

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

24th August, 2017

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

Ref: Company Code No. 514240

Dear Sir,

**Sub: Compliance of Regulation 36 of SEBI (LODR) Regulations, 2015 relating to
Annual Report 2016-17 and Notice of 25th Annual General Meeting**

Please note that in compliance with Regulation 36 (1) & 36 (2) of SEBI (LODR) Regulations, 2015, the Company has dispatched to the Shareholders, the Annual Report 2016-17 and Notice of 25th Annual General Meeting scheduled to be held on Monday, the 25th September, 2017 at 1.00 p.m. at No. 330-A, GIDC, Opp. Atul Products, Ankleshwar, Dist.: Bharuch, Gujarat– 393 002.

With a view to keep Stock Exchange informed of the documents and information that we have sent to the Shareholders of the Company, we are sending herewith the said Annual Report 2016-17 for your information and records.

We will comply Regulation 34 of SEBI (LODR) Regulations, 2015 post AGM.

You may disseminate the report / information on BSE website.

Thanking you,

Yours faithfully,
for KUSH INDUSTRIES LIMITED,


MANSUKH K. VIRANI
WHOLE TIME DIRECTOR



Encl: As above.

25th Annual Report
2016-17

KUSH INDUSTRIES LIMITED

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(Formerly known as SNS Textiles Limited)

[CIN: L17119GJ1992PLC017218]

25TH ANNUAL REPORT 2016-17

BOARD OF DIRECTORS	:	Mr. Mansukh K. Virani	Chairman & Whole time Director
		Ms.Kiran M. Virani	Director
		Mr. Priyesh G. Shah	Director
		Mr. Ranjitsinh A. Parmar	Director
CHIEF FINANCIAL OFFICER	:	Mr. Dipak S. Patel	
STATUTORY AUDITORS	:	Natvarlal Vepari & Co., Chartered Accountants, 1st Floor, River Palace II, Near Navdi Ovara, Nanpura, Surat - 395 001	
INTERNAL AUDITORS	:	SNK & Co., Chartered Accountants, 'SNK House', 31A, Adarsh Society, Opp., Seventhday Adventist High School, Athwa Lines, Surat – 395 001	
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	

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NOTICE

NOTICE is hereby given that the **25TH ANNUAL GENERAL MEETING** of the Members of **KUSH INDUSTRIES LIMITED** will be held as scheduled below:

Date : 25th September, 2017
Day : Monday
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, 2017, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. 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.
3. To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, M/s. SNK & Co., Chartered Accountants (Firm Registration No.109176W), be and are hereby appointed as Auditors of the Company to hold office for 5 years from the conclusion of this 25th Annual General Meeting (AGM) till the conclusion of the 30th AGM of the Company to be held in the year 2022, at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to Section 94 and such other applicable provisions of the Companies Act, 2013 (‘the Act’) and the relevant rules, circulars and notifications made there under (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), the consent of the Members of the Company, be and is hereby accorded to maintain the Register of Members together with the Index of members of the Company under Section 88 of the Act and copies of the Annual Returns under Section 92 of the Act at the office premises of Link Intime India Private Limited, Registrar and Transfer Agent (RTA), 506-508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Near St. Xavier’s College Corner, Off C. G. Road, Ahmedabad – 380 006, and such other places as the RTA, shift its office from time to time.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such things, deeds, matters and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto.”

Registered Office :
Plot No.330- A, GIDC,
Opp. Atul Products Ltd.,
Ankleshwar, Dist : Bharuch,
Gujarat – 393 002.
Place : Ankleshwar
Date : 20th July, 2017

By Order of the Board

Mansukh K. Virani
Chairman

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NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business in the Notice is annexed hereto.
2. 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.
3. 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.
4. The Register of Members and Share Transfer Books will remain closed from **8th September, 2017 to 25th September, 2017** (both days inclusive) for the purpose of Annual General Meeting (AGM).
5. 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.
6. 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.
7. 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.
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.
10. 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.
11. In support of the 'Green Initiative' announced by the Government of India, electronic copies of the Annual Report for 2016-17 and this Notice inter alia indicating the process and manner of e-voting 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 Central Depository Services (India) Limited ("CDSL"), www.cdslindia.com, www.evotingindia.com

12. 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.
13. 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).
14. The Shareholders holding Shares in Physical form are advised to seek their shareholding changed to dematerialized form since in terms of SEBI and Stock Exchange guidelines no physical shares can be traded in the Stock Exchanges.
15. **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 Friday, 22nd September, 2017 and ends at 5:00 p.m. on Sunday, 24th September, 2017.** During this period members of the Company, holding shares either in physical form or in dematerialized form, as on **the cut-off date i.e. 18th September, 2017,** may cast their vote 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

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- (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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the ten digit sequence number which is printed on Postal Ballot / Address Slip.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>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 (ii).</p>

- (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 cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone Users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
 - (xviii) Note for Non – Individual Members and Custodians:
 - 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 Corporate.
 - 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 website of CDSL-www.evotingindia.com, www.cdslindia.com immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.
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ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESSES MENTIONED IN THE NOTICE OF 25TH ANNUAL GENERAL MEETING DATED 20TH JULY, 2017.

In respect of Item No. 4:

As required under the provisions of Section 94 the Companies Act, 2013, certain documents such as the Register of Members, Index of Members and certain other registers, certificates, documents etc., are required to be kept at the registered office of the Company. However, these documents can be kept at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total members entered in the register of members reside, if approved by a Special Resolution passed at a general meeting of the Company.

Accordingly, the approval of the members is sought in terms of Section 94(1) of the Companies Act, 2013, for keeping the aforementioned registers and documents at the office of the Registrar and Transfer Agent ("RTA"), viz. Link Intime India Private Limited, 506-508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Ahmedabad – 380 006, and such other places as the RTA, shift its office from time to time.

A copy of the proposed resolution is being forwarded in advance to the Registrar of Companies, Gujarat, Ahmedabad, as required under the said Section 94 (1) of the Companies Act, 2013.

The Directors recommend the said resolution proposed to be passed as Special Resolution by the members.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

Registered Office :

Plot No.330- A, GIDC,
Opp. Atul Products Ltd.,
Ankleshwar, Dist : Bharuch,
Gujarat – 393 002.
Place : Ankleshwar
Date : 20th July, 2017.

By Order of the Board

Mansukh K. Virani
Chairman

DIRECTORS' REPORT

Dear Members,

Your Directors present the 25th ANNUAL REPORT together with the Audited Financial Statements for the Financial Year 2016-17 ended 31st March, 2017.

1. FINANCIAL RESULTS :

(` in Lakh)

Particulars	2016-17	2015-16
Loss before Depreciation	120.57	23.57
Add: Depreciation	7.31	7.35
Loss after depreciation	127.88	30.92
Add: Exceptional Items	-	0.02
Loss before tax	127.88	30.94
(Less): Deferred Tax (Asset)	(12.19)	(17.31)
Loss after tax	115.69	13.63
Opening debit balance of Profit & Loss	2256.04	2242.41
Loss carried forward to Balance sheet	2371.73	2256.04

There are no material changes and commitment affecting the financial position of the Company which have occurred between 1st April, 2017 and date of this report.

2. OPERATIONS:

During the year under review the sales comprised from the Job work & own production of furnishing fabrics ` 75.28 lakh and ceramics ` 60.24 totalling to ` 135.52 lakh as compared to Job work & own production of furnishing fabrics of ` 45.79 lakh during 2015-16. The Company has earned other income of ` 10.28 lakh during the year under review as compared to ` 16.83 lakh during 2015-16. However business of ceramics have not yielded desired results.

During the year under review, the Company incurred Loss before Depreciation of ` 120.57 lakh compared to Loss of ` 23.57 lakh during 2015-16. After providing for depreciation of ` 7.31 lakh, the Loss after depreciation stood at ` 127.88 lakh compared to Loss of ` 30.92 lakh during 2015-16.

After providing for Exceptional Items, the Loss before tax stood at ` 127.88 lakh compared to Loss of ` 30.94 lakh during the year 2015-16. After taking credit of ` 12.19 lakh for deferred tax asset, the Loss for the year furnishing fabrics ` 32.73 lakh and Ceramics ` 82.96 lakh stood at ` 115.69 lakh compared to Loss of ` 13.63 lakh during the year 2015-16.

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. SALE OF 0.225 MW WIND TURBINE:

As already communicated in Directors Report 2015-16, the Company is in the process of disposing off one 0.225 MW Wind Turbine Generators at Village Dhank, Taluka Upleta, District Rajkot which was commissioned on 27th October, 1995 and wheeling / transmission Agreement dated 27th October, 1995 with Gujarat Energy Development Limited (GEDA) in connection with the said Wind Turbine Generators terminated.

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Since more than twenty years of life of wind turbine generator expired the o & m cost and power generation benefit was not economical.

5. FUTURE OUT LOOK:

The furnishing divisions machines have become more than twenty years old and requires heavy o & m cost and at present level of sales / job work income it incures operational loss. The Company is also in the process of installing transfer printing machines of colours and designs for increasing profit margins. The Company is in the process of identifying technically sound personnel for its Ceramic business activity which will result into better production and sales in the future.

6. 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 2012-13 and Sales tax Assessment is completed up to the Financial Year 2001-02.

7. ADDITION TO MAIN OBJECT AND CHANGE OF NAME OF THE COMPANY:

With a view to diversify the activities of the Company, the Main Objects of the Memorandum of Association of the Company has been altered by inserting the following to the Main Objects:

- To carry on the business of manufacturing, Producing, Compressing, Trading, Wholesale, Retailing, process, refine, importing, exporting, dealing, refining and prepare ceramic goods, glazed, unglazed accessories of ceramic table wares, earthen wares, hotel wares, glass wares, decorative wares, kitchen wares, crockery, potteries, cups, mugs, glass accessories and bottles jars, which may result in perfecting the quality of ceramics production, based on the continuous market survey and research so as to directly or indirectly benefit the Company.
- To engage in any lawful act or activity or business, or any act or activity or business to pursue any specific object or objects, as per the law for the time being in force.

The name of the Company has been changed from 'SNS TEXTILES LIMITED' to 'KUSH INDUSTRIES LIMITED' w.e.f. 29th December, 2016 after complying with necessary requirements of the Companies Act, 2013 and Rules made thereunder after obtaining approval from the Shareholders through Postal Ballot.

8. DIRECTORS:

8.1 One of your Directors viz. Ms. Kiran M. Virani retires by rotation in terms of the Articles of Association of the Company. However, being eligible offers herself for reappointment.

8.2 The Board of Directors duly met 6 times during the financial year under review.

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 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.

8.5 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;
- (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, 2017 being end of the financial year 2016-17 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.snstextileslimited.com.

11. KEY MANAGERIAL PERSONNEL (KMP) AND PERSONNEL:

There are no material payments to KMP/ Employees. As no material payments have been made the amount is not comparable with the performance of the Company. There is no Employee drawing remuneration requiring disclosure under Rule 5(2) of Companies Appointment & Remuneration of Managerial personnel) Rules, 2014.

12. 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.

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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.snstextileslimited.com

13. 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**.

14. 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**.

15. 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 – C**. As regards the observation of the Auditors, the Company is in the process of identifying and appointing Whole-time Company Secretary and also developing functional website of the Company.

16. EXTRACT OF ANNUAL RETURN:

The extract of Annual return in Form – MGT-9 has been attached herewith as **Annexure – D**.

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

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

18. GENERAL:

18.1. STATUTORY AUDITORS:

The present Auditors of the Company M/s. Natvarlal Vepari & Co., Chartered Accounts, Ahmedabad, will retire at the ensuing 25th Annual General Meeting.

The remarks of Auditor are self explanatory and have been explained in Notes on Accounts.

In terms of Section 139 of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, the Board of Directors has recommended the appointment of M/s. SNK & Co., Chartered Accountants, Surat as Statutory Auditors of the Company for a period of 5 years to hold office from the conclusion of the ensuing 25th AGM till the conclusion of 30th AGM on remuneration to be decided by the Board or Committee thereof.

The Company has obtained consent from M/s. SNK & Co., Chartered Accountants, Surat, to the effect that their appointment as Auditors of the Company for period of 5 years commencing from the Financial Year 2017-18 to 2021-22, if made, will be in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013.

The Shareholders are requested to consider and approve the appointment of the Statutory Auditors of the Company.

18.2. 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.

18.3 DEPOSITS:

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

18.4 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 and monitored regularly with reference to statutory regulations and guidelines defined by the Company.

18.5 SUBSIDIARIES/ ASSOCIATE/ JVS:

The Company does not have any Subsidiary/ Associate Company / JV.

18.6. RESEARCH & DEVELOPMENT:

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

18.7 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.

18.8 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.

18.9 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.

18.10 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.

18.11 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. 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.

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20. 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.

21. ACKNOWLEDGMENT:

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 : 20th July, 2017

ANNEXURE - A

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO:

(a) Conservation of Energy:

The Company gives top most priority to energy conservation and has undertaken continuous measures in this respect. New measures are planned to achieve further reduction in energy consumption.

(b) Technology Absorption:

The project of your Company has no foreign collaboration hence, no particulars are offered for the same.

(c) Foreign Exchange Earning & Outgo:

Sr. No.	Particulars	2016-17	2015-16
(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 : 20th July, 2017

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, 2017 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, 2017 and on the date of report is:

Name of Directors	Category of Directorship	No. of other Directorships@	No. of Committee position in other Companies**		No. of Board Meetings attended during 2016-17	Attendance at the AGM held on 27 th September, 2016 Yes(Y)/No(N)
			Chairman	Member		
Mr. Mansukh K. Virani Chairman	Promoter Executive	1	-	-	6	Y
Mr. Ranjitsinh A. Parmar	Independent	9	-	-	6	Y
Mr. Priyesh G. Shah	Independent	-	-	-	6	N
Ms. Kiran M. Virani	Promoter Non Executive	-	-	-	6	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 Ms. Kiran M. Virani are related to each other.

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b) Details of the Directors seeking Appointment/Re-appointment in forthcoming Annual General Meeting:

Name of Director	Ms. Kiran M. Virani
Date of Birth	07-04-1955
Date of Appointment	19-03-2015
Qualifications	B. Com
Expertise in specific functional areas	Accounts & Administration
List of Public Limited Companies in which Directorships held	-
List of Private Limited Companies in which Directorships held	-
Chairman/Member of the Committees of the Board of Directors of the Company	1. Audit Committee 2. Nomination & Remuneration Committee
Chairman/Member of the Committees of Directors of other Companies	-
Shareholding in the Company	11,79,291 Equity Shares

c) 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, 2016 to 31st March, 2017 were held 6 times on 27-05-2016; 08-07-2016; 24-10-2016; 12-11-2016; 07-01-2017 and 14-02-2017.

d) Shareholding of Non- Executive Directors as on 31st March, 2017:

Name of the Non- Executive Director	No. of Shares held	% of Shareholding
Mr. Priyesh G. Shah	139574	0.92
Ms. 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.

e) Familiarisation Program for Independent Directors:

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

3. AUDIT COMMITTEE:

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

Name of the Directors	Expertise	Terms of reference & functions of the Committee	No. of Meetings Attended during 2016-17
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.	5 of 5
Mr. Priyesh G. Shah			5 of 5
Ms. Kiran M. Virani			5 of 5

The Audit Committee met 5 times during the Financial Year 2016-17. The maximum gap between two meetings was not more than 120 days. The Committee met on 27-05-2016; 08-07-2016; 03-10-2016; 12-11-2016 & 14-02-2017. 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 2016-17
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.	During the year under review, no meeting of Nomination & Remuneration Committee was held.
Mr. Priyesh G. Shah		
Ms. Kiran M. Virani		

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 2016-17.
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, 2017.

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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 Committee comprises the following Directors as members as on the date of the Report:

1. Mr. Ranjitsinh A. Parmar Chairman
2. Mr. Mansukh K. 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, 2017.

Mansukh K. Virani 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
2013-14	22-09-2014	1.00 p.m.	Plot No.330-A, GIDC, Opp. Atul Products Ltd, Ankleshwar, Dist. Bharuch, Gujarat - 393 002 Special Resolution: 1. Borrowing Limit under Section 180(1)(c) of the Companies Act, 2013. 2. Creation of charge/mortgage under Section 180(1)(a) of the Companies Act, 2013. 3. Re-appointment of Mr. Mansukh K. Patel as Whole Time Director of the Company under Sections 188, 196, 197, 203 of the Companies Act, 2013
2014-15	24-09-2015	1.00 p.m.	Plot No.330-A, GIDC, Opp. Atul Products Ltd, Ankleshwar, Dist. Bharuch, Gujarat - 393 002 No Special Resolution was passed.
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.

Resolution passed through Postal Ballot:

Pursuant to the provisions of Section 4, 13, 14 and 15 of the Companies Act, 2013 and Rules made thereunder, the Company has passed, by way of Postal Ballot, a Special Resolution for authorizing the Board of Directors to for change of name of the Company from 'SNS TEXTILES LIMITED' to 'KUSH INDUSTRIES LIMITED' and to Amend/ Alter the Main Object in the Memorandum of Association of the Company by adding the new object to the existing Main Object of the Company in order to bring the Object Clause in line with the activities to be carried along with the existing main business activities. The result of the voting by Postal Ballot for the Special Resolution was declared on 20th December, 2016.

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.snstextileslimited.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, 2017, 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 : Monday
Date : 25th September, 2017
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 Quarter Results :Mid-September, 2017.*
Half-yearly Results :Mid-December, 2017.*
3rd Quarter Results :Mid-February, 2018.
Audited yearly Results :End May, 2018.
*Extended timeline for Ind AS implementation
- d) Book Closure Dates : **From** : Friday, the 8th September, 2017
To : Monday, the 25th September, 2017
(Both days inclusive).
- e) Dividend Payment Date : N.A.
- f) 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 2017-18 to BSE Limited.
- g) Stock Exchange Code :

<u>Stock Exchange</u>	<u>Code</u>
BSE	514240
- h) 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
- i) Share Transfer System:
The transfer of shares in physical form is processed and completed by Link Intime India Pvt. Ltd. within a period of 15 days from the date of receipt thereof.
In case of Shares in electronic form, the transfers are processed by NSDL/ CDSL through the respective Depository Participants.

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- j) 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, 2016	0.85	0.82	1495	25,606.62
May, 2016	-	-	-	26,667.96
June, 2016	0.81	0.75	1550	26,999.72
July, 2016	0.78	0.75	900	28,051.86
August, 2016	0.89	0.81	2930	28,452.17
September, 2016	0.85	0.78	429	27,865.96
October, 2016	0.81	0.72	7521	27,930.21
November, 2016	0.72	0.66	9113	26,652.81
December, 2016	0.78	0.75	837	26,626.46
January, 2017	0.77	0.74	1000	27,655.96
February, 2017	0.77	0.71	3760	28,743.32
March, 2017	0.77	0.74	310	29,620.50

- k) Distribution of Shareholding as on 31st March, 2017:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 to 500	3518	76.13	921573	6.04
501 to 1000	527	11.40	474829	3.12
1001 to 2000	246	5.32	409234	2.68
2001 to 3000	85	1.84	221982	1.46
3001 to 4000	30	0.65	107696	0.71
4001 to 5000	56	1.21	272095	1.78
5001 to 10000	59	1.29	459413	3.01
10001 & Above	100	2.16	12383178	81.20
Grand Total	4621	100.00	15250000	100.00

- l) Category of Shareholders as on 31st March, 2017:

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	396984	2.60
Indian Public	4116080	26.99
NRI & CM	1476023	9.68
HUF	100334	0.66
Foreign Corporate	50000	0.33
Grand Total	15250000	100.00

- m) Outstanding GDRs/ADRs/Warrants or any convertible instruments, Conversion date and likely impact on equity: T
The Company has not issued any GDRs / ADRs
- n) Dematerialisation of Shares and liquidity:
The Company's Equity Shares are traded compulsorily in dematerialised form. Approximately 80.61% of the Equity Shares have been dematerialised. ISIN number for dematerialisation of the Equity Shares of the Company is INE979D01011.
- o) 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.
- p) Plant Location:
Plot No.330-A, GIDC, Opp. Atul Products Ltd, Ankleshwar – 393 002, Dist: Bharuch, Gujarat
- q) Address for Correspondence:
For both Physical and Electronic Form and 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.
U506-508, 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

10. MANAGEMENT DISCUSSION AND ANALYSIS:

a. Industry Structure and Developments:

The furnishing divisions machines have become more than twenty years old and requires heavy o & m cost and at present level of sales / job work income it incures operational loss. The Company is also in the process of installing transfer printing machines of colours and designs for increasing margins. The Company had also commenced Ceramic business activity during the year under review and at present is focusing on production and job work of ceramic crockeries. The company has focused on developing its own marketing channel for increasing better margins.

b. Opportunities and Threats:

Although GST can be a beneficiary step for the Company the industry is threatened by non existence of exports to European Union due to heavy anti dumping duty levied on Indian products.

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:

For several years, India has enjoyed the position of being the second largest producer exporter of textiles in the world. Your company is looking to grow selectively in high value added segments within textiles, for maximum capital efficiency as well as de-risked business model.

The Company has commenced new business activity in Ceramic Products and various measures have been initiated with respect to the said new activity with various government department. Technically sound personnel will be approached for excelling and achieving better production and sales in the business.

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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 2016-17 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. Industrial relations remained cordial throughout the year.

i. 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.snstextileslimited.com

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.

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 2016-2017 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,

Mansukh K. Virani
Chairman

Place : Ankleshwar
Date : 20th July, 2017

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, 2017.

For, Kush Industries Limited,

Place : Ankleshwar
Date : 20th July, 2017

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 Kush Industries Limited (Formerly known as SNS Textiles Limited), for the year ended on 31st March, 2017 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.

As per representation received from the Registrars of the Company, we state that as per records maintained by the Stakeholders' Relationship Committee, no investor grievance remaining unattended/ pending for more than 30 days.

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.

Place: Surat
Date : 20th July, 2017

For Natvarlal Vepari & Co
Chartered Accountants
FRN: 123626W
Ravindra N. Vepari
Partner
Membership No. 006728

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[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, 2017** 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, 2017 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. *The Company does not have 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.*
2. *The Company does not maintain a functional website containing basic information of the Company pursuant to Regulation 46 of SEBI (Listing Obligations and Disclosures Requirements).*

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 of the Act at the Annual General Meeting held on 27th September, 2016 authorizing Board of Directors of the Company to make investment upto Rs. 25 Crores and have complied with relevant provisions of the Companies Act, 2013 and rules made there under.

We further report that during the audit period the Company has duly passed Special Resolution by way of Postal Ballot under Section 110 of the Act and rules made there under for change of name of the Company from 'SNS TEXTILES LIMITED' to 'KUSH INDUSTRIES LIMITED' and to Amend/ Alter the Main Object of the Memorandum of Association of the Company by adding the new object to the existing Main Object of the Company in order to bring the Object Clause in line with the activities to be carried along with the existing main business activities.

For KASHYAP R. MEHTA & ASSOCIATES

Company Secretaries

KASHYAP R. MEHTA

Proprietor

FCS: 1821

C.O.P. No. 2052

FRN: S2011GJ166500

Place : Ahmedabad
Date : 20th July, 2017

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 process 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 process and practices followed by us 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. Wherever 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 the management. Our examination was limited to the verification of procedure 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

Place : Ahmedabad
Date : 20th July, 2017

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN AS ON 31ST MARCH, 2017

[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 <i>(formerly known as SNS Textiles Limited)</i>
(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 Address :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	55.55
Ceramics	23939	44.45

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, 2016				No. of Shares held as on 31 st March, 2017				% Change during 2016-17
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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.	155594	244200	399794	2.62	152784	244200	396984	2.60	(0.02)
b) Individuals									
i) Individuals holding <= ` 1,00,000	1421819	943151	2364970	15.51	1413032	942951	2355983	15.45	(0.06)
ii) Individuals holding > ` 1,00,000	1431695	309500	1741195	11.42	1450597	309500	1760097	11.54	0.12
c) Others (specify)									
NRIs	64272	1409950	1474222	9.67	64272	1409950	1474222	9.67	-
OCB	-	50000	50000	0.33	-	50000	50000	0.33	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	9906	-	9906	0.06	1801	-	1801	0.01	(0.05)
Trusts	-	-	-	-	-	-	-	-	-
Others (HUF)	99334	-	99334	0.65	100334	-	100334	0.66	0.01
Sub-total (B)(2):-	3182620	2956801	6139421	40.26	3182820	2956601	6139421	40.26	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3606620	2956801	6563421	43.04	3606820	2956601	6563421	43.04	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	12293199	2956801	15250000	100.00	12293399	2956601	15250000	100.00	-

ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding as on 01-04-2016			Share holding as on 31-03-2017			% 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	Kush Synthetics Pvt. Ltd.	910200	5.97	-	910200	5.97	-	-
4	Dinesh Virani	821500	5.39	-	821500	5.39	-	-
5	Rasila Virani	1238092	8.12	-	1238092	8.12	-	-
6	Kiranben M. Patel	1179291	7.73	-	1179291	7.73	-	-
7	Mansukh K. Virani	1010700	6.63	-	1010700	6.63	-	-
8	Vibha Patel	1011600	6.63	-	1011600	6.63	-	-
	Total	8686579	56.96	-	8686579	56.96	-	-

iii) Change in Promoters' Shareholding:

There is no change in the Promoters' Shareholding during the year 2016-17.

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 01-04-2016		Changes (no. of shares) during the Year (decrease due to transfer)	Shareholding as on 31-03-2017	
		No. of shares	% of total shares		No. of shares	% of total shares
	Top ten as on 01-04-2016					
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	106400	0.70	-	106400	0.70
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 01-04-2016		Changes during the Year	Shareholding as on 31-03-2017	
		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 :

(` in Lakh)

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

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A.	Indebtedness as on 01-04-2016				
	i) Principal Amount	-	1465.30	-	1465.30
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	-	1465.30	-	1465.30
B.	Change in Indebtedness during 2016-17				
	* Addition	-	80.00		80.00
	* (Reduction)	-	-	-	-
	Net Change	-	80.00		80.00
C.	Indebtedness as on 31-03-2017				
	i) Principal Amount	-	1545.30		1545.30
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	-	1545.30		1545.30

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
1.	Gross salary	
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 3,36,915/-
(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-	
5.	Others, Please specify	-
	Total	₹ 3,36,915/-

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There are no such Penalties/ Punishment/ Compounding of Offences as on the date of report.

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of **Kush Industries Limited (formerly known as SNS Textiles Ltd.)**, which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information for the year then ended.

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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the preparation 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 judgments 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 there under.

We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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, 2017;
- b) In the case of the Profit and Loss Account, of the **Loss** 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") 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**" attached hereto our comments on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as 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 the 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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 separate Report in "Annexure B", and
 - 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 25** to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided disclosures in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December, 2016 and the same are in accordance with books of accounts maintained by the company.

For Natvarlal Vepari & Co
Chartered Accountants
FRN: 123626W

Ravindra N. Vepari
(Partner)

Membership No. 006728

Place: Surat
Date : 30th May, 2017

“ANNEXURE ‘A’ TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE
(As referred to in our Report of even date)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) We are informed that all the fixed assets have been physically verified by the management in accordance with a phased programme of verification. The frequency is reasonable, considering the size and nature of its business and no material discrepancies have been noticed on such physical verification.
- (c) The title deeds of immovable properties other than self-constructed immovable property (buildings), as disclosed in fixed assets to the financial statements, 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 31-03-2017 (₹ in Lakh)	Net Block as on 31-03-2017 (₹ in Lakh)	Remarks, if any
Leasehold Land	03	Suzlon Fibres Ltd.	40.98	40.98	Title deeds were available to the extent of ₹ 12.49 Lakh only.
		Suzler Synthetics Pvt. Ltd.			
Land	01	Suzlon Fibres Ltd.			Title deed was available to the extent of ₹ 1.14 Lakh only.

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.

- (ii) 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.
- (iii) The Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties listed in the Register maintained under Section 189 of the Companies Act, 2013 and therefore paragraph 3 (iii) of the order is not applicable.
- (iv) 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.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013; the Companies (Acceptance of Deposits) Rules, 2014. To the best of our knowledge and according to the information and explanations given to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) The maintenance of cost records under section 148(1) of the Companies Act, 2013, is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues wherever applicable to it. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of undisputed statutory dues which remained outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable.

(b) According to the records made available to us and the information and explanations given by the management, the disputed statutory dues on account of Income tax/Sales-tax/Wealth-tax/Service tax/Custom duty/excise duty/value added tax and cess that have not been deposited on account of matters pending before appropriate authorities are as follows:

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	1997-1998	Deputy Commissioner of Customs, Raigad, Maharashtra	2,100,000
Central Excise Act, 1944	Excise Duty	3,042,620	Jul'95 to Feb'97	CEGAT, Mumbai	680,000
Income Tax Act, 1961	Income Tax	5,449,019	A.Y. 1994-1995	ITAT, Ahmedabad	384,530
Income Tax Act, 1961	Income Tax	1,864,220	A.Y. 1996-1997	ITAT, Ahmedabad	—
Sales tax Act, 1969	Sales Tax	3,299,845	2001-02	Joint Commissioner Gujarat Value Added Tax Dept.	—
Income Tax Act, 1961	Income Tax	43,611,010	A.Y. 2007-08	ITAT, Ahmedabad	—
Income Tax Act, 1961	Income Tax	22,483,354	A.Y. 2007-08	Commissioner Appeals, Surat	—

- (viii) In our opinion and according to the information and explanations given to us, the company has neither borrowed funds from any financial institutions, banks or government, nor it has issued debentures till 31st March, 2017. 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.
- (ix) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer or obtained term loans during the year.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) 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 (xi) of paragraph 3 of the order are not applicable.
- (xii) The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the order are not applicable.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)

partly convertible debentures during the year under review. Consequently, requirements of clause (xiv) of paragraph 3 of the order are not applicable.

- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the nature of business, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Natvarlal Vepari & Co
Chartered Accountants
FRN: 123626W

Ravindra N. Vepari
(Partner)

Membership No. 006728

Place : Surat
Date : 30th May, 2017

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE

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.)** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year 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". 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 my / our audit. I / We conducted my / 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 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 March 31, 2017, 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, 2017

For Natvarlal Vepari & Co
Chartered Accountants
FRN: 123626W
Ravindra N. Vepari
(Partner)
Membership No. 006728

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	As at 31st March, 2017 ([^])	As at 31st March, 2016 ([^])
I EQUITY AND LIABILITIES:			
1 Share Holders' Fund			
(a) Share Capital	1	148,467,810	148,467,810
(b) Reserves & Surplus	2	(191,960,859)	(180,392,309)
		(43,493,049)	(31,924,499)
2 Non Current Liabilities			
(a) Long Term Borrowings	3	154,530,000	146,530,000
(b) Other Long Term Liabilities	4	49,899	49,899
		154,579,899	146,579,899
3 Current Liabilities			
(a) Trade Payables	5	716,445	921,994
(b) Other Current Liabilities	6	1,553,156	285,046
(c) Short Term Provisions	7	2,459,167	2,115,403
		4,728,768	3,322,443
Total		115,815,618	117,977,843
II ASSETS			
1 Non Current Assets			
(a) Fixed Assets	8		
(i) Tangible Assets		14,136,979	14,867,765
(b) Non Current Investments	9	68,175	68,175
(c) Deferred Tax Assets (Net)	10	81,521,175	80,301,733
(d) Long Term Loans and Advances	11	5,040,522	4,949,021
		100,766,851	100,186,694
2 Current Assets			
(a) Inventories	12	4,014,217	7,112,143
(b) Trade Receivables	13	1,779,427	1,141,259
(c) Cash and Cash Equivalents	14	5,657,920	6,192,645
(d) Short-Term Loans and Advances	15	3,459,200	3,118,306
(e) Other Current Assets	16	138,003	226,796
		15,048,767	17,791,149
Total		115,815,618	117,977,843
Notes forming part of Financial Statements	1 to 25		

As per our Report of even date
For Natvarlal Vepari & Co.

Chartered Accountants
Firm Reg. No. 123626W

Ravindra N. Vepari

Partner

Membership No. 006728

Place: Surat

Date : 30th May, 2017

For & On Behalf of Board of Directors

Kiran M. Virani
Director

Dipak S. Patel
CFO

Place: Ankleshwar

Date : 30th May, 2017

Mansukh K. Virani
Whole-time Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note No.	2016-17 (₹)	2015-16 (₹)
INCOME			
I Revenue from Operations	17	13,551,469	4,579,450
Other Income	18	1,028,728	1,683,641
Total Revenue		<u>14,580,197</u>	<u>6,263,091</u>
II EXPENSES			
(a) Cost of Materials Consumed	19	5,317,546	-
(b) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	124,367	15,482
(c) Employee Benefit Expense	21	9,343,129	4,301,570
(d) Financial Costs	22	37,277	1,804
(e) Depreciation and Amortization Expense	23	730,785	734,917
(f) Other Expenses	24	11,815,497	4,300,883
Total Expenses		<u>27,368,601</u>	<u>9,354,656</u>
III Profit/(Loss) Before Exceptional and Extraordinary Items and Tax		(12,788,405)	(3,091,565)
Exceptional Items		413	(2,694)
Profit/(Loss) Before Extraordinary Items and Tax		(12,787,992)	(3,094,259)
Profit/(Loss) Before Tax		<u>(12,787,992)</u>	<u>(3,094,259)</u>
IV Tax Expense			
Deferred tax		1,219,442	1,731,037
Profit/(Loss) After Tax for the Period from Continuing Operations		(11,568,550)	(1,363,222)
Profit/(Loss) for the Period		<u>(11,568,550)</u>	<u>(1,363,222)</u>
Notes forming part of Financial Statements	1 to 25		

As per our Report of even date
For Natvarlal Vepari & Co.

Chartered Accountants
Firm Reg. No. 123626W

Ravindra N. Vepari

Partner

Membership No. 006728

Place: Surat

Date : 30th May, 2017

For & On Behalf of Board of Directors

Kiran M. Virani
Director

Dipak S. Patel
CFO

Place: Ankleshwar

Date : 30th May, 2017

Mansukh K. Virani
Whole-time Director

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2017

	2016-17	2015-16
	(₹)	(₹)
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit/ (loss) before prior period		
Adjustment & Taxation	(12,788,405)	(3,091,565)
<u>Adjustments for:</u>		
Depreciation & Amortisation Expenses	730,785	734,917
Interest/Dividend (Net) Income	(511,121)	(799,524)
Diminution of value of Investment	-	-
Finance Cost	18,053	1,159
Balances written back	-	-
Doubtful & Bad Debts	237,717	(63,448)
Operating Profit (Loss) before Working Capital Changes	<u>(12,550,687)</u>	<u>(3,155,013)</u>
<u>Adjustments for:</u>		
Loans & Advances	(340,894)	(176,067)
Accounts Receivables	(638,168)	340,785
Inventories	3,097,926	(1,478,269)
Long Term Loans & Advances	(91,501)	91,019
Other Current Assets	88,793	(75,461)
Trade Payables, Provisions & Liabilities	1,406,325	(1,094,474)
Cash Generated from Operations..	(9,028,206)	(5,547,479)
Bank Charges paid on operations	(18,053)	(1,159)
Cash Flow before prior period Adjustment	(9,046,259)	(5,548,638)
Prior Period Adjustments	413	(2,694)
Bad Debts and other balances written off	-	-
Net Cash from Operating Activities	<u>(9,045,847)</u>	<u>(5,551,332)</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	-	(448)
Interest Received	507,408	796,149
Dividend Received	3,713	3,375
Net Cash used in Investing Activities	<u>511,121</u>	<u>799,076</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Intercompany Deposits	-	-
Proceeds/(Repayment) from Long & Short Term Borrowings(Net)	8,000,000	8,000,000
Net Cash used in Financing Activities:	<u>8,000,000</u>	<u>-</u>
	<u>(534,725)</u>	<u>(4,752,256)</u>
Net Increase in Cash and Cash Equivalents	(534,725)	(4,752,256)
Cash and Cash Equivalents as on 1st April, 2016	6,192,645	10,944,901
Cash and Cash Equivalents as on 31st March, 2017	<u>5,657,920</u>	<u>6,192,645</u>

As per our Report of even date
For Natvarlal Vepari & Co.

For & On Behalf of Board of Directors

Chartered Accountants
Firm Reg. No. 123626W

Kiran M. Virani
Director

Mansukh K. Virani
Whole-time Director

Ravindra N. Vepari
Partner
Membership No. 006728

Dipak S. Patel
CFO

Place: Surat
Date : 30th May, 2017

Place: Ankleshwar
Date : 30th May, 2017

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	(`)	(`)	(`)	(`)
NOTE : 1 : SHARE CAPITAL				
Authorised Share Capital				
Equity Shares of ` 10/- each	25,000,000	250,000,000	25,000,000	250,000,000
	25,000,000	250,000,000	25,000,000	250,000,000
Issued, Subscribed & Paid up Share Capital				
Equity Shares of ` 10/- each fully paid up	15,250,000	152,500,000	15,250,000	152,500,000
Less: Calls in arrears		4,032,190		4,032,190
Total	15,250,000	148,467,810	15,250,000	148,467,810

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

The reconciliation of the numbers of shares outstanding

	As at 31st March, 2017		As at 31st March, 2016	
	(`)	(`)	(`)	(`)
Equity Shares at the beginning of the year		15,250,000		15,250,000
Add: Equity Share Issue		-		-
Less: Equity Share bought back		-		-
Equity Shares at the end of the year		15,250,000		15,250,000

The details of Shareholders holding more than 5% shares

	As at 31st March, 2017		As at 31st March, 2016	
	Number of Shares	% held	Number of Shares	% held
Dinesh Virani	821,500	5.39	821,500	5.39
Jay Virani	1,250,300	8.20	1,250,300	8.20
Kiran M. Patel	1,179,291	7.73	1,179,291	7.73
Kush Synthetics Private Limited	910,200	5.97	910,200	5.97
Mansukh Karsan Patel	1,010,700	6.63	1,010,700	6.63
Prashant Virani	1,264,896	8.29	1,264,896	8.29
Rashila Virani	1,238,092	8.12	1,238,092	8.12
Vibha Patel	1,011,600	6.63	1,011,600	6.63

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	(in `)	(in `)	(in `)	(in `)

NOTE : 2 : RESERVES AND SURPLUS

Capital Reserves	6,871,400	6,871,400
Securities Premium Reserves	38,340,304	38,340,304
Surplus/(Loss)	(237,172,563)	(225,604,013)
Total	(191,960,859)	(180,392,309)
Surplus		
Opening balance	(225,604,013)	(224,240,791)
Net Profit/(Net Loss) For the current year	(11,568,550)	(1,363,222)
Balance /Total	(237,172,563)	(225,604,013)

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)

Particulars	As at 31st March, 2017 (in `)	As at 31st March, 2016 (in `)
NOTE : 3 : LONG TERM BORROWINGS		
Unsecured		
Term Loans	154,530,000	146,530,000
Total	154,530,000	146,530,000
Long-Term Borrowings		

	As at 31st March 2017		As at 31st March 2016	
	Non Current	Current	Non Current	Current
Unsecured				
- From Director	21,280,000	-	13,280,000	-
- Inter Corporate Deposit from Company	133,250,000	-	133,250,000	-
Total (A)	154,530,000	-	146,530,000	-

Particulars	As at 31st March, 2017 (in `)	As at 31st March, 2016 (in `)
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NOTE : 4 OTHER LONG TERM LIABILITIES

Others	49,899	49,899
Total	49,899	49,899
Other Long Term Liabilities		
- Others		
- Sundry creditors for Capital Goods	49,899	49,899
Total	49,899	49,899

NOTE : 5 : TRADE PAYABLES

Trade Payables	716,445	921,994
Total :	716,445	921,994
Trade Payables.		
- Others		
- Sundry Creditors for Expenses	716,445	921,994
Total	716,445	921,994

ANNUAL REPORT 2016-17

Particulars	As at 31st March, 2017 (in `)	As at 31st March, 2016 (in `)
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NOTE : 6 : OTHER CURRENT LIABILITIES

Income received in advance	644,000	52,500
Other payables	909,156	232,546
Total	1,553,156	285,046

Other Current Liabilities

- Advances from Customers	644,000	52,500
Statutory Liabilities		
- E.S.I Payable	14,601	8,849
- Professional Tax Payable.	3,250	2,950
- Provident Fund payables	49,984	41,522
- Service Tax Payable	24,345	-
- TDS Payable	14,823	11,400
Other		
- Bonus Payable	178,654	167,825
- Expense Payable	623,499	-
Total :	1,553,156	285,046

NOTE : 7 : SHORT-TERM PROVISIONS

Provision for employee benefits	1,634,239	1,469,532
Others	824,928	645,871
Total	2,459,167	2,115,403

Short-Term Provisions

- Provisions for Gratuity / Leave Encashment / Superannuation		
- Provision for Earned Leave	290,081	239,189
- Provisions for Gratuity	1,344,158	1,230,343
- Other Provisions	391,459	242,853
- Provision for Expenses	433,469	403,018
Total	2,459,167	2,115,403

NOTE : 8 : FIXED ASSETS :

Sr. DESCRIPTION No.	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Asat 01.04.2016	Addition During the Year	Adjust- ment	Asat 31.03.2017	Up to 01.04.2016	For the Year	Adjust- ment	Asat 31.03.2017	Asat 31.03.2017	Asat 31.03.2016
l) Tangible Assets										
Factory Building	21,848,285	-	-	21,848,285	16,003,441	605,248	-	16,608,689	5,239,596	5,844,844
Building	87,042	-	-	87,042	39,505	5,398	-	44,903	42,139	47,537
Land	4,098,938	-	-	4,098,938	-	-	-	-	4,098,938	4,098,938
Air Conditioners	420,671	-	-	420,671	419,810	-	-	419,810	861	861
Furniture & Fixtures	660,827	-	-	660,827	660,827	-	-	660,827	-	-
Office Equipments	908,473	-	-	908,473	899,454	-	-	899,454	9,019	9,019
Vehicles	573,727	-	-	573,727	571,183	-	-	571,183	2,544	2,544
Plant and Machinery	84,275,584	-	-	84,275,584	79,411,562	120,139	-	79,531,700	4,743,884	4,864,022
Computer & Peripherals	1,880,871	-	-	1,880,871	1,880,871	-	-	1,880,871	-	-
Total	114,754,418	-	-	114,754,418	99,886,653	730,785	-	100,617,437	14,136,979	14,867,765
Grand Total	114,754,418	-	-	114,754,418	99,886,653	730,785	-	100,617,437	14,136,979	14,867,765
Previous Year	114,754,418	-	-	114,754,418	99,152,184	734,916	448	99,886,653	14,867,765	15,602,234

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)

Particulars	As at 31st March, 2017 (in `)	As at 31st March, 2016 (in `)
NOTE : 9 : NON CURRENT INVESTMENTS		
Investments in Equity instruments	55,275	55,275
Other non-current investments	12,900	12,900
Total :	68,175	68,175
Non-current Investments in Equity instruments		
- 2700(2700) of Fairdeal Filaments Ltd.	40,500	40,500
- 100(100) of Oriental Bank Of Commerce	6,000	6,000
- 500(500)Partly Paid Up of Gujarat Narmada Knitwear Ltd.	500	500
- 4375(4375)Fully Paid Up of Overseas Synthetics Ltd.	4,375	4,375
- 3900(3900)Fully Paid Up of Shri Bhagavati Bright Bars	3,900	3,900
Total	55,275	55,275
Other non-current investments		
- 129(129)Fully Paid Up of The Surat Peoples Co. Op. Bank Ltd.	12,900	12,900
NOTE : 10 : DEFERRED TAX ASSETS (NET)		
Deferred Tax Assets (Net)	81,521,175	80,301,733
Total	81,521,175	80,301,733
NOTE : 11 : LONG TERM LOANS AND ADVANCES		
Secured/Unsecured/Doubtful considered good		
Other loans and advances	5,040,522	4,949,021
Total	5,040,522	4,949,021
Long Term Loans and Advances		
- Other		
- Advance Tax	2,821,467	2,594,181
- Loans to employees	40,000	74,000
- Security Deposits	2,179,055	2,280,840
Total	5,040,522	4,949,021
NOTE : 12 : INVENTORIES		
Raw materials	1,264,142	4,237,701
Work in progress	34,992	637,192
Finished goods	2,715,083	2,237,250
Total	4,014,217	7,112,143
NOTE : 13 : TRADE RECIEVABLES		
Secured/ Unsecured/ Doubtful	1,779,427	1,141,259
Total :	1,779,427	1,141,259
Trade Receivables- Secured/ Unsecured/ Doubtful		
Sundry Debtors (Unsecured, considered Good)		
- Sundry Debtors	899,175	261,007
- Sundry Debtors- Over Six Months	880,252	880,252
Total	1,779,427	1,141,259

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Particulars	As at 31st March, 2017 (in `)	As at 31st March, 2016 (in `)
NOTE : 14 : CASH AND CASH EQUIVALENTS		
Balance with banks	5,622,865	6,170,353
Cash on Hand	35,055	22,292
Total :	<u>5,657,920</u>	<u>6,192,645</u>
NOTE : 15 : SHORT-TERM LOANS AND ADVANCES		
Others	3,459,200	3,118,306
Total	<u>3,459,200</u>	<u>3,118,306</u>
Short-Term Loans and Advances		
Others		
- Advance to Staff	26,000	30,000
- Advances to Suppliers	100,000	95,498
- Balance with revenue Authorities	2,780,000	2,780,000
- Interest Receivable	51,712	43,919
- Prepaid Expenses	77,671	85,769
- VAT Credit Receivable	423,817	83,120
Total	<u>3,459,200</u>	<u>3,118,306</u>
NOTE : 16 : OTHER CURRENT ASSETS		
Other Current Assets	138,003	226,796
Total	<u>138,003</u>	<u>226,796</u>
Other Current Assets		
- Interest Receivables	134,291	226,796
- Dividend Income Receivable	3,712	-
Total	<u>138,003</u>	<u>226,796</u>
NOTE : 17 : REVENUE FROM OPERATIONS		
	<u>2016-17</u>	<u>2015-16</u>
Revenue from - Sale of products	7,320,215	33,900
Revenue from Sale of Service/Jobwork	6,231,254	4,545,550
Total	<u>13,551,469</u>	<u>4,579,450</u>

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)

Particulars	2016-17 (in `)	2015-16 (in `)
NOTE : 18 : OTHER INCOME		
Dividend income	3,713	3,375
Other non-operating income (net of expenses directly attributable to such income)	<u>1,025,015</u>	<u>1,680,266</u>
Total	<u>1,028,728</u>	<u>1,683,641</u>
Other Income- Dividend income		
Other income		
- Dividend income	<u>3,713</u>	<u>3,375</u>
Total	<u>3,713</u>	<u>3,375</u>
Other Income- Other non-operating income (net of expenses directly attributable to such income)		
Other income		
- Balances written back	10,107	377,117
- Interest income (Others)	507,408	796,149
- Rent income	<u>507,500</u>	<u>507,000</u>
Total	<u>1,025,015</u>	<u>1,680,266</u>
NOTE : 19 : COST OF MATERIALS CONSUMED		
Cost of Materials Consumed	<u>5,317,546</u>	-
Total	<u>5,317,546</u>	-
Cost of Materials Consumed		
Consumption of Raw Material		
- Opening Stock of Raw Material	4,237,701	2,743,950
- Purchases of Raw Material	2,343,987	1,493,751
- Closing Stock of Raw Material	<u>(1,264,142)</u>	<u>(4,237,701)</u>
Total	<u>5,317,546</u>	-
NOTE : 20 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	<u>124,367</u>	<u>15,482</u>
Total	<u>124,367</u>	<u>15,482</u>
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Increase/(Decrease) in Finish Goods Stock		
- Closing Stock of Finish Goods	(2,715,083)	(2,237,250)
- Opening stock of Finish Goods	<u>2,237,250</u>	<u>2,252,732</u>
Total	<u>(477,833)</u>	<u>15,482</u>
Consumption of Raw Material		
- Closing Work-in-Progress	(34,992)	(637,192)
- Opening Work-in-Progress	<u>637,192</u>	<u>637,192</u>
Total	<u>602,200</u>	-

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Particulars	2016-17 (in `)	2015-16 (in `)
NOTE : 21 : EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	8,795,753	3,916,641
Contribution to provident and other funds	532,943	347,051
Staff welfare expenses	14,433	37,878
Total	9,343,129	4,301,570
NOTE : 22 : FINANCE COSTS		
Interest expenses	19,224	645
Other borrowing costs	18,053	1,159
Total	37,277	1,804
NOTE : 23 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation and Amortization Expense	730,785	734,917
Total	730,785	734,917
NOTE : 24 : OTHER EXPENSES		
Consumption of stores and spare parts	922,679	293,671
Power and fuel	6,527,836	1,561,543
Land Revenue Charges	61,917	26,141
Insurance	218,630	219,014
Miscellaneous expenses	4,084,435	2,200,514
Total	11,815,497	4,300,883
Other Expenses- Miscellaneous expenses		
Manufacturing and other expenses		
- Beam Piecing Exp.	91,700	35,795
- Factory Expenses	103,086	55,603
- Freight	54,275	42,140
- Job charges (Manufacturing)	225,538	108,763
- Repairs & Maintenance - Others (Factory)	319,495	412,301
- Security Expenses (Factory)	-	86,250
- Water charges (Factory)	136,661	44,550
Total	930,755	785,402
Administrative and other expenses		
- Angadia Expense.	57,975	30,300
- Audit Fees	57,500	57,250
- Canteen expenses	100,712	81,378
- Consultancy Charges	354,028	363,424
- Conveyance Expense	27,039	23,268
- Legal and Professional Charges	429,586	348,286
- Notified Area Tax	380,515	295,406
- Office Expenses	2,551	3,461
- Postage Expense	271	296
- Professional Tax	2,500	2,500
- Repairs and Maintenance (Administrative)	5,220	11,275

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)

Particulars	2016-17 (in `)	2015-16 (in `)
- Service tax Expenses	441,038	6,533
- Stationery and Printing Expense	98,614	66,379
- Telephone Expense	28,846	27,210
- Travelling Expense	20,608	13,031
Total	2,007,003	1,329,997
Selling and distribution expenses		
- Advertisement Expense	45,662	53,359
- Discount/Kasar	-	6
- Packing Expense (Other than Basic Packing)	1,101,015	31,750
Total	1,146,677	85,115

NOTE-25 : NOTES FORMING PART OF THE ACCOUNTS:

(1) **Significant Accounting Policies:**

(i) **Basis of accounting:**

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standard by Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis and in accordance except in case of assets for which provision for impairment is made and revaluation is carried out. The Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(ii) **Fixed Assets:**

Fixed Assets (except land) are stated at cost of acquisition (or revalued amount as the case may be) (net of CENVAT) less accumulated depreciation and impairment losses if any. Cost comprised purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(iii) **Depreciation:**

Depreciation on all assets is provided on Straight Line Method basis over the useful lives of the assets estimated by the Management in accordance with Part C of the Schedule II of the Companies Act, 2013.

(iv) **Impairment:**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(v) **Investments:**

All investments have been classified as long term Investments, which are stated at cost. No provision is made in respect of diminution in the value of investment, which is temporary in nature.

(vi) **Inventories:**

Inventories were valued at cost and each year reasonable price is reduced for providing for decline in Net Realizable Values.

(vii) Borrowing Costs:

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of asset upto the date when such asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(viii) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i) Sale of Goods:

Sales revenue comprises sale value of goods, and is accounted net off sales returns, discount and rate difference.

ii) Interest:

Revenue is recognized on a time proportion basis taking into account the amount accrued and the interest rate applicable.

iii) Dividends:

Dividend is recognized when the shareholders' right to receive payment is established till the balance sheet date.

(ix) Provisions, Contingent Liabilities and Contingent Assets:

- a. Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- b. Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts.
- c. Contingent Assets are neither recognized nor disclosed in the financial statement, Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

(x) Taxes on income:

In accordance with the Accounting Standard – 22, Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India ('ICAI'), the company has recognized deferred tax assets resulting from timing differences between book and tax profits, unabsorbed depreciation, loss and other provisions at the rate of tax applicable to the company.

(xi) Employee Benefits:

- i) Short term Employee Benefits: All employee benefits falling due within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, bonus, leave salary, ex-gratia are recognized in the period in which employee renders the related services.
- ii) Post Employment Plans:
 - a) Defined Contribution Plan: Provident fund and pension scheme are the defined contribution plan in the company. The contribution paid /payable under the scheme is recognized during the period in which the employee renders the related services.
 - b) Defined Benefit Plans: Employee Gratuity fund scheme is the defined benefit plan. The Company makes annual contributions for gratuities to funds administered by trustees and managed by insurance company for amounts notified by the said insurance company. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary.

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(Formerly known as SNS Textiles Limited)

(2) Disclosure as required by AS 29 "Provisions, Contingent Liability and contingent Assets" in respect of provisions as at 31st March, 2017:

- (a) Uncalled liability on partly paid up Shares ` 2500 (P.Y. ` 2500).
 (b) Excise matters under appeal ` 30.42 Lakh (P.Y. ` 30.42 lakh)
 (c) Sales Tax matter under appeal ` 33.00 Lakh (P.Y. ` 33.00 Lakh)
 (d) Income Tax disallowance, matter pending under appeal ` 18.64 Lakh (P.Y ` 18.64)
 (e) Income Tax disallowance, matter pending under appeal ` 50.64 Lakh (P.Y ` 50.64)
 (f) Income Tax disallowance, matter pending under appeal ` 436.11 lakh (P.Y ` Nil)
 (g) Income Tax penalty, matter pending under appeal ` 224.83 lakh (P.Y ` Nil)
 (h) 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.

(3) Additional information pursuant to Schedule III to the Companies Act, 2013:

- (a) Details of production, purchase, stock and turnover of each class of finished goods:

Particulars	(Amount In `)	
	Consumption	
	2016-17	2015-16
Raw Materials	53,17,546	NIL

Particulars	(Amount In `)	
	Closing Inventory	Opening Inventory
	Raw Material	12,64,142
Work in progress	5,37,138	6,37,192

Particulars	Sales Value		Closing Inventory	Opening Inventory
	2016-17	2015-16		
	Manufactured Goods	73,20,215		
Job Work	62,31,254	45,45,550	-	-
	2016-17		2015-16	

(b) Imported and Indigenous Consumption:

(i) Raw Materials:	` (In Lakh)	%	` (In Lakh)	%
Imported:	-	-	-	-
Indigenous	53.17	100	-	-
Total	53.17	100	-	-

(ii) Consumable Stores :	` (In Lakh)	%	` (In Lakh)	%
Imported:	-	-	-	-
Indigenous	9.23	100	2.94	100
Total	9.23	100	2.94	100

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	2016-17 (` in lakh)	2015-16 (` in lakh)
(c) Value of direct Imports on CIF basis: Components, spare parts & Chemicals	-	-
(d) Expenditure in foreign currency: [i] Travelling :	-	-
[ii] Sales commission	-	-
(e) Earning in foreign currency: Export of goods on FOB Basis	-	-
Commission	-	-
(f) Auditors' Remuneration:	(In `)	(In `)
(a) As Auditors for Audit Fee	57,500	57,250
(b) As Advisor or in any other Capacity in respect of:		
(i) Company law matter	—	—
(ii) Taxation matter	—	—
(iii) Management services	—	—
(iv) In any other manner	—	—
(4) Earning Per Share (Basic & Diluted):		
Amount used as a numerator (In `)		
Profit/(Loss) after Prior Period Adjustment	(1,15,68,550)	(13,63,222)
Number of Shares (excluding calls in arrears)	148,46,781	148,46,781
[Face Value ` 10/- per share]		
Earnings per share (Basic & Diluted) (In `)	(0.78)	(0.09)
(5) Employee Benefits: (Details are given to the extent available)		
Gratuity:		
The Present value of obligation is determined based on actuarial valuation.		
	As at 31st March, 2017	As at 31st March, 2016
	Amount (`)	Amount (`)
a. Present Value of Defined Benefit Obligation		
- Wholly Funded	-	-
- Wholly Unfunded	9,51,759	10,22,320
Less: Fair Value of Plan Assets	-	-
Amount to be recognized as Liability or (Assets)	9,51,759	10,22,320
Amount Reflected in Balance Sheet		
- Liability	13,44,158	12,30,343
b. Amounts recognized in Profit & Loss Account:		
1. Current Service Cost	72,532	73,156
2. Interest Cost	76,712	81,683
3. Expected Return on Plan Assets	(94,176)	(94,722)
4. Actuarial Losses/(Gains)	58,985	(6,313)
Total included in "Payments to and Provision for Employees"	1,14,053	53,804

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	As at 31st March, 2017	As at 31st March, 2016
	Amount (`)	Amount (`)
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	9,51,759	10,22,320
Add: Current Service Cost	72,532	73,156
Add: Interest cost	76,712	81,683
Add: Contribution made	-	-
Actuarial Losses (gains)	58,985	(6313)
Less: Benefits paid	-	(2,19,087)
Closing value of present value of defined benefit obligation	11,59,988	9,51,759
d. Principal Actuarial Assumptions at the Balance Sheet Date (expressed as Weighted Averages):		
Discount Rate (p. a.)	7.20%	8.06%
Expected Rate of Return on Assets (p. a.)	7.20%	8.06%
Proportion of employees opting for early retirement	-	
Annual increase in Salary costs	6.00%	6.00%
Future changes in maximum state health care benefits	-	
* 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.		
e. Movement in Net Liability recognized in Balance Sheet:		
Net opening liability	(2,16,675)	(1,63,190)
P & L Charge	1,22,235	49,680
Benefits paid	NIL	NIL
Employer's Contribution	(34,109)	(1,03,165)
Closing net liability	(1,28,549)	(2,16,675)

(6) **Segment wise Reporting of Revenue, Results and Capital Employed**

	(` in lakh)	
Particulars	Year ended on 31-03-2017	Year ended on 31-03-2016
1. Segment Revenue		
(a) Segment – Weaving	75.28	45.79
(b) Segment – Ceramics	60.22	-
Total	135.50	45.79
Less: Inter Segment Revenue	-	-
Net sales/Income From Operations	135.50	45.79

(₹ in lakh)

Particulars	Year ended on 31-03-2017	Year ended on 31-03-2016
2. Segment Results		
(a) Segment – Weaving	(44.73)	(30.93)
(b) Segment – Ceramics	(82.78)	-
Total	(127.51)	(30.93)
Less:		
i) Interest / Finance Charges	0.37	0.01
ii) Other Un-allocable Expenditure net off	-	-
iii) Un-allocable income	-	-
Total Profit / (Loss) Before Tax	(127.88)	(30.94)
3. Capital Employed (Segment assets – Segment Liabilities)		
(a) Segment – Weaving	(351.97)	(319.24)
(b) Segment – Ceramics	(82.96)	-
Total	(434.93)	(319.24)

- (7) Disclosure regarding pursuant to circular no G.S.R.308(E) dated March 30, 2017. Details of specified bank notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is provided in the table below:-

Particulars	SBN's	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	NIL	18,201	18,201
(+) Permitted Receipts	NIL	1,40,000	1,40,000
(-) Permitted Payments	NIL	1,51,597	1,51,597
(-) Amount deposited in banks	NIL	NIL	NIL
Closing cash in hand as on 30.12.2016	NIL	6,604	6,604

The information given in above table relates only for cash balance available as on closing hours of November 08, 2016. The subsequent transactions on account of cash sales, withdrawal from banks, deposits into banks are not considered for the above. The balance amount of "Other notes" as on November 08, 2016 was utilized to meet day to day expenses of the company.

- (8) **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	Relationship	Nature of Transactions	2016-17		2015-16	
			Amount (in `)	Year end Balance (in `)	Amount (in `)	Year end Balance (in `)
- Suzlon Global Services Ltd.	Associate Company	Service Charges	-	4,81,674 Cr.	57,000	4,81,674 Cr.
- Suzlon Energy Ltd.		Rent Income	3,78,000	Nil	3,84,000	Nil
		Maintenance	25,296	Nil		Nil
- Ranjitsinh A. Parmar	Director	Unsecured Loan	-	32,80,000 Cr.	-	32,80,000 Cr.
- Kiran Virani	Director	Unsecured Loan	18,00,000	18,00,000 Cr.	-	-
- Mansukh K. Patel	Director	Unsecured Loan	62,00,000	1,62,00,000 Cr.	-	-

KUSH INDUSTRIES LIMITED
(Formerly known as SNS Textiles Limited)

- (9) Sundry debtors and Sundry creditors are subject to Confirmations and reconciliation, if any.
- (10) Provision for taxation for the year ended 31st March, 2017 has not been made in view of unabsorbed depreciation/Business losses brought forward from previous years.
- (11) In the previous years, the Company had undertaken the analysis to determine impairment of assets. Accordingly, the Company already has provided for the impairment of assets in terms of Para 112, 114 and 115 of the Accounting Standard 28 in the previous years. The company is of the opinion that there are no further assets that needs to be provided for, in respect of impairment during the year 01.04.2016 to 31.03.2017.
- (12) In accordance with the Accounting Standard – 22, Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India ('ICAI'), deferred tax resulting from timing differences between book and tax profits is accounted for, at the current rate of tax, the resultant deferred tax asset has been recognized as under:

Particulars	As at 31st March, 2017	As at 31st March, 2016
Deferred Tax Assets Resultant from the Difference in Values of Assets between Written Down as per Books and as per Income Tax Rules, 1962	27,29,19,901	25,98,76,157
Net Deferred Tax Assets recognised in the Balance Sheet	8,15,21,174	8,03,01,733
Deferred Tax Assets recognised till Previous year	8,03,01,733	7,85,70,696
Deferred Tax (Credited) / Charged to Profit and Loss Account	(12,19,442)	(17,31,037)

- (13) Previous year's figures have been regrouped/recast, wherever considered necessary to make them comparable with current year's figure.

Signature to Notes 1 to 25.

As per our Report of even date

For Natvarlal Vepari & Co.

Chartered Accountants

Firm Reg. No. 123626W

Ravindra N. Vepari

Partner

Membership No. 006728

Place: Surat

Date : 30th May, 2017

For & On Behalf of Board of Directors

Kiran M. Virani

Director

Dipak S. Patel

CFO

Place: Ankleshwar

Date : 30th May, 2017

Mansukh K. Virani

Whole-time Director

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 25th Annual General Meeting of the Company, to be held on Monday, the 25th September, 2017 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, 2017, the reports of the Board of Directors and Auditors thereon.		
2	Ordinary Resolution for re-appointment of Ms. Kiran M. Virani, liable to retire by rotation and being eligible, offers herself for re-appointment		
3	Ordinary Resolution for appointment of Statutory Auditors of the Company.		
Special Business			
4	Special Resolution under Section 94 of the Companies Act, 2013 for 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.		

Signed this day of 2017

Signature of Shareholder

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



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 INDUSTIRES 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 25 th Annual General Meeting (AGM) of the Company to be held on Monday, 25 th September, 2017, 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, 2017, the reports of the Board of Directors and Auditors thereon.			
2	Ordinary Resolution for re-appointment of Ms. Kiran M. Virani, liable to retire by rotation and being eligible, offers herself for re-appointment			
3	Ordinary Resolution for appointment of Statutory Auditors of the Company.			
Special Business				
4	Special Resolution under Section 94 of the Companies Act, 2013 for 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.			

Place :

Date :

(Signature of the Shareholder/Proxy)

Note:

This Form is to be used for exercising attendance/ voting at the time of 25th Annual General Meeting to be held on Monday, the 25th September, 2017 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,