhi
Partner
Membership No. **125394**

Place: Surat
Date : 30th May, 2019

Annexure B: Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **KUSH INDUSTRIES LIMITED (formerly known as SNS TEXTILES LTD.)** as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)

unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Surat
Date : 30th May, 2019

For SNK & Co.,
Chartered Accountants
ICAI Firm Registration No.:109176W
Mihir Gandhi
Partner
Membership No. **125394**

BALANCE SHEET AS AT MARCH 31, 2019

(In `)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant & Equipment	2	1,01,47,315.81	11681723.04
(b) Capital Work-in-Progress	2	-	-
(c) Investment Properties	2	84,847.43	91764.31
(d) Intangible Assets	2	-	-
(e) Financial Assets			
(i) Investments	3	3,24,864.50	248341.25
(ii) Loans and Advances	4	9,44,816.00	789518.00
(f) Deferred Tax Assets (Net)		-	-
(g) Other Non-Current Assets		-	-
		<u>1,15,01,843.74</u>	<u>12811346.60</u>
(2) Current Assets			
(a) Inventories	5	77,40,804.00	12239057.00
(b) Financial Assets			
(i) Loans and Advances	4	-	23000.00
(ii) Trade Receivables	6	87,62,386.00	5338124.00
(iii) Cash and Cash Equivalents	7	7,47,843.14	1370956.78
(iv) Other Bank Balances	8	47,69,113.47	4607420.51
(c) Current Tax Assets (Net)	9	31,04,370.60	3014314.80
(d) Other Current Assets	10	28,82,196.00	2883048.00
(e) Assets held for sale	11	-	2500000.00
		<u>2,80,06,713.21</u>	<u>31975921.09</u>
TOTAL Rs.		<u>3,95,08,556.95</u>	<u>44787267.69</u>
EQUITY AND LIABILITIES			
(1) Equity :			
(a) Equity Share Capital	12	14,84,67,810.14	148467810.14
(b) Other Equity	13	-27,87,79,930.41	-276353378.43
		<u>-13,03,12,120.27</u>	<u>-127885568.29</u>
(2) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	-	-
(ii) Trade payables	15	81,313.22	83831.98
(iii) Other Financial Liabilities		-	-
(b) Provisions	16	-	-
(c) Other Non-Current Liabilities		-	-
		<u>81,313.22</u>	<u>83831.98</u>
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	16,07,35,000.00	162210000.00
(ii) Trade payables	15	80,65,276.00	6435729.00
(iii) Other Financial Liabilities		-	-
(b) Other Current Liabilities	17	2,84,360.00	3000611.00
(c) Provisions	16	6,54,728.00	942664.00
(d) Current Tax Liabilities (Net) / Branch A/c		-	-
		<u>16,97,39,364.00</u>	<u>172589004.00</u>
TOTAL Rs.		<u>3,95,08,556.95</u>	<u>44787267.69</u>

Summary of Significant Accounting Policies 1

The Accompanying Notes are an integral Part of the financial Statements

For and on behalf of SNK & Co.

Chartered Accountants
Firm Regn. No.: 109176W

Mihir D. Gandhi

Partner
Membership No.: 125394Place: Surat
Date : 30th May, 2019

For and on behalf of the Board of Directors

Kiran M. Virani
DirectorDipak S. Patel
CFOPlace: Ankleshwar
Date : 30th May, 2019Mansukh K. Virani
Whole-time DirectorBhoomi Shah
Company Secretary

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Note No.	2018-2019 ([₹])	2017-2018 ([₹])
Income			
Revenue from Operations	18	1,22,97,634.00	12857113.00
Other Income	19	16,32,379.80	2151808.28
Total Revenue Rs.		<u>1,39,30,013.80</u>	<u>15008921.28</u>
Expenses			
Cost of Materials Consumed	20	60,95,798.00	2524954.00
Change in Inventories of Finished Goods / Work in Progress	21	20,09,628.00	-1876478.00
Employee Benefit Expense	22	20,54,806.00	6144129.00
Financial Costs	23	48,879.44	19160.46
Depreciation and Amortization Expense	2	9,57,749.71	1068482.85
Other Expenses	24	52,66,227.61	9453215.84
Total Expenses Rs.		<u>1,64,33,088.76</u>	<u>17333464.15</u>
Profit / (Loss) Before Tax		-25,03,074.96	-2324542.87
Tax Expenses :			
(1) Current Tax		-	-
(2) Deferred Tax Asset/(Liability)		-	-
Profit / (Loss) for the Period		-25,03,074.96	-2324542.87
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		76,523.25	81536.25
(ii) Income tax relating to items that will not be reclassified to profit or loss			
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total Other Comprehensive Income		76,523.25	81536.25
Total Comprehensive Income for the period		-24,26,551.71	-2243006.62
Earnings per equity share			
- Basic			
- Diluted			
Weighted average number of shares outstanding			

For and on behalf of SNK & Co.

Chartered Accountants
Firm Regn. No.: 109176W

Mihir D. Gandhi

Partner
Membership No.: 125394

Place: Surat
Date : 30th May, 2019

For and on behalf of the Board of Directors

Kiran M. Virani
Director

Dipak S. Patel
CFO

Place: Ankleshwar
Date : 30th May, 2019

Mansukh K. Virani
Whole-time Director

Bhoomi Shah
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2019

	For the year ended 31-3-2019 Amount in `	For the year ended 31-3-2018 Amount in `
A Cash Flow from Operating Activities		
Profit before tax	(25,03,075)	(23,24,543)
Add: <u>Adjustment for:</u>		
Deferred tax	-	-
Finance cost	13,679	14,904
Loss on sale of Assets	-	46,846
Profit on Sale of Asset	(1,16,426)	(2,38,020)
Depreciation	9,57,750	10,68,483
	<u>8,55,003</u>	<u>8,92,213</u>
Less: <u>Adjustment for:</u>		
Other Income	15,15,954	19,13,789
	<u>15,15,954</u>	<u>19,13,789</u>
Operating profit before working capital changes	<u>(31,64,026)</u>	<u>(33,46,118)</u>
Add: <u>Adjustment for:</u>		
Increase in Trade Payable	16,27,028	50,74,097
Increase in Other Current Liabilities	(27,16,251)	22,49,608
Increase/(Decrease) in Short Term Provisions	(2,87,936)	(3,50,999)
Increase/(Decrease) in Short term loans and advances	23,000	1,43,000
(Increase)/Decrease in Current tax assets	(90,056)	(1,92,848)
(Increase)/Decrease in other current assets	852	4,50,152
(Increase)/Decrease in Inventories	44,98,253	(82,24,840)
(Increase)/Decrease in Assets held for Sale	25,00,000	(20,88,020)
(Increase)/Decrease in trade receivable	<u>(34,24,262)</u>	<u>(35,58,697)</u>
	<u>21,30,628</u>	<u>(64,98,547)</u>
Cash generated from operation	<u>(10,33,397)</u>	<u>(98,44,665)</u>
Less: Provision for tax	-	-
Net cash from Operating Activities (A)	<u>(10,33,397)</u>	<u>(98,44,665)</u>
B CASH FROM INVESTING ACTIVITIES		
Dividend		
Interest Income	15,15,954	19,13,789
Purchase of Fixed Assets	-	(32,42,963)
Decrease/(Increase) in Loan and Advances	(1,55,298)	-
Sales of Fixed Assets	7,00,000	36,94,911
Net cash used in Investing Activities (B)	<u>20,60,656</u>	<u>23,65,736</u>
C CASH FROM FINANCING ACTIVITIES		
Increase in Borrowings	(14,75,000)	76,80,000
Interest Expense	(13,679)	(14,904)
Net cash used in Financing Activities (C)	<u>(14,88,679)</u>	<u>76,65,096</u>
Net increase in cash & cash equivalents (A)+(B)+(C)	(4,61,421)	1,86,167
Cash and cash Equivalents at beginning of period	59,78,377	57,92,211
Cash and cash Equivalent at end of period	55,16,957	59,78,377
	(4,61,421)	1,86,167

For and on behalf of SNK & Co.

Chartered Accountants

Firm Regn. No.: 109176W

Mihir D. Gandhi

Partner

Membership No.: 125394

Place: Surat

Date: 30th May, 2019

For and on behalf of the Board of Directors

Kiran M. Virani

Director

Dipak S. Patel

CFO

Place: Ankleshwar

Date: 30th May, 2019**Mansukh K. Virani**

Whole-time Director

Bhoomi Shah

Company Secretary

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)

**STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED
MARCH 31, 2019 AND MARCH 31, 2018**

EQUITY SHARE CAPITAL

Balance as at April 1, 2017	Changes in the equity share capital during the year	Balance as at March 31, 2018	Changes in the equity share capital during the year	Balance as at March 31, 2019
14,84,67,810	-	14,84,67,810	-	14,84,67,810

OTHER EQUITY

	Capital Reserve	Other Equity Securities Premium Reserve	Retained Earnings	Equity Instruments through OCI	Total
Balance as at April 1, 2016	68,71,400	3,83,40,304	(30,65,95,432)	43,871	(26,13,39,856)
Changes in accounting policy or prior period errors					
Restated balance as at April 1, 2015					
Total Comprehensive Income for the year			(1,28,25,274)	54,759	(1,27,70,515)
Dividends					
Opening depreciation					
Excess/(short) Provision for Tax of earlier years					
Balance as at March 31, 2017	68,71,400	3,83,40,304	(31,94,20,705)	98,630	(27,41,10,371)
Balance as at April 1, 2017	68,71,400	3,83,40,304	(31,94,20,705)	98,630	(27,41,10,371)
Total Comprehensive Income for the year			(23,24,543)	81,536	(27,41,10,371)
Reserve on redemption of preference shares					
Excess/(short) Provision for Tax of earlier years					
Balance as at March 31, 2018	68,71,400	3,83,40,304	(32,17,45,248)	1,80,166	(27,63,53,378)
Balance as at April 1, 2018	68,71,400	3,83,40,304	(32,17,45,248)	1,80,166	(27,63,53,378)
Total Comprehensive Income for the year			(25,03,075)	76,523	(27,63,53,378)
Reserve on redemption of preference shares					
Excess/(short) Provision for Tax of earlier years					
Balance as at March 31, 2019	68,71,400	3,83,40,304	(32,42,48,323)	2,56,690	(27,87,79,930)
For and on behalf of SNK & Co.			For and on behalf of the Board of Directors		
<i>Chartered Accountants</i>					
Firm Regn. No.: 109176W					
Mihir D. Gandhi			Kiran M. Virani		
Partner			Director		
Membership No.: 125394			Dipak S. Patel		
Place: Surat			CFO		
Date : 30 th May, 2019			Place: Ankleshwar		
			Date : 30 th May, 2019		
			Mansukh K. Virani		
			Whole-time Director		
			Bhoomi Shah		
			Company Secretary		

1. SIGNIFICANT ACCOUNTING POLICIES:**CORPORATE INFORMATION:**

Kush Industries Limited (formerly known as SNS Textiles Limited) was incorporated on 04.03.1992 having CIN L17119GJ1992PLC017218 is the listed entity incorporated in India. The registered office of the Company is located at 330-A, GIDC, Opp. Atul Products, Ankleshwar, Bharuch. 393002. The Company is engaged in the business of weaving and ceramics.

A. SIGNIFICANT ACCOUNTING POLICIES:**a) Basis of Preparation and measurement:**

These financial statements have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

These financial statements have been prepared on a historical cost convention on the accrual basis, except for certain financial assets and liabilities measured at fair value. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

These financial statements are presented in Indian Rupees, which is also its functional currency and all values are rounded to the nearest rupee, except when otherwise indicated.

b) Property, Plant and Equipment:

Property, plant and equipment (PPE) are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Expenses incurred relating to PPE during its development stage prior to its intended use are disclosed under Capital Work-in-Progress.

Depreciation on PPE is provided using written down value method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Useful life of PPE is as prescribed under Schedule II of the Companies Act 2013

Freehold land is not depreciated.

Depreciation is not charged on capital work-in-progress until construction and installation is complete and the PPE is ready for its intended use.

Gains or losses arising from derecognition of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The residual values and useful lives of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

c) Investment Property:

Investment property includes property (land or building or both), to earn rentals or for capital appreciation or both, but not for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment property is measured at cost less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, transaction costs and any directly attributable

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)

expenditure. Investment property is recognized only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation on investment property is provided using written down value method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Gains or losses arising from derecognition of investment property are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The residual values and useful lives of investment property are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) Leases:

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

e) Assets held for Sale:

Non-current assets or disposal groups comprising of assets and liabilities, which are retired from active use, are classified as 'held for sale' when all of the following criteria are met:

- decision has been made to sell
- the assets are available for immediate sale in its present condition
- the assets are being actively marketed and
- sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

f) Borrowing Costs:

Borrowing cost includes interest, ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

g) Revenue Recognition:

Effective April 1, 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations.

The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc.

Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Our customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations. (FOR JOBWORK)

Interest income is recognized using the effective interest rate (EIR) method.

Dividend income on investments is recognised when the right to receive dividend is established.

h) Taxes:

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to an item which is recognized directly in equity or in other comprehensive income. In which case, the tax is also recognised in equity or other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest income/expenses and penalties, if any, related to income tax are included in current tax expense.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

i) Fair Value Measurement:

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible by the Company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by

re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

j) Inventories:

Inventories were valued at cost and each year reasonable price is reduced for providing for decline in Net Realizable Values. Items of inventories are measured at lower of cost and net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

k) Earnings per share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

l) Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

m) Financial Instruments

I. Financial Assets:

a. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

b. Subsequent measurement

i. Financial assets carried at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and

the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At present the Company does not have investment in any debt securities classified as FVOCI.

On initial recognition of an equity investment that is not held for trading, the Company has irrevocably elected to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment by investment basis.

iii. Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

c. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Other Comprehensive Income.

d. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

II. Financial Liabilities:

a. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

b. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

III. Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when contractual obligation is discharged or cancelled or expires.

n) Impairment of Non-Financial Assets

The Company assesses at each reporting date as to whether there is any indication that any non-financial asset or group of assets, called cash generating units (CGU) may be impaired.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/CGU is made. Asset/CGU whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit.

The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount i.e. an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

o) Employee Benefits:

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Company makes specified monthly contributions towards government administered employees' provident fund and state insurance schemes. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

The company also makes contribution for gratuity and superannuation benefits, which are covered by policies taken with the LIC. The premium paid under these schemes is charged to profit and loss on actual payment basis when the related services are rendered by employees.

Short-term and long-term compensated absences (leave encashment) are provided for on the basis of an actuarial valuation, using projected unit credit method, as at each balance sheet date. Actuarial losses are taken to the statement of profit and loss and are not deferred.

B. USE OF ESTIMATES AND CRITICAL JUDGEMENTS:

The preparation of financial statements requires the management to make judgements, estimates and assumptions in the application of accounting policies that may affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of financial statements and reported amounts of income and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the amounts recognized in the standalone financial statements is included in the following notes:

1. Note-2 - Identification of the land and/or building is an investment property
2. Note-2– Depreciation/Amortisation and useful lives of property plant and equipments
3. Note-16& 29 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (contingent liabilities)
4. **Impairment of Non-Financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

C. Standards issued but not yet effective

The MCA has carried out amendments to the following accounting standards. These amendments shall be applicable to the Company from April 01, 2019:

- (a) Amendments to Ind AS 116, Leases
- (b) Appendix C to Ind AS 12, Income taxes
- (c) Amendments to Ind AS 103, Business Combinations
- (d) Amendments to Ind AS 109, Financial Instruments
- (e) Amendments to Ind AS 111, Joint Arrangements
- (f) Amendments to Ind AS 19, Employee Benefits
- (g) Amendments to Ind AS 23, Borrowing Costs
- (h) Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Application of above standards are not expected to have any significant impact on the Company's Financial Statements

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)

Note no - 2 : PROPERTY, PLANT AND EQUIPMENTS

(Amount in ₹)

No. Particulars	G R O S S B L O C K				D E P R E C I A T I O N				N E T B L O C K		
	Deemed Cost as on 01-04-18	Addi- tion	Deduction	As on 31-03-19	As on 01-04-18	Deduc- tion	Other Adjust- ments	for the Year	As on 31-03-19	As on 01-04-18	As on 31-03-19
(i) Tangible Assets:											
1 Free Hold Land	9,33,891.06	-	-	9,33,891.06	-	-	-	-	-	9,33,891.06	9,33,891.06
Lease Hold Land	25,07,256.86	-	-	25,07,256.86	63,940.34	-	-	31,970.17	95,910.51	24,43,316.52	24,11,346.35
2 Buildings	58,55,889.27	-	-	58,55,889.27	12,10,657.92	-	-	6,05,328.96	18,15,986.88	46,45,231.35	40,39,902.39
3 Plant and Machinery	38,72,948.40	-	6,04,927.90	32,68,020.50	3,29,434.76	21,353.77	-	3,08,081.54	6,16,162.52	35,43,513.64	26,51,857.98
4 Furniture & Fixtures	9,017.39	-	-	9,017.39	-	-	-	-	-	9,017.39	9,017.39
5 Office Equipment	1,14,667.22	-	-	1,14,667.22	10,904.30	-	-	5,452.15	16,356.45	1,03,762.92	98,310.77
6 Vehicles	2,990.20	-	-	2,990.20	-	-	-	-	-	2,990.20	2,990.20
(A)	1,32,96,660.39	-	6,04,927.90	1,26,91,732.49	16,14,937.32	21,353.77	-	9,50,832.82	25,44,416.37	1,16,81,723.07	1,01,47,316.12
Buildings	1,05,598.38	-	-	1,05,598.38	13,833.76	-	-	6,916.88	20,750.65	91,764.62	84,847.74
(B)	1,05,598.38	-	-	1,05,598.38	13,833.76	-	-	6,916.88	20,750.65	91,764.62	84,847.74
Total (A+B)	1,34,02,258.77	-	6,04,927.90	1,27,97,330.87	16,28,771.09	21,353.77	-	9,57,749.70	25,65,167.02	1,17,73,487.69	1,02,32,163.86

Note: Leasehold land includes land taken on operating lease which is to be written off in 99 years.

NOTES TO THE FINANCIAL STATEMENTS

Particulars	SCH. Note No.	As at March 31, 2019	As at March 31, 2018
Non-Current Investments	3		
Investments measured at Cost	No. of Shares		
<u>Equity Instruments - Unquoted:*</u>			
Gujarat Narmada Knitwear Ltd			
(Partly Paid Up) To 330 31.03.19	500	500.00	500.00
Shri Bhagwati Bright Bars Ltd			
(Fully Paid Up) To 330 31.03.19	3,900	3,900.00	3,900.00
Surat Peoples Co.Op.Bank Ltd. To 330 31.03.19	129	12,900.00	12,900.00
Total Investments Measured at Cost		<u>17,300.00</u>	<u>17,300.00</u>
* Costs of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.			
Investments measured at Fair value			
Through Other Comprehensive Income			
<u>Equity Instruments - Quoted</u>			
Fairdeal Filaments Ltd. To 330 31.03.19	2,700	2,79,720.00	1,83,600.00
Oversease Synthetics Ltd. To 330 31.03.19	4,375	16,274.50	38,281.25
Orintel Bank of Commerce To 330 31.03.19	100	11,570.00	9,160.00
Total Investments Measured at FVOCI		<u>3,07,564.50</u>	<u>2,31,041.25</u>
Total		<u>3,24,864.50</u>	<u>2,48,341.25</u>
Long-Term Loans and Advances	4		
Non-Current:			
Security Deposit Given		9,44,816.00	7,89,518.00
Total		<u>9,44,816.00</u>	<u>7,89,518.00</u>
Current:			
Advance to Supplier		-	23,000.00
Total		<u>-</u>	<u>23,000.00</u>
Inventories	5		
Raw Material		34,20,550.00	60,65,008.00
Work in Process		34,992.00	34,992.00
Semi Finished Goods		-	-
Finished Stock		25,81,933.00	45,91,561.00
Stores & Spares		17,03,329.00	15,47,496.00
Total		<u>77,40,804.00</u>	<u>1,22,39,057.00</u>

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)

Particulars	SCH. Note No.	As at March 31, 2019	As at March 31, 2018
Trade Receivables	6		
Unsecured and Considered good		87,62,386.00	53,38,124.00
Unsecured and Considered doubtful		-	-
Less: Allowance for Expected Loss		-	-
Total		87,62,386.00	53,38,124.00
Receivables from related parties		1,54,228.00	47,147.00
Receivables from Others Parties		-	-
Receivables from Others		86,08,158.00	52,90,977.00
		<u>87,62,386.00</u>	<u>53,38,124.00</u>
Cash and Cash Equivalents	7		
Cash on hand		43,683.00	32,568.00
Balance with Bank			
- in Current A/c.		7,04,160.14	13,38,388.78
Total		7,47,843.14	13,70,956.78
Other Bank Balances	8		
Margin Money Deposits		21,86,830.37	21,79,624.91
Fixed Deposits		25,82,283.10	24,27,795.60
Total		47,69,113.47	46,07,420.51
Current Tax Assets (Net)	9		
Advance Income Tax		31,04,370.60	30,14,314.80
Total		31,04,370.60	30,14,314.80
Other Current Assets	10		
Balance with Customs, Central Excise Authorities, etc		27,80,000.00	27,80,000.00
GST / VAT Receivable		-	8,495.00
Interest Receivable on GEB Deposit		41,704.00	45,040.00
Prepaid Expenses		60,492.00	49,513.00
PPE held for sale		-	-
Total		28,82,196.00	28,83,048.00
	11		
Assets held for sales			
Plant and machineries held for sales		-	25,00,000.00
Total		-	25,00,000.00

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Particulars	SCH. Note No.	As at March 31, 2019	As at March 31, 2018
SHARE CAPITAL	12		
1. Authorised Share Capital			
2,50,00,000 Equity Shares of Rs.10/- each		25,00,00,000.00	25,00,00,000.00
Total		25,00,00,000.00	25,00,00,000.00
Issued, Subscribed and Paid up Share Capital			
1,52,50,000 Equity Shares of Rs.10/- each Fully Paid Up		15,25,00,000.00	15,25,00,000.00
Less: Calls in Arrears		-40,32,189.86	-40,32,189.86
Total		14,84,67,810.14	14,84,67,810.14

Out of above issued, subscribed and paid up share capital 27,00,000 Equity shares of Rs.10/- each fully paid were issued for consideration otherwise than in Cash.

The reconciliation of the numbers of shares outstanding	As at March 31, 2019 No of Shares	As at March 31, 2018 No of Shares
Equity Shares of the beginning of the year	1,52,50,000	1,52,50,000
Add : Equity Share Issue	-	-
Less : Equity Share bought back	-	-
Equity Shares of the end of the year	1,52,50,000	1,52,50,000

Shares held by each shareholder holding more than 5 % shares specifying the number of shares held

Prashant Virani	12,64,896	12,64,896
Jay Virani	12,50,300	12,50,300
Rashila Virani	12,38,092	12,38,092
Kiran M. Patel	11,79,291	11,79,291
Vibha Patel	10,11,600	10,11,600
Mansukh K Patel	10,10,700	10,10,700
Kush Synthetics Pvt Ltd	9,10,200	9,10,200
Dinesh Virani	8,21,500	8,21,500

Particulars	SCH. Note No.	As at March 31, 2019	As at March 31, 2018
Other Equity	13		
Capital Reserves		68,71,400.00	68,71,400.00
Security Premium Reserves		3,83,40,303.78	3,83,40,303.78
Surplus / Deficit (Profit and Loss)		-24,19,18,644.61	-32,17,45,248.45
Reserves & Surplus (Ind As Effect as on 1.4.17)		-8,21,49,512.83	-8,22,48,142.83
Other Comprehensive Income		76,523.25	1,80,166.25
Total		-27,87,79,930.41	-35,86,01,521.25

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)

Particulars	SCH. Note No.	As at March 31, 2019	As at March 31, 2018
Borrowings	14		
Non Current		-	-
Total		-	-
Current:			
Inter Corporate Deposits from Companies (Repayable on Demand)		13,32,50,000.00	13,32,50,000.00
From Promoters Group (Repayable on Demand)		2,74,85,000.00	2,89,60,000.00
Total		16,07,35,000.00	16,22,10,000.00
From Promoters Group			
Kiranben M. Virani		-	18,00,000.00
Mansukh K. Virani		2,42,05,000.00	2,38,80,000.00
Patel Family Total Rs.		2,42,05,000.00	2,56,80,000.00
Ranjitsinh A. Parmar		32,80,000.00	32,80,000.00
Parmar Family Total Rs.		32,80,000.00	32,80,000.00
Trade Payables	15		
Non Current:			
Payable for Capital Goods		49,899.00	49,899.00
Provision for Employee Retirement Benefits		31,414.22	33,932.98
Total		81,313.22	83,831.98
Current:			
Payables for Expenses		80,65,276.00	64,35,729.00
Total		80,65,276.00	64,35,729.00
Provisions	16		
Non Current		-	-
Total		-	-
Current:			
Retirement Benefits		-	-
Provision Leave		2,79,720.00	2,36,281.00
Provision for Employee Benefits		5,50,534.00	5,05,541.00
Provision for Expenses		1,04,194.00	4,37,123.00
Total		6,54,728.00	9,42,664.00
Other Current Liabilities	17		
Advance received from Customer		2,808.00	29,77,135.00
Statutory Liabilities		2,81,552.00	23,476.00
Total		2,84,360.00	30,00,611.00

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Particulars	SCH. Note No.	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Revenue from Operations	18		
Sales of Products		1,17,18,542.00	71,79,308.00
Sales of Service / Job Work Income		5,79,092.00	56,77,805.00
Total		<u>1,22,97,634.00</u>	<u>1,28,57,113.00</u>
Other Income	19		
Dividend Income		3,712.50	5,062.50
Interest Income (Others)		3,24,298.06	3,14,303.51
Balances Written Back		10,016.00	8,50,346.00
Rent Income		10,54,028.00	5,83,627.00
Interest on Income Tax Refund		-	11,032.90
Other Non Operating Income		2,10,856.24	3,87,436.37
Previous Year Income		29,469.00	-
Total		<u>16,32,379.80</u>	<u>21,51,808.28</u>
Cost of Material Consumed	20		
Raw Material			
Opening Stock		60,65,008.00	12,64,142.00
		60,65,008.00	12,64,142.00
Add:- Purchases Plus Freight & Forwarding		34,51,340.00	73,25,820.00
		95,16,348.00	85,89,962.00
Less:- Sales		-	-
Less:- Closing Stock		34,20,550.00	60,65,008.00
		34,20,550.00	60,65,008.00
Raw Material Consumed Total		<u>60,95,798.00</u>	<u>25,24,954.00</u>
Increase/(Decrease) in Stock	21		
Opening stock:			
Work in Progress		34,992.00	34,992.00
Finished goods		45,91,561.00	27,15,083.00
		46,26,553.00	27,50,075.00
Less : Closing Stock:			
Work in Progress		34,992.00	34,992.00
Semi Finished goods		-	-
Finished goods		25,81,933.00	45,91,561.00
		26,16,925.00	46,26,553.00
Increase/(Decrease) in Stock		<u>20,09,628.00</u>	<u>-18,76,478.00</u>
Employee Benefit Expenses	22		
Salaries and Wages		17,21,520.00	54,23,789.00
Contribution to PF,FPF,ESI and Others Funds		1,27,704.00	3,26,017.00
Staff Welfare Expenses		7,504.00	16,988.00
Leave Wages		44,976.00	91,010.00
Staff Ex-Gratia		12,501.00	33,026.00
Bonus Expenses		68,409.00	1,59,293.00
Gratuity Expenses		72,192.00	94,006.00
Total		<u>20,54,806.00</u>	<u>61,44,129.00</u>

KUSH INDUSTRIES LIMITED
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Particulars	SCH. Note No.	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Financial Cost	23		
Bank Charges / Interest Expenses		48,879.44	19,160.46
Total		<u>48,879.44</u>	<u>19,160.46</u>
Others Expenses	24		
Consumption of Stores and Spares Parts		22,44,570.00	5,17,476.00
Power and Fuel		6,97,695.00	44,50,188.00
Land Revenue Charges		55,672.00	77,135.00
Insurance		69,381.61	1,22,091.40
Rate and Taxes, Excluding Taxes on Income		-	-
Miscellaneous Expenses		21,98,909.00	33,49,434.66
Impairment loss on PPE held for sale		-	9,36,890.78
Total		<u>52,66,227.61</u>	<u>94,53,215.84</u>
Other Expenses - Miscellaneous Expenses			
Manufacturing and Other Expenses			
Beam Pieseing Exps		-	61,400.00
Factory Expenses		31,909.00	47,599.00
Freight		7,920.00	33,934.00
Job Charges (Manufacturing)		1,68,590.00	2,10,805.00
Repairs & Maintenance - Others (Factory)		2,27,989.00	1,95,529.00
Water Charges (Factory)		48,452.00	1,26,028.00
Testing Expenses		7,250.00	8,050.00
Total		<u>4,92,110.00</u>	<u>6,83,345.00</u>
Administrative and Other Expenses			
Angadia Exps		17,251.00	30,457.00
Audit Fees		50,000.00	50,000.00
Canteen Expenses		36,615.00	1,07,088.00
Consultancy Charges		3,09,628.00	3,62,604.00
Conveyance Expenses		48,008.00	59,129.00
Legal and Professional Charges		3,56,462.00	4,08,786.00
Notified Area Tax		4,97,621.00	3,99,368.00
Office Expenses		41,134.00	34,979.00
Postage Expenses		342.00	320.00
Professional Tax		2,500.00	2,500.00
Stationery and Printing Expenses		40,993.00	74,288.00
Telephone Expenses		21,000.00	25,755.00
Travelling Expenses		9,107.00	37,927.00
Vehicle Repairs		7,160.00	14,282.00
Interest Exps (Misc)		-	6,395.00
Service Tax		-	383.00
Loss on Sale of Assets		-	46,845.66
Total		<u>14,37,821.00</u>	<u>16,61,106.66</u>

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Particulars	SCH. Note No.	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Selling and Distribution Expenses			
Advertisement Expenses		31,523.00	29,434.00
Freight and Forwarding Charges		-	26,740.00
Packing Expenses (Other than Basic Packing)		2,37,446.00	9,38,417.00
Sales Promotion Expenses		-	10,389.00
Kasar / Vataav		9.00	3.00
Total		2,68,978.00	10,04,983.00

25. Earning Per Share :

Particulars	31-Mar-2019	31-Mar-2018
Net Profit/loss for calculation of Basic & Diluted EPS	(24,26,552)	(22,43,007)
Number of Equity shares (excluding calls in arrears)	1,48,46,781	1,48,46,781
Basic & Diluted earnings per share	(0.16)	(0.15)
[Nominal Value of shares Rs. 10 each (Previous year Rs.10 each)]		

26. Employee Benefits :

Particulars	Amount (₹) 31.03.2019	Amount (₹) 31.03.2018
a. Present Value of defined Benefit Obligation		
- Wholly Funded	—	—
- Wholly unfunded	5,65,042	11,59,988
Less : Fair value of Plan Assets	—	—
Amount to be recognized as liability or (Assets)	5,65,042	11,59,988
Amount reflected in Balance Sheet		
- Liability	6,43,318	6,79,325
b. Amounts recognized in Profit & Loss Account:		
1. Current Service Cost	31,953	77,771
2. Interest Cost	43,678	83,519
3. Expected Return on Plan Assets	(49,889)	(92,775)
4. Actuarial Losses/(Gains)	8,111	(2,113)
Total included in "Payments to and Provision for Employees"	33,853	66,402
c. Changes in present value of defined benefit obligation representing reconciliation of opening & closing balances thereof are as follows:		
Opening value of present value of defined benefit obligation	5,65,042	11,59,988
Add: Current Service Cost	31,953	77,771
Add: Interest cost	43,678	83,519
Add: Contribution made	-	-
Actuarial Losses (gains)	8,111	(2,113)
Less: Benefits paid	-	-
Closing value of present value of defined benefit obligation	5,40,587	5,65,042

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)

Particulars	Amount (₹) 31.03.2019	Amount (₹) 31.03.2018
d. Principal Actuarial Assumptions at the Balance Sheet Date (expressed as Weighted Averages):		
Discount Rate (p. a.)	7.77%	7.73%
Expected Rate of Return on Assets (p. a.)	7.77%	7.73%
Proportion of employees opting for early retirement		
Annual increase in Salary costs	6.00%	6.00%
Future changes in maximum state health care benefits	-	-
e. Movement in Net Liability recognized in Balance Sheet:		
Net opening liability	(80,350)	(1,28,549)
P & L Charge	41,742	74,591
Benefits paid		
Employer's Contribution	(32,709)	(26,392)
Closing net liability	(71,317)	(80,350)

* The estimate of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factor, such as supply of and demand in the market.

27. Segment wise Reporting of Revenue, Results and Capital Employed

(Rs. in lakhs)

Particulars	Year ended on 31-03-2019	Year ended on 31-03-2018
1. Segment Revenue		
(a) Segment – Weaving	73.64	114.40
(b) Segment – Ceramics	49.34	19.20
Total	122.98	133.60
Less: Inter Segment Revenue		
Net sales/Income From Operations	122.98	133.60
2. Segment Results		
(a) Segment – Weaving	(5.66)	(5.62)
(b) Segment – Ceramics	(18.11)	(16.62)
Total	(23.77)	(22.24)
Less:		
i) Interest / Finance Charges	0.49	0.19
ii) Other Un-allocable Expenditure net off	-	-
iii) Un-allocable income	-	-
Total Profit / (Loss) Before Tax	(24.26)	(22.43)
3. Capital Employed (Segment assets – Segment Liabilities)		
(a) Segment – Weaving	(1184.22)	(1178.39)
(b) Segment – Ceramics	(118.09)	(99.63)
Total	(1302.31)	(1278.02)

28. Related Party Disclosures:

Disclosure required as per AS-18 (to the extent applicable) issued by the ICAI in respect of related party is as under:

List of related parties where control exists and related parties with whom transactions have taken place and relationship.

Name of Related Party along with Relationship	Nature of Transactions	2018-19		2017-18	
		Amount (in `)	Year end Balance (in `)	Amount (in `)	Year end Balance (in `)
- Suzlon Global Services Ltd.	Service Charges written off	-	NIL	4,81,674	NIL
- Suzlon Energy Ltd.	Rent Income	5,15,424	1,54,228 Dr.	4,71,933	47124 Dr.
	Maintenance	32,838		32,837	
Relative of Key Managerial Personnel					
- Ranjitsinh A. Parmar	Unsecured Loan	-	32,80,000 Cr.	-	32,80,000 Cr.
- Director					
Kiran Virani	Unsecured Loan	18,00,000	NIL	-	18,00,000
- Mansukh K. Patel	Unsecured Loan	3,25,000	2,42,05,000 Cr.	76,80,000	2,38,80,000 Cr.
Chief Financial Officer					
- Dipak S. Patel	Salary	3,65,465	NIL	3,35,765	NIL
Company Secretary					
Bhoomi Shah	Salary	1,67,500	NIL	-	-

29. Disclosure as required by AS 29 "Provisions, Contingent Liability and contingent Assets" in respect of provisions as at 31st March, 2019:

- Uncalled liability on partly paid up Shares Rs. 2500 (P.Y. Rs.2500).
- Excise matters under appeal Rs. 30.43 Lacs (P.Y. Rs. 30.42 lacs)
- Sales Tax matter under appeal Rs. 33.00 Lacs (P.Y. Rs. 33.00 Lacs)
- Income Tax disallowance, matter pending under appeal Rs. 18.64 Lacs (P.Y Rs.18.64 Lacs)
- Income Tax disallowance, matter pending under appeal Rs. 50.64 Lacs (P.Y Rs. 50.64 Lacs)
- The Company has imported certain Plant and Machinery at concessional rate of custom duty under Export promotion Capital Goods (EPCG) scheme. The unit has been granted license for pre-decided export obligation. As such, the liability that may arise for non-fulfillment of export obligation is currently non ascertainable. The said matter is pending with Deputy Commissioner of Customs, Raigad, Maharashtra.

30. Financial Instruments:

Fair Value Measurement hierarchy

As at March 31, 2019

Particulars	FVTPL	FVTOCI	Amortised cost	Level 1	Level 2
Investments		3,24,865		3,24,865	
Loans and Advances			9,44,816		
Trade Receivables			87,62,386		
Cash and Cash Equivalents			7,47,843		
Other Bank Balances			47,69,113		
Total Financial Assets	-	3,24,865	1,52,24,158	3,24,865	-
Trade payables			81,46,589		
Borrowings			16,07,35,000		
Total Financial Liabilities	-	-	16,88,81,589	-	-

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)

As at March 31, 2018

Particulars	FVTPL	FVTOCI	Amortised cost	Level 1	Level 2
Investments		2,48,341		2,48,341	
Loans and Advances			8,12,518		
Trade Receivables			53,38,124		
Cash and Cash Equivalents			13,70,957		
Other Bank Balances			46,07,421		
Total Financial Assets	-	2,48,341	1,21,29,019	2,48,341	-
Trade payables			65,19,561		
Borrowings			16,22,10,000		
Total Financial Liabilities	-	-	16,87,29,561	-	-

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Company has not undertaken any transactions denominated in foreign currency and therefore, there is no foreign currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Borrowings of the company are interest free and therefore, there is no interest rate risk.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk primarily trade receivables and other financial assets including deposits with banks.

Other financial assets

This comprises mainly of deposits with banks and other receivables. Credit risk arising from these financial assets is limited and there is no collateral held against these because the counterparties are group companies and banks.

For and on behalf of SNK & Co.

Chartered Accountants

Firm Regn. No.: 109176W

Mihir D. Gandhi

Partner

Membership No.: 125394

Place: Surat

Date : 30th May, 2019

For and on behalf of the Board of Directors

Kiran M. Virani

Director

Dipak S. Patel

CFO

Place: Ankleshwar

Date : 30th May, 2019

Mansukh K. Virani

Whole-time Director

Bhoomi Shah

Company Secretary

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)
[CIN : L17119GJ1992PLC017218]

Registered Office & Works:

Plot No. 330-A, GIDC, Opp. Atul Products Ltd., Ankleshwar – 393 002, Dist: Bharuch (Gujarat)

FORM MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and
Rule 19(3) of the Companies (Management and Administration) Rules, 2014]]

Name of the member (s):	
Registered Address:	
Email Id:	
Folio No./ DPID-Client ID:	

I/We, being the member (s) of Shares of the above named Company, hereby appoint:

1. Name:.....
Address:.....
.....
Email Id: Signature: or failing him
2. Name:.....
Address:.....
.....
Email Id: Signature:

as my/ our proxy to attend and vote for me as me/us and on my/ our behalf at the 27th Annual General Meeting of the Company, to be held on Wednesday, the 25th September, 2019 at 1:00 p.m. at the Registered Office of the Company at Plot No. 330- A, GIDC, Opp. Atul Products Ltd, Ankleshwar, Dist: Bharuch, Gujarat – 393 002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional	
		For	Against
Ordinary Business			
1	Ordinary Resolution for adoption of the Audited Financial Statements of the Company for the financial year ended 31 st March, 2019, the reports of the Board of Directors and Auditors thereon.		
2	Ordinary Resolution for re-appointment of Mrs. Kiran M. Virani, liable to retire by rotation and being eligible, offers herself for re-appointment		
Special Business			
3	Special Resolution for re-appointment of Mr. Ranjitsinh A. Parmar as an Independent Director of the Company.		
4	Special Resolution for re-appointment of Mr. Priyesh G. Shah as an Independent Director of the Company.		
5	Special Resolution for re-appointment of Mr. Mansukh K. Virani as Whole Time Director of the Company.		

Signed this day of 2019

Signature of Shareholder

Signature of Proxy holders (1).....(2).....

Affix
Revenue
Stamp
here

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Route Map for Annual General Meeting



KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)
[CIN : L17119GJ1992PLC017218]

Registered Office & Works:

Plot No. 330-A, GIDC, Opp. Atul Products Ltd., Ankleshwar – 393 002, Dist: Bharuch (Gujarat)

FORM MGT-12

ATTENDANCE FORM/ BALLOT FORM

**(TO BE USED BY SHAREHOLDERS PERSONALLY PRESENT/THROUGH PROXY AT THE MEETING
AND HAVE NOT OPTED FOR E-VOTING)**

1	Name and address of the Sole/ First named Shareholder	
2	Name(s) of the Joint Holder(s) (if any)	
3	Registered Folio No./ DPID-Client ID	
4	Number of Shares(s) held	
5	I/We hereby exercise my/our attendance/ vote(s) in respect of the Resolutions set out in the Notice of 27 th Annual General Meeting (AGM) of the Company to be held on Wednesday, 25 th September, 2019, by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below:	

Resolution No.	Resolutions	No. of Shares	(FOR) I/We assent to the resolution	(AGAINST) I/We dissent the resolution
Ordinary Business				
1	Ordinary Resolution for adoption of the Audited Financial Statements of the Company for the financial year ended 31 st March, 2019, the reports of the Board of Directors and Auditors thereon.			
2	Ordinary Resolution for re-appointment of Mrs. Kiran M. Virani, liable to retire by rotation and being eligible, offers herself for re-appointment			
Special Business				
3	Special Resolution for re-appointment of Mr. Ranjitsinh A. Parmar as an Independent Director of the Company.			
4	Special Resolution for re-appointment of Mr. Priyesh G. Shah as an Independent Director of the Company.			
5	Special Resolution for re-appointment of Mr. Mansukh K. Virani as Whole Time Director of the Company.			

Place :

Date :

(Signature of the Shareholder/Proxy)

Note:

This Form is to be used for exercising attendance/ voting at the time of 27th Annual General Meeting to be held on Wednesday, the 25th September, 2019 by shareholders/proxy. Duly filled in and signed ballot form should be dropped in the Ballot box kept at the venue of AGM.

If undelivered, please return to :

KUSH INDUSTRIES LIMITED

Plot No. 330-A, GIDC,

Opp. Atul Products Ltd., Ankleshwar – 393 002,

Pratiksha Printers, A'bad. 98252 62512