

KHOOBSURAT LIMITED



33RD ANNUAL REPORT
2014-2015

KHOOBSURAT LIMITED

BOARD OF DIRECTORS

Goutam Bose	Managing Director
Mangelal Joshi	Independent Director
Purushottam Khandelwal	Independent Director
Raj Kumar Chhakra	Independent Director
Puspa Devi Saraswat	Independent Director

Registered Office

Room No. 40, 5th Floor,
Martin Burn House, 1, R N Mukherjee Road
Kolkata-700 001

CORPORATE IDENTIFICATION NO.

L23209WB1982PLC034793

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Minu Jhunjunwala

BANKERS

ICICI Bank Ltd.

AUDITORS

Bharat D. Sarawgee & Co.
Chartered Accountants, Kolkata

REGISTRAR & SHARE TRANSFER AGENT

ABS Consultants Pvt. Ltd.
99, Stephen House, 6th Floor
4, B.B.D. Bag (East), Kolkata-700 001

ANNUAL GENERAL MEETING

Date : 28th September, 2015
Time : 10.00 A.M.
Venue : Shyamal Smriti Parishad,
30, Dr. Nagen Ghosh Road,
Kolkata-700 031

33RD

ANNUAL REPORT 2014 - 2015

C O N T E N T S

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Members are requested to bring their copy of Annual Report at the time of Meeting

NOTICE

Notice is hereby given that the 33rd Annual General Meeting of the members of **Khoobsurat Limited** will be held on Monday, the 28th day of September, 2015 at 10.00 A.M. at Shyamal Smriti Parishad, 30, Dr. Nagen Ghosh Road, Kolkata-700 031 to transact the following businesses as :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March 2015.
2. 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 read with the Companies (Audit and Auditor) Rules, 2014, 142 and other applicable provisions, if any, of the Companies Act, 2013 and their corresponding rules and based on the recommendations of the Audit Committee, M/s. Bharat D. Sarawgee & Co., Chartered Accountant, Kolkata (ICAI Firm Registration No. : 326264E), who have offered themselves for re-appointment and have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of the 33rd Annual General Meeting up to the conclusion of the 37th consecutive Annual General Meeting (subject to ratification by the members at every subsequent AGM) at a remuneration as may be decided by the Board of Directors of the Company.”

SPECIAL BUSINESS :

3. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

“RESOLVED THAT Pursuant to the provisions of Section 149 read with the Rule 3 of the Companies (Appointment & Qualification of Directors) Rules 2014, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Raj Kumar Chhakra (DIN: 00465157) as an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years for the period from 10th January 2015 up to 9th January 2020.”

4. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

“RESOLVED THAT Pursuant to the provisions of Section 149 read with the Rule 3 of the Companies (Appointment & Qualification of Directors) Rules 2014, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs.

Puspa Devi Saraswat (DIN: 05165143) as an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years for the period from 28th March 2015 up to 27th March 2020.”

5. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

“RESOLVED THAT pursuant to the provisions of Sections 2 (54), 196, 197, 203 read with Schedule V to the Act, and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) the Company hereby approves appointment of Mr. Goutam Bose (DIN : 02504803) as Chairman & Managing Director of the Company, for a period of 3 years commencing from 30th September 2014 up to 29th September 2017 upon the terms and conditions as set out in the Explanatory Statement and the Agreement submitted to this meeting, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall deemed to include any Committee of Directors for the time being authorized by the Board of Directors) to alter and vary the terms and conditions of the said appointment and/or Agreement in such manner as may be agreed to between the Board and Mr. Goutam Bose.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

6. To consider and if thought fit to pass with or without modifications the following resolution as a Special resolution :

“RESOLVED THAT pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), rules and regulations made there under, the enabling provisions of the memorandum and articles of association of the Company and subject to the requisite approvals, consents, permissions and/or sanctions as may be required, if any, the draft regulations contained in the Articles of Association submitted to this meeting and duly initialed be and are hereby replaced, altered, modified and revised as per the new set of Articles of Association, and the new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in the place and in exclusion and substitution of the existing Articles of Association of the Company;

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby jointly or severally authorized to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

NOTES :

1. The Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF

AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy, in order to be effective, must be received at the Company's Registered Office not less than forty-eight hours before the Meeting.

In terms of Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total Share capital of those carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any person or shareholder.

3. The Register of Member and the Share Transfer Books of the Company will remain closed from 22nd September 2015 to 28th September 2015 (both days inclusive).
4. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.
5. A detail of Director seeking re-appointment in this Annual General Meeting is attached separately to the notice.
6. Corporate Members intending to send their authorized representatives to attend the meeting pursuant to Section 113 of Companies Act, 2013 are requested to send to the Company a certified copy of relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the meeting.
7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 A.M. to 1.00 P.M. up to the date of this Annual General Meeting.
8. Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail Id khoobsurat.kolkata@gmail.com for quick and prompt redressal of their grievances.
9. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
10. The identity/signature of Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the relevant identity card issued by the competent authorities to the Annual General Meeting.
11. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
12. Members holding shares in the same set of names under different folios are requested to apply for consolidation of such folio along with relevant Share Certificates to M/s ABS Consultants Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above.
13. Members holding shares in physical form in the same set of names under different folios are

requested to apply for consolidation of such folios along with relevant Share Certificates to M/s ABS Consultants Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above.

14. The Securities and Exchange Board of India (SEBI) vide Circular ref. No. MRD/DOP/CIR-05/2007 dated April 27, 2007 made PAN mandatory for all securities market transactions and off market/private transaction involving transfer of shares in physical form of listed Companies, it shall be mandatory for the transferee (s) to furnish copy of PAN Card to the Company/RTAs for the registration of such transfer of shares.

SEBI further clarified that it shall be mandatory to furnish a copy of PAN in the following cases:

- a) Deletion of name of the deceased shareholder (s), where the shares are held in the name of two / more shareholders.
 - b) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
 - c) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the name of two or more shareholders.
15. Members holding shares in physical form and desirous of making a nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 read with Rule 19 of Companies (Share Capital and Debentures) Rules, 2014, may fill SH-13 and send the same to the office of RTA of the Company. In case of shares held in dematerialized form, the nomination/change in nomination should be lodged with their DPs.
 16. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participants to enable us to send you the quarterly reports and other communication via email.
 17. Copies of Annual Report 2015 are being sent by electronic mode only to those members whose email address are registered with the Company's Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the Annual Report. The Members who have not registered their email address, physical copies of Annual Report 2014 are being sent by the permitted mode.
 18. The Notice for the 33rd AGM and instructions for e-voting, along with Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. Members are requested to bring copies of Annual Report to the Annual General Meeting. For members who have not registered their email address, physical copies of aforesaid documents are being sent by the permitted mode.
 19. Members can opt for one mode of voting i.e. either by physical ballot or through e-voting. If Members opt for e-voting then do not vote by Physical Ballot or vice-a-versa. However, in case Members cast their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.
 20. In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting or physical Ballot, the said

resolutions will not be decided on a show of hands at the AGM. **The voting right of all shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date i.e. September 21, 2015.**

21. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide to the members facility of “remote e-voting” (e-voting from place other than venue of the AGM) to exercise their votes at the 33rd AGM by electronic means and the business may be transacted through e-voting as per details below:-
- a) Date and time of commencement of voting through electronic means: **Friday, September 25, 2015 at 9.30 a. m.**
 - b) Date and time of end of voting through electronic means beyond which voting will not be allowed : **Sunday, September 27, 2015 at 5.00 p. m.**
 - c) During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **September 21, 2015**, may cast their vote electronically irrespective of mode of receipt of notice by the shareholder. **The e-voting module shall be disabled by CDSL for voting thereafter.**
 - d) Details of Website: www.evotingindia.com
 - e) **Details of Scrutinizer:** CA Sumit Kumar Verma, Practicing Chartered Accountant (Membership No. 302320), 86, Sharat Chatterjee Road, Kolkata-700 089. E-mail: sumitvermaca@yahoo.in
 - f) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change/ modify the vote subsequently.
22. **The instructions for Members for e-voting are as under:**
Applicable in all cases whether NOTICE is received by e-mail or in physical form:
- i Log on to the e-voting website www.evotingindia.com during the voting period
 - ii Click on “Shareholders” tab
 - iii Now, select the Voting Sequence No. as mentioned in the Attendance Slip along with “KHOOBSURAT LIMITED” from the drop down menu and click on “SUBMIT”.
 - iv Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - v Next enter the Image Verification as displayed and Click on Login.
 - vi 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.

- vii If you are a first time user, please use the e-Voting particular provided in the **Attendance Slip** and fill up the same in the appropriate boxes.
- viii After entering these details appropriately, click on “SUBMIT” tab.
- ix Members holding shares in physical form will then directly reach to 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 in **Attendance Slip** can be used only for e-voting on the resolutions contained in this Notice.
- xi Click on the EVSN for KHOOBSURAT LIMITED on which you choose to vote.
- 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 the print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii **For Non – Individual Shareholders and Custodians :**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) 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 they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com.

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..

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

Once the vote on a resolution is cast by the shareholder by electronic means, the shareholder shall not be allowed to change it subsequently or cast his vote by any other means.

23. In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Proxy cum Ballot Form is attached. Members desiring to exercise vote by Ballot are requested to carefully read the instructions printed in the form, to complete the Ballot Form with assent (for) or dissent (against) and send it to Mr. Sumit Verma, Scrutinizer, C/o ABS Consultants Private Limited, Unit: Khoobsurat Limited, 99, Stephen House, 6th Floor, 4, B.B.D. Bag (East), Kolkata-700 001, Tel. No: +91 33-2220 1043, Fax No : +91 33- 2243 0153, E-mail : absconsultant@vsnl.net so as to reach him on or before September 24, 2015 by 5.00 p.m. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received.
24. In light of the recent judgment of the Bombay High Court, until clarity is available members who have not voted electronically or through ballot, will be permitted to deposit the filled in Ballot Forms, physically at the AGM to enable them to exercise their vote.
25. (i) Members who have registered their e-mail addresses with the depositories or with the Company’s RTA are being sent Notice of ballot by e-mail and members who have not registered their e-mail addresses will receive Ballot Form along with the Notice through Courier/ Post.
 - (ii) Members can request for a Ballot Form at ABS Consultants Private Limited, Unit: Khoobsurat Limited, 99, Stephen House, 6th Floor, 4, B.B.D. Bag (East), Kolkata-700 001 or they may also address their request through e-mail to: absconsultant@vsnl.net. Contact no +91 33-2220 1043.
 - (iii) In case of voting by physical ballot, the non-individual members (i. e. other than individuals, HUF, NRI, etc.) are required to send a copy of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer along with the Ballot Form so as to reach the Scrutinizer on or before 5.00 p.m. on Thursday, September 24, 2015.
 - (iv) The Scrutinizer will scrutinize the voting process (both e-voting and voting by physical ballot) in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer’s Report shall be

available on the Company's website within two (2) days of passing of the resolution at the AGM of the Company and communicated to the stock exchange.

26. The shareholders can also access the Annual Report 2014-2015 of the Company circulated to the Members of the Company and other information about the Company on Company's website, i.e., www.khoobsuratltd.com or on Stock Exchange websites, which is www.bseindia.com.
27. Additional Information pursuant to Clause 49 of Listing Agreement with Stock Exchanges in respect of the Directors seeking appointments at the AGM, are furnished and forms a part of Notice. The Directors have furnished the requisite consents / declarations for their appointment.
28. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
29. Members are requested to quote Folio Number/DP ID & Client ID in their correspondence.
30. The Equity shares of the Company are listed on BSE Limited (BSE), Calcutta Stock Exchange Association Ltd. (CSE) and MCX Stock Exchange Ltd. (MCX-SX) and Listing Fees for the financial year 2015-2016 have been paid to all the Exchanges.

Statement pursuant to Section 102 of the Companies Act 2013

ITEM NO. 3 & 4

The Board in its meeting held on 10th January 2015, appointed Mr. Raj Kumar Chhakra (DIN: 00465157) as Additional Director of the Company with effect from 10th January 2015, pursuant to Section 161 of the Companies Act, 2013.

Further, the Board in its meeting held on 28th March 2015, appointed Mrs. Puspa Devi Saraswat (DIN: 05165143) as Additional Director of the Company with effect from 28th March 2015, pursuant to Section 161 of the Companies Act, 2013.

Pursuant to Section 161 of the Companies Act, 2013, both Mr. Raj Kumar Chhakra and Mrs. Puspa Devi Saraswat will hold the office up to the date of ensuring AGM. The Company has received Notice in writing under the provisions of Section 160 of the Companies Act, 2013 from the Member along with a necessary deposit proposing the candidature of both Mr. Raj Kumar Chhakra and Mrs. Puspa Devi Saraswat for the office of the Director.

The Company has received from both Mr. Raj Kumar Chhakra and Mrs. Puspa Devi Saraswat –

- Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and;
- Intimation in Form DIR-8 in terms of Companies Appointment & Qualification of Directors) Rules, 2014, to effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

Further, the Board at its meeting held on 10th January 2015 and 28th March 2015 respectively, also appointed (subject to approval of Members in AGM), Mr. Raj Kumar Chhakra and Mrs. Puspa Devi Saraswat as Non-Executive, Independent Directors of the Company for a period of 5 Years commencing on following terms & conditions –

1. Remuneration – Company will make payment of Sitting Fees and such amount will be decided mutually, within prescribed limits, subject to maximum of ₹ 5000/- per meeting, apart from expenses to be incurred for attending meetings.
2. Period of Appointment – 5 Years commencing from 10th January 2015 and 28th March 2015 respectively
3. The Appointment may be terminated by either party by giving one month notice in writing of such termination or as may be mutually agreed between the parties.

The Resolution seeks the approval of members in terms of Sections 149 and 152 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions of the Companies Act, 2013 and the Rules made there under for the appointment of both Mr. Raj Kumar Chhakra and Mrs. Puspa Devi Saraswat a Non-Executive, Independent Director of the Company for a period of 5 years commencing from 10th January 2015 and 28th March 2015 respectively.

No Director, Key Managerial Person or their Relatives, except both Mr. Raj Kumar Chhakra and Mrs. Puspa Devi Saraswat, to whom resolution relates, is interested or concerned in the resolution.

The Board recommends the Resolution set out forth in Item Nos. 3 & 4 for the approval of Members.

ITEM NO. 5

Appointment of Mr. Goutam Bose (DIN : 02504803) as Chairman & Managing Director

The Board at its meeting held on 30th September 2014, appointed Mr. Goutam Bose as Managing Director of the Company with effect from 30th September 2014.

Mr. Goutam Bose is Graduate in Science. He is contributing to the success of the Company by his rich experience in the field of Textile Products; IT Software development, Capital Market related activities Business strategy, Corporate Restructuring, Financial and Tax Planning etc.

In regard to remuneration and perquisites, to be determined and paid, will be decided by the Nomination & Remuneration Committee and will be within the limits prescribed in the Act.

Mr. Goutam Bose is interested in the resolutions set out respectively at Item No. 5 of the Notice with regard to his respective appointment.

The relatives of Mr. Goutam Bose may deemed to be interested in the resolutions set out respectively at Item No. 5 of the Notice, to the extent of his shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the resolutions set forth in the Item No. 5 of the Notice for approval of the members.

ITEM NO. 6

The existing Articles of Association (“Articles”) of the Company are based on the Companies Act, 1956 and several regulations in the existing Articles contain reference to the Sections of the Companies Act, 1956. Some regulations in the existing Articles are no longer in conformity with the provisions of the Companies Act, 2013 (“Act”).

With the enactment of the Companies Act, 2013, several regulations of the existing Articles of

the Company require alteration and/or deletion. Given this position, it is considered expedient to wholly replace the existing Articles by a new set of Articles.

The draft Articles shall be open for inspection by the Members at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. up to the September 25, 2015, the last date of casting votes.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the said Resolution.

The Board of Directors recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the Members.

Details of Director seeking Appointment / Re-appointment in the 33rd Annual General Meeting on 28th September 2015 (in term of Clause 49 of the Listing Agreement)

Name of Director	Mr. Raj Kumar Chhakra	Mrs. Puspa Devi Saraswat	Mr. Goutam Bose
Directors' Identification No. (DIN)	00465157	05165143	02504803
Date of Birth	4 th June 1958	4 th November 1955	25 th March 1981
Date of Appointment on Board	10 th January 2015	28 th March 2015	25 th March 2010
Qualification	Graduate	HSC	B. Sc., Graduate
Experience	Having knowledge of Accounting and Taxation Matters. He is in textile business since last 20 Years	Nil	Rich experience in the field of Textile Products; IT Software development, Capital Market related activities Business strategy, Corporate Restructuring, Financial and Tax Planning etc.
Terms & Conditions of Appointment / Re-appointment	5 Years commencing from 10 th January 2015	5 Years commencing from 28 th March 2015	3 Years commencing from 30 th September 2014
Remuneration details	Maximum of ₹ 5000/- per meeting	Maximum of ₹ 5000/- per meeting	Up to ₹ 25,000/- per month
Shareholding in Company	Nil	Nil	Nil
Relationship with the Company	Not Any	Not Any	Part of KMP
No. of Board Meeting attended during the year	2 (Two)	Nil	9 (Nine)

KHOBSURAT LIMITED

List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	Not Any	NCL Research & Financial Services Ltd.	NCL Research & Financial Services Ltd.
Memberships / Chairmanships of Audit and Stakeholders' relationship Committees across Public Companies	Not Any	Nil	Committee Chairmanship – 1 Committee Membership – 5

Kolkata, May 29, 2015

By order of the Board
For Khoobsurat Limited

Registered Office :

Room No. 40, 5th Floor,
Martin Burn House, 1, R N Mukherjee Road
Kolkata-700 001

Goutam Bose
(DIN : 02504803)
Managing Director

Directors' Report

To The Members,

Your Directors have pleasure in presenting the 33rd Annual Report of your Company together with the Audited Statements of Accounts for the financial year ended March 31, 2015.

(₹ in Lac)

Financial Results	Year Ended 31.03.2015	Year Ended 31.03.2014
Sales / Revenue for the Year	959.78	1471.00
Profit before Tax & Extraordinary Items	26.15	26.13
Less : Provision for Taxation (including Deferred Tax)	7.54	8.07
Profit after Tax	18.61	18.06
Less : Adjustments for Depreciation	8.59	0.00
Add : Profit brought forward from Previous Year	139.14	126.08
Profit available for appropriation	149.16	144.14
Transfer to General Reserve	5.00	5.00
Balance carried forward to Next Year	144.16	139.14

OVERVIEW OF ECONOMY

The Asian Development Bank (ADB) projected India's economy to grow by 7.8 per cent in 2015-16. This is lower than the official estimate of 8.1-8.5 per cent, but higher than China's estimated growth of 7.2 per cent in 2015.

At this rate, India's economy would contribute more to the world economic expansion than the US, although less than what China would chip in, ADB said in its World Development Outlook 2015, released on Tuesday. China is projected to contribute 1.15 per cent to the world economic growth, followed by India at 0.55 per cent. The US' contribution is pegged at 0.52 per cent.

According to ADB, India's economic growth in 2016-17 will be 8.2 per cent - something which the Economic Survey for 2015-2016 had said India would achieve in 2015-16. The higher growth in 2016-17 is expected to come on the back of easing monetary stance by the Reserve Bank of India (RBI) and a pick-up in capital expenditure.

ADB is in touch with the Central Statistics Office (CSO) to understand the new gross domestic product (GDP) series and wanted it to come out with back-dated data on the new series.

According to ADB, consumer price index (CPI)-based inflation will fall to an average of five per cent in 2015-16 against less than seven per cent expected in 2015-2016. However, it will rise to 5.5 per cent in 2016-17.

OVERALL PERFORMANCE & OUTLOOK

Gross Revenue for the year was stood at ₹ 959.78 Lac in comparison to last year figure of ₹ 1471.00 Lac. PBT Margin for the year stood at ₹ 26.15 Lac in comparison to last years' figure of ₹ 26.13 Lac where as Profit after Tax and Extra-Ordinary items stood at ₹ 10.02 Lac in comparison to last years' figure of ₹ 18.06 Lac. The difference of net profit in comparison to last year was mainly due to adjustment of depreciation.

The Company is into the business of trading in Textile products, investments in shares & securities and deploying the surplus funds in treasury operations.

In regard to textile business, outlook for financial year 2015-16 expected to be in line with current years' performance mainly due to steep competition and sluggish demand of consumers. On the other hand Stock market looks challenging mainly due to high volatility and lack of retail participation. Range bound market scenario makes a time difficult for the company.

DIVIDEND AND RESERVES

Due to inadequate profit and with a view to conserve resources to face future challenges, your Directors do not recommends any dividend for the year under review.

During the year under review, sum of ₹ 5.00 Lac were transferred to General Reserves.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2015 was ₹ 1328.4474 Lac. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on March 31, 2015, none of the Directors of the Company hold shares or convertible instruments of the Company.

FINANCE AND ACCOUNTS

Your Company prepares its financial statements in compliance with the requirements the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. The financial statements have been prepared on historical cost basis. The estimates and judgments relating to the financial statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits/(loss) and cash flows for the year ended 31st March 2015.

The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

There is no audit qualification in the standalone financial statements by the statutory auditors for the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments, if any, covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

SUBSIDIARY COMPANY

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. Accordingly, a policy on material subsidiaries has not been formulated.

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013 thus disclosure in form AOC-2 is not required. There were no materially significant transactions with related parties during the financial year which were in conflict with

the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

MANAGEMENT DISCUSSION & ANALYSIS

As required by Clause 49 of Listing Agreement, the Management Discussion and Analysis is annexed and forms part of the Directors' Report.

LISTING OF SECURITIES MCX STOCK EXCHANGE LTD. (MCX-SX)

During the year, the Company has listed its securities on Multi Commodity Exchange Ltd. (MCX-SX) and has got listing approval vide Exchange Circular dated 2nd April 2014. This is in addition to its listing on BSE Ltd. (BSE) and Calcutta Stock Exchange Association Ltd. (CSE).

DELISTING OF SECURITIES FROM U. P. STOCK EXCHANGE LTD. (UPSE)

During the year, the Company has opted to de-list its securities from U. P. Stock Exchange Ltd. due to lack turnover and volatility on its exchange, absence of liquidity in the scrip as well as almost Nil volume during the year under review. However, Equity Shares of Company will continue to list on remaining Exchange i.e. on BSE Ltd. (BSE), Calcutta Stock Exchange Association Ltd. (CSE) and on Multi Commodity Exchange Ltd. (MCX-SX).

MANAGEMENT

There is no Change in Management of the Company during the year under review.

DIRECTORS

During the year, Mr. Nand Kishore Fogla, Non-Executive Director of the Company, has resigned from the Board w.e.f. 10th January 2015 due to his personal commitments. Your Directors wish to place on record their appreciation for the guidance and inputs provided by Mr. Nand Kishore Fogla during his tenure as Director of your Company.

Further, Mr. Raj Kumar Chhakra has been appointed as Additional Director (Independent) w.e.f. 10th January 2015 to broad-base the Board.

Further, Mrs. Puspa Devi Saraswat has been appointed as Additional Director (Independent) w.e.f. 28th March 2015 in compliance with requirement of Section 149(1) of Companies Act, 2013.

Further, none of the Directors of the Company are disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

INDEPENDENT DIRECTORS

As per provisions of Section 149 of the 2013 Act, independent directors shall hold office for a term up to five consecutive years on the board of a company, but shall be eligible for re-appointment for another term up to five years on passing of a special resolution by the company and disclosure of such appointment in Board's Report. Further Section 152 of the Act provides that the independent directors shall not be liable to retire by rotation in the Annual General Meeting ('AGM') of the Company.

As per Revised Clause 49 of the Listing Agreement (applicable from October 1, 2014), any person who has already served as independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of the present term, for one more term of up to 5 (five) years only.

DETAILS OF DIRECTORS / KMP APPOINTED AND RESIGNED DURING THE YEAR

Sl. No.	Name	Designation	Date of Appointment	Date of Resignation
1.	Mr. Nand Kishore Fogla	Non Executive Chairman	-	10 th Jan 2015
2.	Mr. Raj Kumar Chhakra	Independent Director	10 th Jan 2015	-
3.	Mr. Raj Kumar Mishra	CFO	30 th Sept 2014	-
4.	Mrs. Puspa Devi Saraswat	Independent Director	28 th March 2015	-
5.	Ekta Gupta	Company Secretary	19 th Sept 2014	15 th Feb 2015
6.	Ankita Sharma	Company Secretary	15 th Feb 2015	-

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, TRIBUNALS OR COURTS

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There have been no material changes and commitments affecting the financial position of the Company between the end of Financial Year and date of the report.

CHANGE IN SITUATION OF REGISTERED OFFICE

During the year, the Company has shifted its Registered Office from 1, R. N. Mukherjee Road, Mezzanine Floor, Room No. 12, Kolkata-700 001 to Room No. 40, 5th Floor, Martin Burn House, 1, R N Mukherjee Road, Kolkata-700 001 i.e. within the City limit of Kolkata.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 the Board of Directors confirms that:

1. In the preparation of the annual accounts, for the year ended 31st March 2015, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted 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 the end of the financial year and of the profit of the Company for the year;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. The Directors had prepared the annual accounts on a going concern basis.
5. Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
6. Systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

INFORMATION TECHNOLOGY

Your Company believes that in addition to progressive thought, it is imperative to invest in information and technology to ascertain future exposure and prepare for challenges. In its endeavor to obtain and deliver the best, your Company has tie-ups with an IT solution Company to harness and tap the latest and the best of technology in the world and deploy/absorb technology wherever feasible, relevant and appropriate.

BUSINESS RISK MANAGEMENT

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Business Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Company has a robust Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments viz. Finance and Capital Market activities.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

As required under Rule 7 of The Companies (Meetings of Board and its Powers) Rules 2014, the Company has a vigil mechanism named Fraud Risk Management Policy (FRM) to deal with instance of fraud and mismanagement, if any. The detail of the FRM Policy is explained in the Corporate Governance Report.

RESEARCH & DEVELOPMENT

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the year under review, expenditure on research and development is not significant in relation to the nature size of operations of your Company.

Statutory Auditors

The Auditors M/s Bharat D. Sarawgee & Co., Chartered Accountants, Kolkata who are Statutory Auditors of the Company and holds the office until the conclusion of ensuing Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company from

the conclusion of the 33rd Annual General Meeting up to the conclusion of the 37th consecutive Annual General Meeting (subject to ratification by the members at every subsequent AGM). As required under the provisions of Section 139 & 142 of the Companies Act, 2013 the Company has obtained written confirmation from M/s. Bharat D. Sarawgee & Co.; that their appointment, if made, would be in conformity with the limits specified in the said Section.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Neha Poddar, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed elsewhere in this Annual Report.

Internal Auditors

The Company has appointed M/s. V. Khandelwal & Associates, Chartered Accountants (FRN - 328663E) as Internal Auditors of the Company.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed elsewhere in this Annual Report.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

PARTICULARS UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013

Since the Company is into the Business of Financing and into the Investing activities in Shares and Securities; the information regarding conservation of energy, Technology Absorption, Adoption and innovation, under section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is reported to be NIL.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has not earned or used foreign exchange earnings/outgoings during the year under review.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

REPORT ON CORPORATE GOVERNANCE

The Company conforms to the norms of Corporate Governance as envisaged in the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges. Pursuant to Clause 49 of the Listing Agreement, a Report on the Corporate Governance and the Auditors Certificate on Corporate Governance are annexed to this report.

APPRECIATION

Your Directors wish to place on record their appreciation towards the contribution of all the employees of the Company and their gratitude to the Company's valued customers, bankers, vendors and members for their continued support and confidence in the Company.

Kolkata, May 29, 2015

By order of the Board
For Khoobsurat Limited

Registered Office :

Room No. 40, 5th Floor,
Martin Burn House, 1, R N Mukherjee Road
Kolkata-700 001

Goutam Bose
(DIN : 02504803)
Managing Director

Management Discussions & Analysis

MACRO ECONOMIC ENVIRONMENT

India is set to become the world's fastest-growing major economy by 2016 ahead of China, the International Monetary Fund (IMF) said in its recent latest forecast. India is expected to grow at 6.3 per cent in 2015, and 6.5 per cent in 2016 by when it is likely to cross China's projected growth rate, the IMF said in the latest update of its World Economic Outlook.

India's macro-economic prospects have strengthened and the country is best positioned among emerging market economies, gaining global investor's attention, says a report by ICICI Bank. The improvement in India's economic fundamentals has accelerated in FY2015 with the combined impact of a strong Government mandate, RBI's inflation focus supported by benign global commodity prices.

The government, engineering an economic rebound with a slew of reforms, has unveiled a new statistical method to calculate the national income with a broader framework that turned up a pleasant surprise: GDP in the past year 2014-2015 grew 6.9 per cent instead of the earlier 4.7 per cent.

The revision in base year of India's national accounts will increase the size of the economy to Rs 111.7 trillion (US\$ 1.8 trillion) in FY14, according to India Ratings. The size of the Indian economy was at about Rs 93.89 trillion (US\$ 1.51 trillion) in 2012-13.

Also, Capital Economics (CE), an independent macro-economic research company, released its India Watch research report recently, cataloguing its interpretation and expectations on the upcoming Budget 2015. It sees Indian economy expanding by 5.5 per cent in 2015, owing to the fall in crude oil prices and interest rates.

Stating that its great time to invest in India, Minister of State for Finance Mr. Jayant Sinha said the Indian economy has potential to become a US\$ 4-5 trillion economy in the next 10-12 years.

REVIEW OF OPERATIONS

The revenue for the year declined mainly due to lack of demand by consumers and steep competition in the market. In spite of the adverse business condition, the Company's bottom line growth was almost in line with previous years' performance.

The Company registered a gross income of ₹ 959.78 Lac in comparison to last year figure of ₹ 1471.00 Lac. PBT Margin for the year stood at ₹ 26.15 Lac in comparison to last years' figure of ₹ 26.13 Lac where as Profit after Tax and Extra-Ordinary items stood at ₹ 10.02 Lac in comparison to last years' figure of ₹ 18.06 Lac. The different of net profit in comparison to last year was mainly due to adjustment of depreciation.

In term of Segment wise performance, your Company has achieved a Gross Sales of ₹ 731.47 Lac in Textile Segment and Gross Revenue of ₹ 228.31 Lac in Investment & Financial Services Activities. In term of Net Profit (PBT) for the year, the Company has incurred a Net Loss of ₹ 0.88 Lac in Textile Segment and earned a profit of ₹ 73.61 Lac from Investment & Financing activities whereas suffered a loss of ₹ 46.58 Lac from F&O trading activities.

BUSINESS SEGMENT

During the year, the Company was operating into following Business segments -

- Trading of Grey & Synthetic Fabric
- Trading / Investment in Shares & Securities
- Deploying surplus funds into Treasury Operations

OPPORTUNITIES

Textile Industry

The Indian textile industry is expected to clock double-digit growth while budget proposals and some of the steps taken by government recently are expected to increase the discretionary income in the hands of consumers according to a statement made by a top official of Raymond.

India is the one of the world's largest producers of textiles and garments. Abundant availability of raw materials such as cotton, wool, silk and jute as well as skilled workforce have made the country a sourcing hub. It is the world's second largest producer of textiles and garments. The Indian textiles industry accounts for about 24 per cent of the world's spindle capacity and eight per cent of global rotor capacity. The potential size of the Indian textiles and apparel industry is expected to reach US\$ 223 billion by 2021, according to a report by Technopak Advisors.

The textiles industry has made a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings. The sector contributes about 14 per cent to industrial production, four per cent to the gross domestic product (GDP), and 27 per cent to the country's foreign exchange inflows. It provides direct employment to over 45 million people. The textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of India's economy.

The Indian textiles industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. The industry is expected to reach US\$ 220 billion by 2020, according to estimates by Alok Industries Ltd.

With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with several international players like Marks & Spencer, Guess and Next having entered the Indian market. The organised apparel segment is expected to grow at a compound annual growth rate (CAGR) of more than 13 per cent over a 10-year period.

Financial Activities

The segment has witnessed considerable growth in the last few years and is now being recognised as complementary to the banking sector due to implementation of innovative marketing strategies, introduction of tailor-made products, customer-oriented services, attractive rates of return on deposits and simplified procedures, etc.

Capital Market Activities

Capital markets have continued to scale record levels as euphoria has built up on the possible trajectory of the Indian economy. The markets seem to have priced in a favourable policy environment and a consequent increase in corporate performance in the coming years.

As is the case whenever there is a turn in the economy, capital markets take the lead as they price in future improvement in the macroeconomic fundamentals of the economy. The clear mandate given to the central government and the business friendly reforms expected as a result of this has raised the expectation of both domestic and foreign investors. Further, factors such as rising growth prospects, contraction in Current Account Deficit (CAD) as well as the recent stabilization of

the rupee have all contributed to this positive sentiment. Investors have been betting heavily on the economy which has led to high growth of the capital markets. The SENSEX has witnessed a consistent rise in 2014-2015 with a growth of more than 40%, reaching record highs and crossing the 30,000 mark in March 2015.

THREATS & CONCERNS

According to the recent study by CII, lack of focus on synthetic value chain, manpower challenge and duty disadvantage in major markets compared to our competing nations are main threats that can mar the anticipated growth at country level. For manufacturers to take benefit of the domestic market growth story, the requirement will be to be flexible enough to tap opportunities appearing in various market segments. On one hand the manufacturers will need to cater large international brands and retailers, who will prefer sourcing locally; while there will be fast growing Indian brands too. Need of brands and retailers to develop lower cost business models will be the key to enhance their presence in cities beyond Tier I and II. For this, e-commerce will become more important.

In regard to Money market, in the past few years, the increased competition from banks in the retail finance segment has led to excess diversification by NBFCs from their core business activities. The sector has witnessed introduction of various innovative products such as used vehicles financing, small personal loans, three-wheeler financing, IPO financing, finance for tyres & fuel, asset management, mutual fund distribution and insurance advisory, etc. Besides, NBFCs are aspiring to emerge as a one-stop shop for all financial services.

NBFCs have also ventured into riskier segments such as unsecured loans, purchase finance for used commercial vehicles, capital market lending, etc. Moreover, NBFC's customer profile is concentrated on the self-employed segment. The earlier mentioned factors increase their risk profile which could have adverse impact on the financial health of NBFCs.

In regard to Capital Market, success in this market demands leaders who can manage through uncertainty and complexity as they seek to deal with regulatory change while preparing for the future. This in turn demands a clear sense of who their key customers and markets are going to be in five years' time and what investments and changes will be needed to respond. It also requires a forward looking view on how regulation will interact with the other transformational trends in areas such as cost, returns and the ability to meet customer expectations.

HUMAN RESOURCES

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2014-2015, the Company continued to strengthen its HR processes in line with its objective of creating an inspired workforce. The employee engagement initiatives included placing greater emphasis on learning and development, launching leadership development programme, introducing internal communication, providing opportunities to staff to seek inspirational roles through internal job postings, streamlining the Performance Management System, making the compensation structure more competitive and streamlining the performance-link rewards and incentives.

CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The Company constantly strives to meet and exceed expectations in terms of the quality of its business and services. The Company commits itself to ethical and sustainable operation and development of all business activities according to responsible care and its own code of conduct. Corporate Social Responsibility is an integral part of the Company's philosophy and participates in

activities in the area of education and health.

CAUTIONARY STATEMENT

Certain statements under “Management Discussion & Analysis” describing the Company’s objectives, projections, estimates, expectations or predictions may be forward looking statement within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company’s operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

COMPLIANCE

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company’s Board of Directors and the Company’s Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.

New Instructions/Guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and functional units operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in course of their activities and processes. New products and process launched during the year were subjected to scrutiny from the Compliance Standpoint and proposals of financial services were screened from risk control prospective.

The Company has complied with all requirements of regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

Kolkata, May 29, 2015

By order of the Board
For Khoobsurat Limited

Registered Office :

Room No. 40, 5th Floor,
Martin Burn House, 1, R N Mukherjee Road
Kolkata-700 001

Goutam Bose
(DIN : 02504803)
Managing Director

**SECRETARIAL AUDIT REPORT
FORM NO. MR-3**

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2015

[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]

The Members,
M/s. Khoobsurat Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Khoobsurat Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s. Khoobsurat Limited'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 March 31, 2015, 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 March 31, 2015 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
5. 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, 2013;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- 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; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Listing Agreements entered into by the Company with BSE Limited, Calcutta Stock Exchange Association Limited and Multi Commodity Exchange Ltd. (MCX-SX).

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

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, there were no instances of:

- a) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- b) Redemption / buy-back of securities.
- c) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- d) Merger / amalgamation / reconstruction etc.
- e) Foreign technical collaborations.

Place : Kolkata

Date : May 29, 2015

Neha Poddar
Company Secretary
C. P. No. 12190

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2015
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

FORM NO. MGT - 9

I. Registration & Other Details	
CIN	L23209WB1982PLC034793
Registration Date	17/04/1982
Name of the Company	Khoobsurat Limited
Category / Sub-Category of the Company	Category : Company having Share Capital Sub-Category : Indian Non-Government Company
Address of the Registered Office and contact details	Room No. 40, 5 th Floor, Martin Burn House, 1, R N Mukherjee Road, Kolkata-700 001 Tel : +91 33 4061 7068 Email : khoobsurat.kolkata@gmail.com Website : www.khoobsuratltd.com
Whether listed company	Listed Company
Name, address and contact details of Registrar and Transfer Agent, if any	ABS Consultants Pvt. Ltd. 99, Stephen House, 6th Floor, 4, B.B.D. Bag (East), Kolkata-700 001 Tel : +91 33-2220 1043

II. Principal Business Activities of the Company

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Businesses	NIC Code of Business	% of Total Turnover of the Company
Trading in Textile Goods	46101	76.21%
Financing & Trading / Investment in Shares & Securities	66110	23.79%

III. Details of Subsidiary / Associate / Holding Companies

Name & Address of Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
Not Any	Not Applicable	Not Applicable	Not Applicable	Not Applicable

KHOBSURAT LIMITED

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity)

Category wise Shareholding									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	60000	-	60000	0.45	60000	-	60000	0.45	-
b) Central Govt. (s)	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	1168650	-	1168650	8.80	1168650	-	1168650	8.80	-
e) Banks / FIs	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub Total A(1)	1228650	-	1228650	9.25	1228650	-	1228650	9.25	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FIs	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub Total A(2)									
Total Shareholding of Promoters (A1) + (A2)	1228650	-	1228650	9.25	1228650	-	1228650	9.25	-
B. Public Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt. (s)	-	-	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub Total B(1)	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									

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a) Bodies Corporate									
i. Indians	5591288	1303540	6894828	51.90	4336366	206290	4542656	34.20	17.70
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i. Individual Shareholders holding nominal share capital up to ₹ 1 lakh	1337583	1443997	2781580	20.94	3530543	698340	4228883	31.83	10.89
ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	1836000	542916	2378916	17.91	3035319	248916	3284235	24.72	6.81
c) Others (Specify)									
i. Clearing Members	-	-	-	-	-	-	-	-	-
ii. NRI	500	-	500	0.00	50	-	50	0.00	0.00
Sub Total B(2)	8765371	3290453	12055824	90.75	10902278	1153546	12055824	90.75	-
Total Public Shareholding B = B(1) + B(2)	8765371	3290453	12055824	90.75	10902278	1153546	12055824	90.75	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	9994021	3290453	13284474	100.00	12130928	1153546	13284474	100.00	-

ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding during and at the end of the year			% change in shareholding 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	
Alok Kr. Das	60,000	0.45%	Nil	60,000	0.45%	Nil	-
Globe Stocks & Securities Ltd.	426,600	3.21%	Nil	426,600	3.21%	Nil	-
Anant Properties Pvt. Ltd.	299,700	2.26%	Nil	299,700	2.26%	Nil	-
Bhawani Freight & Forwarder Pvt. Ltd.	259,350	1.95%	Nil	259,350	1.95%	Nil	-
Karikish Vyapar Pvt. Ltd.	183,000	1.38%	Nil	183,000	1.38%	Nil	-

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iii) Change in Promoters' Shareholding (Please specify, if there is no change)

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date of Changes	Reason for Changes
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company		
At the beginning of the year	1228650	9.25	1228650	9.25	Not Applicable	
At the end of the Year	1228650	9.25	1228650	9.25		

iv) Shareholding of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs & ADRs)

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding during and at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Ella Finetex Co. Pvt. Ltd.	1,062,975	8.00%	1,062,975	8.00%
Global Capital Market & Infrastructures Ltd.	865,500	6.52%	865,500	6.52%
Khushi Tradelink Pvt. Ltd.	643,108	4.84%	171,108	1.29%
Kohinoor Vincom Pvt. Ltd.	598,617	4.51%	20,617	0.16%
Tripti Vyapar Pvt. Ltd.	406,665	3.06%	8,665	0.06%
Suryamukhi Vyapar Pvt. Ltd.	311,025	2.34%	-	-
Sajjan Kr. Saraswat	280,050	2.11%	280,050	2.11%
Sidhi Vinayak Broking Ltd.	248,000	1.87%	248,000	1.87%
AS Vanijya Pvt. Ltd.	243,000	1.83%	-	-
Raj Kumar Saraswat	228,000	1.72%	228,000	1.72%
Sunil Poddar	228,000	1.72%	228,000	1.72%
Jackson Investments Limited	158,250	1.19%	237,050	1.78%
Key Chain Tex Trade Pvt. Ltd.	156,000	1.17%	156,000	1.17%

v) Shareholding of Directors and Key Managerial Personnel

For Each of Directors & KMP	Shareholding at the beginning of the year		Shareholding during and at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	No Director is holding any share against his/her name			
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	Not Any			

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V. INDEBTEDNESS				
In Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness ₹ Crore
Indebtedness at the beginning of the financial year	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL					
Sr. No.	Particulars of Remuneration	Goutam Bose (MD)	Rajkumar Mishra (CFO)	Ekta Gupta (CS)	Ankita Sharma (CS)
1.	Gross Salary	Nil	₹ 2,52,070/-	₹ 84,000/-	₹ 72,000/-
2.	Value of Perquisites	Nil	Nil	Nil	Nil
3.	Stock Options	Nil	Nil	Nil	Nil
4.	Sweat Equity	Nil	Nil	Nil	Nil
5.	Commission	Nil	Nil	Nil	Nil
6.	Others (Please specify)	Nil	Nil	Nil	Nil

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. Company					
Penalty	220(1)& 220(2)	Late Filing of Annual Return	Not Any	Court	Not Any
Punishment					
Compounding					
B. Directors					
Penalty	220(1)& 220(2)	Late Filing of Annual Return	Not Any	Court	Not Any
Punishment					
Compounding					
C. Other Officers in Default					
Penalty	No Instance				
Punishment					
Compounding					

Annexure to the Directors' Report

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Compliance with the requirements of Corporate Governance is set out below :-

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance for the Company means achieving high level of accountability, efficiency, responsibility and fairness in all areas of operation. Our Employees are committed towards the protection of the interest of the Stakeholders viz. Shareholders, creditors, investors, clients etc. Our policies consistently undergo improvements keeping in mind our goal i.e. maximization of value of all the stakeholders.

The goal is achieved through –

- ✓ Infusion of best expertise in the Board;
- ✓ Consistent monitoring and improvement of the human and physical resources;
- ✓ Availability of Information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties.
- ✓ Board/Committee meetings at regular intervals to keep the Board informed of the recent happenings.

GOVERNANCE STRUCTURE

The Corporate Governance Structure at Khoobsurat Ltd. is as under :-

1. **Board of Directors** : The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosure.
2. **Committees of the Board** : The Board has constituted the following committees viz. Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee. Each of said Committee has been managed to operate within a given framework.

BOARD OF DIRECTORS

Composition of Directors

The Board has five members with an executive Chairman. The Independent Directors on the Board are competent and highly respected professionals from their respective fields and have vast experience in general corporate management, finance, taxation and other allied fields which enable them to contribute effectively to the Company in their capacity as members of the Board. The day to day management of the Company is conducted by Executive Directors subject to supervisions and control of the Board.

The composition and category of the Board of Directors as at March 31, 2015, the number of other Directorships/Committee memberships held by them and also the attendance of the Directors at the Board meetings of the Company are as under:

Name	Designation	DIN	Date of Joining	Date of Resignation (If Applicable)	Committee Membership in Other Listed Cos.	Committee Chairmanship in other Listed Cos.	No. of Directorship in other Listed Cos.
Goutam Bose*	Managing Director	02504803	25 th March 2010	N.A.	2	1	1
Mangelal Joshi	Independent Director	02429795	10 th Dec. 2010	N.A.	Nil	Nil	Nil
Purushottam Khandelwal	Independent Director	00319202	10 th Dec. 2010	N.A.	1	2	1
Raj Kumar Chhakra	Independent Director	00465157	10 th Jan 2015	N.A.	Nil	Nil	Nil
Puspa Devi Saraswat	Independent Director	05165143	28 th March 2015	N.A.	Nil	Nil	1

*Chairman of the Board

Board Independence

The Non-Executive Independent Directors fulfill the conditions of independence as specified in Section 149 of Companies Act, 2013 and Rules made there under and to meet with requirements of Clause 49 of Listing Agreement entered into with Stock Exchange. Further, none of the Independent Director is serving more than seven listed companies. The Company has issued a letter of appointment to all the Independent Directors of the Company. -

Board Meetings

Board Meetings are conducted in accordance with the Rules made under Companies Act, 2013 and as per requirements of Listing Agreement. The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The Board Meetings are pre scheduled and a tentative annual calendar of the Board is circulated to the Directors in advance to facilitate the Directors to plan their schedules.

The Notice of each Board Meeting is given in writing / by email to each Director. The Agenda along with relevant notes and other material information are sent in advance separately to each Director and in exceptional cases, tabled at the meeting. This ensures timely and informed decisions by the Board. The Minutes of Board Meetings are also circulated in advance to all Directors and confirmed at subsequent Meetings. The Board reviews the performance of the Company.

Post Meeting Mechanism

The important decisions taken at the Board / Board Committee meetings are communicated to the concerned department/s and/or division.

Familiarization Programme for Directors

At the time of appointing Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected of him/her as a Director of the Company. The Director is also explained in detail the Compliance required from him/her under the Companies Act, 2013, Clause 49 of Listing Agreement and other relevant regulations and affirmation taken with respect to the same. The Chairman & Managing Director also had one to one discussion with the newly appointed Director to familiarize him/her with the Company's operations. Further, the Company has put in place a system to familiarize the Independent Directors

about the Company, its services, business and the on-going events relating to the Company.

Further, at the time of appointment of Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a Director. The format of the letter of appointment is available on Company website.

Details of Board Meetings

The Board of Directors met 9 times on 27th May, 12th August, 19th September, 30th September, 13th November and 27th December in year 2014 and on 10th January, 12th February and 28th March in the year 2015 during the financial year 2014-2015.

Current Board structure and attendance of Board of Directors at the Board Meeting and at the last Annual General Meeting :

Name	Designation	Attendance at the AGM	Meetings Attended
Goutam Bose*	Managing Director	Yes	9
Nand Kishore Fogla\$	Non-Executive Director	Yes	6
Purushottam Khandelwal	Independent Director	Yes	9
Mangelal Joshi	Independent Director	Yes	9
Raj Kumar Chhakra	Independent Director	N.A.	2
Puspa Devi Saraswat	Independent Director	N.A.	Nil

*Chairman of the Board, \$Resigned w.e.f. 10th January 2015

AUDIT COMMITTEE

The Audit Committee of the Board consists of three Directors out of which two are independent. The Chairman is an Independent and Non-executive Director. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise.

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Powers of Audit Committee

The Audit Committee is having following powers -

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Authority and Responsibilities

Following are the Role of Audit Committee –

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of Information Audit Committee

In addition to the above, Audit Committee reviews the following information :

- i Management discussion and analysis of financial condition and results of operations;
- ii Statement of significant related party transactions submitted by management;
- iii Management letters / letters of internal control weaknesses issued by the statutory auditors and qualification in draft audit report;
- iv Internal audit reports relating to internal control weaknesses;
- v The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

Meetings of Audit Committee

The members of Audit Committee met five times on 27th May, 12th August, 30th September and 13th November in year 2014 and on 12th February in year 2015 during the financial year ended on 31st March 2015.

Name	Number of Meetings Held	Meetings Attended
Goutam Bose	5	5
Mangelal Joshi*	5	5
Purushottam Khandelwal	5	5

* Chairman of the Committee

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of two Independent Directors & the Managing Director. All members of the Nomination & Remuneration Committee are financially literate and they have accounting or related financial management expertise.

The Nomination and Remuneration Committee was constituted in the meeting of Board of Directors of the Company held on 27th May 2014.

Role of Nomination and Remuneration Committee

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board, their appointment and removal.

Details of Remuneration paid to Directors

The payment of salary to Directors was Nil during the financial year 2014-2015.

No Stock option has been allotted to any of the Directors during the financial year 2014-2015.

None of the Independent Directors holds any shares in their name or in the name of their relatives.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

Criteria of selection of Non Executive Directors

- The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of accounting, finance, taxation, law etc. However Women Director is exempted from said criteria.
- In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director -
 - a. Qualification, expertise and experience of the Directors in their respective fields;
 - b. Personal, Professional or business standing;
 - c. Diversity of the Board.
- In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings. A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CEO & Managing Director - Criteria for selection / appointment

For the purpose of selection of the CEO & MD, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the

position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration for the CEO & Managing Director

- At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.
- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- The remuneration of the CEO & Managing Director is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retirement benefits. The variable component comprises performance bonus.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Stakeholders’ Relationship Committees. A structured questionnaire was prepared after taking into considerable inputs received from the Directors, covering various aspects of the Board’s functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

Meetings of Nomination & Remuneration Committee

The members of Nomination & Remuneration Committee met eight times on 27th May, 12th August, 19th September, 30th September and 27th December in year 2014 and on 10th January, 12th February and 28th March in year 2015 during the financial year ended on 31st March 2015.

Name	Number of Meetings Held	Meetings Attended
Goutam Bose	8	8
Mangelal Joshi	8	8
Purushottam Khandelwal*	8	8

* Chairman of the Committee

STAKEHOLDERS’ RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing “Shareholders’/Investors’ Grievance Committee”

as the “Stakeholders’ Relationship Committee”.

The Stakeholders’ Relationship Committee was constituted in the meeting of Board of Directors of the Company held on 27th May 2014.

The terms of reference of the Committee are:

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees’ Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non receipt of annual reports, notices, non receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debentures and other securities of the Company.

The Share Department of the Company and the Registrar and Share Transfer Agent, ABS Consultants Private Limited attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges and Registrar of Companies etc.

The Minutes of Stakeholders’ Relationship Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

Compliance Officer

The Company has appointed Ms. Minu Jhunjhunwala, Company Secretary, as a Compliance Officer within the meaning of Listing Agreement.

Composition of Committee and Meetings attended

During the year, eight meetings of the Stakeholders’ Relationship Committee were held on 30th April, 31st July, 19th September, 30th September, 21st October and 22nd December in year 2014 and on 12th February and 23rd March in year 2015 during the financial year 2014-2015.

A brief detail of Names, Position, Category and meeting attended by Members of Committee is as follows:

Name	Position	Category	Meetings Attended
Mr. Mangal Joshi*	Chairman	Independent, Non-Executive	8
Mr. Goutam Bose	Member	Executive Director	8
Mr. Purushottam Khandelwal	Member	Independent, Non-Executive	8

Details of Shareholders' Complaints

At the beginning of year, there was Nil unresolved Complaint and during the year the Company did not receive any complaint from its Members; and thus there was no pending complaint at the end of the financial year.

Further, as required under Clause 47C of the Listing Agreement, a Certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within stipulated time.

The Company has designated email ID under Clause 47(f) of Listing Agreement and the same is khoobsurat.kolkata@gmail.com to lodge Investor complaints. Apart from this, the SEBI has also facilitated Investors to lodge complaints directly on SCORES on SEBI website for faster addressing and resolutions of Investor Complaints.

Independent Directors' Meeting

During the year under review, the Independent Directors met on March 30, 2015, inter alia, to discuss:

- Evaluation of the Performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the Performance of Chairman of the Company; taking into account the views of the Executive and Non Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
32 nd Annual General Meeting	25 th September 2014, 10.00 AM	Shyamal Smriti Parishad, 30, Dr. Nagen Ghosh Road, Kolkata-700 031
31 st Annual General Meeting	25 th September 2013, 10.00 AM	1,R.N.Mukherjee Road Mezzanine Floor, Room No.12, Kolkata-700 001
30 th Annual General Meeting	27 th September 2012, 11.00 AM	1,R.N.Mukherjee Road Mezzanine Floor, Room No.12, Kolkata-700 001

SPECIAL RESOLUTION PASSED AT LAST THREE ANNUAL GENERAL MEETINGS:

No Special Resolutions have been proposed and passed during last three Annual General Meetings.

PASSING OF RESOLUTION BY POSTAL BALLOT:

During Financial Year 2012-13 Special Resolution has been proposed and/or passed for increase in Authorized Capital from ₹ 4.45 Crore to ₹ 15.00 Crore. Also a Special Resolution has been passed to approve allotment of Bonus Equity Shares at the ratio of 2 (two) Bonus Equity Shares of ₹ 10/- each credited as fully paid up Equity Shares of every 1 (One) fully paid Equity Shares of ₹ 10/- each held by the members

No Resolution was passed during remaining two out of last three financial years.

EXTRA-ORDINARY GENERAL MEETING

No Extra-Ordinary General Meeting was held by the Company during the financial year ended on 31st March 2015.

BOARD DISCLOSURES

Compliance with Governance Framework

The Company is in compliance with all mandatory requirements of Clause 49 of Listing Agreement. In addition, the Company has also adopted the non-mandatory requirements of constitution of Remuneration and Nomination Committee and tenure of office of Independent Directors in current financial year 2014-2015.

STRICTURES AND PENALTIES

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets activities during the last three years.

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 have been set out in the Notes to the Financial Statements.

RISK MANAGEMENT

The Company has a Risk Management Policy which has been adopted by the Board of Directors, currently, the Company's risk management approach comprises of the following :-

- ❖ Governance of Risk
- ❖ Identification of Risk
- ❖ Assessment of Control of Risk

The risks have been prioritized through a company wide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

The Company has appointed a Risk Officer and also put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

Risk Officer makes a presentation periodically on risk management to the Board of Directors and the Audit Committee. The Board and the Audit Committee provide oversight and review the risk

management policy periodically.

SEBI / STOCK EXCHANGE COMPLIANCE

The Company has complied with all requirements of the Listing Agreement entered into with the Stock Exchange as well as the regulations and guidelines of SEBI. Consequently there were no strictures or penalties imposed either by SEBI or Stock Exchange or any Statutory Authority for non-compliance of any matter related to the Capital Markets during the last three years.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary & Head Compliance is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

DISCLOSURES

- (a) There are no transactions with related party i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large.
- (b) There has been no instance of non-compliance by the Company on any matter related to Capital Markets and hence the question of penalties or strictures being imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority does not arise.
- (c) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 1992) as amended till date, on Prohibition of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof. However whistle blower policy has not been formed during the year under review. Further, we affirm that no personnel have been denied access to the Audit Committee.
- (d) **Reconciliation of Share Capital** (Previously known as Secretarial Audit) :- A qualified Practicing Company Secretary carried out Secretarial Audit on quarterly basis to reconcile the total admitted capital with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL) and the total issued and listed capital. The secretarial audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

CODE OF BUSINESS CONDUCT & ETHICS

The Company has adopted Code of Business Conduct and Ethics ("the Code") which is applicable to the Board of Directors and Senior Management Team (one level below the Board of Directors) of the Company. The Board of Directors and the members of Senior Management Team are required to affirm semi-annual compliance of this Code. The Code requires Directors and Employees to

act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company website.

CONFLICT OF INTEREST

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. Members of Board while discharging their duties, avoid conflict of interest in the decision making process. The members of Board restrict themselves from any discussions and voting in transactions that they have concern or interest.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the good governance companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Fraud Risk Management Policy (FRM) to deal with instances of fraud and mismanagement, if any. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

COMMUNICATION WITH THE MEMBERS/SHAREHOLDERS

- The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges. The aforesaid financial results are sent to BSE Limited (BSE), Calcutta Stock Exchange Association Ltd. (CSE) and MCX Stock Exchange Ltd. (MCX-SX) where the Company's securities are listed, immediately after these are approved by the Board. The results are thereafter published in leading English and Bengali daily newspapers. The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.
- The Company also informs by way of intimation to BSE, MCX-SX & CSE, all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members.
- The Annual Report of the Company, the quarterly / half yearly and the annual results and the press releases of the Company are also placed on the Company's website: www.khoobsuratLtd.com and can be downloaded.
- In compliance with Clause 49 of the Listing Agreement, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE are filed electronically on BSE's on-line portal followed by physical submission to BSE. The Company has complied with filing submissions through BSE's BSE Online Portal. Further, the Company is filing documents to MCX-SX through online portal of MCX & in case of CSE the same are filed by physical submission.
- A separate dedicated section under 'Corporate Governance' on the Company's website gives information on unclaimed dividends, quarterly compliance reports / communications with the Stock Exchanges and other relevant information of interest to the investors / public.

DISCLOSURES ON NON-MANDATORY REQUIREMENTS

The Company has adopted/complied with the following non-mandatory requirements as prescribed in Clause 49 of Listing Agreement with the Stock Exchange :-

- a) The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- b) There was no case of Non-Compliance during financial year 2014-2015 in term of provisions of Listing Agreement entered into with BSE, MCX-SX and CSE by the Company. Further, no penalties have been levied or actions have been taken by BSE, CSE, MCX-SX or SEBI during last three years.
- c) The Company has complied with all mandatory requirement as stated in clause 49 of Listing Agreement and the non-mandatory requirement have been complied with to the extent feasible.
- d) The Company is committed to conducting its Business in conformity with ethical standards and applicable Laws and Regulations. This commitment stands evidenced by model code of conduct adopted by Board of Directors at their meeting which is applicable to each member of the Board of Director and senior management of the Company.
- e) The financial statements of the Company are unqualified.

GENERAL SHAREHOLDER INFORMATION

Detailed information in this regard is provided in section “Shareholders Information” which forms part of this Annual Report.

SHAREHOLDERS’ INFORMATION

a. Next Annual General Meeting

The information regarding 33rd Annual General Meeting for the financial year ended on 31st March 2015 is as follows :-

Date : 28th September, 2015 (Monday)
 Time : 10.00 A.M.
 Venu : Shyamal Smriti Parishad, 30, Dr. Nagen Ghosh Road, Kolkata-31

b. Financial Calendar : 1st April to 31st March.

c. Future Calendar for financial year ending 31st March 2016 :

Subject Matter	Tentative Date
Financial Reporting of 1 st Quarter ended on 30 th June 2015	Mid of August, 2015
Financial Reporting of 2 nd Quarter ended on 30 th September 2015	Mid of November, 2015
Financial Reporting of 3 rd Quarter ended on 31 st December 2015	Mid of February 2016
Financial Reporting of 4 th Quarter ended on 31 st March 2016	During May 2016
Date of Annual General Meeting	During September 2016

KHOOBSURAT LIMITED

- d. **Date of Book Closure** : September 22, 2015 to September 28, 2015. (Both days inclusive)
- e. **Dividend Payment** : No Dividend has been recommended for the year.
- f. **Dividend History** : The Company has not paid any Dividend during last 10 years.
- g. **Unclaimed Dividend / Share Certificates**
As required to be disclosed under Clause 5A of Listing Agreement, Nil Shares are lying at the beginning or at the Close of Financial Year in the Suspense Account. Further the Company did not moved in/out any Equity Share in said Suspense Account during current financial year.
- h. **Listing of Shares** : BSE Limited (BSE)
Calcutta Stock Exchange Association Ltd.(CSE).
Multi Commodity Exchange Ltd. (MCX-SX)
- i. **Listing Fees** : Annual Listing Fees for Financial year 2015-2016 have been paid to all Exchanges where Shares of Company are listed.
- j. **Stock Code & ISIN Code** : 535730 on BSE; 21144 on CSE, MCX-SX - KHOOBSURAT
INE731G01019 on both CDSL & NSDL
- k. **Market Price Data** :

Month	Price on BSE (₹) & Volume			BSE Sensitive Index	
	High	Low	Volume	High	Low
April 2014	98.40	76.00	19,101	22939.31	22197.51
May 2014	93.40	80.35	14,727	25375.63	22277.04
June 2014	108.10	91.50	17,076	25725.12	24270.20
July 2014	236.00	106.00	27,826	26300.17	24892.00
August 2014	193.00	137.00	43,162	26674.38	25232.82
September 2014	163.10	102.85	43,092	27354.99	26220.49
October 2014	139.95	99.00	55,406	27894.32	25910.77
November 2014	107.00	81.30	33,454	28822.37	27739.56
December 2014	114.80	76.20	51,176	28809.64	26469.42
January 2015	96.00	75.00	54,062	29844.16	26776.12
February 2015	95.00	51.60	149,727	29560.32	28044.49
March 2015	64.90	32.50	119,939	30024.74	27248.45

- l. **Registrar & Share Transfer Agent.**
M/s. ABS Consultants Pvt. Ltd. has been appointed as Registrar & Share Transfer Agent for all work relating to share registry in terms of both physical and electronic mode. All transfer, transmission, request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address:

M/s. ABS Consultants Pvt. Ltd.

99, Stephen House, 6th Floor

4, B.B.D. Bag (East), Kolkata-700 001

Phone - 033-22430153 / 033-22201043, Fax 033-22430153, E-Mail: absconsultant@vsnl.net

m. Share Transfer Systems

The Share transfer is processed by the Registrar & Share Transfer Agent, ABS Consultants Pvt. Ltd. and approved by Stakeholders' Relationship Committee, if the documents are complete in all respects, within 15 days from the date of lodgment.

n. Shareholding Pattern as on 31st March 2015

Categories	No. of Shares	% of Shareholding
Promoters, Directors & Relatives & Person acting in concert	1228650	9.25
Indian Bank / Mutual Funds	0	0.00
NRI/OCBS	50	0.00
Private Corporate Bodies	4542656	34.20
Indian Public	7513118	56.56
Total	13284474	100.00

o. Distribution of Shareholding as on 31st March 2015.

No. of Equity Shares	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
1-500	301	18.00	38743	0.29
501-1000	87	5.20	65704	0.49
1001-2000	240	14.35	411516	3.10
2001-3000	168	10.05	475117	3.58
3001-4000	401	23.98	1564730	11.78
4001-5000	126	7.54	601119	4.52
5001-10000	179	10.71	1340800	10.09
10001 and Above	170	10.17	8786745	66.14
Total....	1672	100.00	13284474	100.00

p. Details of Shareholders holding more than 5% holding under Public Category

Following persons/entities are holding more than 5% of Paid-up Equity Share Capital of the Company as on 31st March 2015 –

Name of Shareholder	No. of Shares Held	% of Shareholding
Ella Finetex Co. Pvt. Ltd.	10,62,975	8.00%
Global Capital Market & Infrastructures Ltd.	8,65,500	6.52%

q. Dematerialization of Shares & Liquidity

The Company's Equity Shares are in Demat trading segment and the Company had established connectivity with both NSDL & CDSL by signing the necessary agreements.

Procedures for dematerialization / rematerialization of Equity Shares:-

Shareholders seeking demat / remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to Registrar and Share Transfer Agents of the Company. Upon receipt of the request and share certificates, the Registrar will verify the same. Upon verification, the Registrar will request NSDL/CDSL

to confirm the demat request. The demat account of the respective share holder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests NSDL or CDSL to confirm the same. Approval of the Company is being sought and equivalent numbers of shares are issued in physical form to the shareholder. The share certificates are dispatched within 15 days from the date of issue of Shares.

The Shares of Company are traded on BSE, MCX-SX & CSE. 91.32% of the Company's Equity Share Capital held under Public category has been dematerialized up to 31st March 2015.

r. Nomination

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination form SH-13 ([Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014] can be obtained from the Company's Registrar and Share Transfer Agent. It is also available on Public domain.

s. Electronic Clearing Service

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

t. Service of Documents through Electronic Mode

As a part of Green Initiatives, the members who wish to receive the notice/documents through e-mail, may kindly intimate their e-mail address to the Company's Registrar and Share Transfer Agent, ABS Consultants Pvt. Ltd. to their dedicated e-mail id i.e., "absconsultant@vsnl.net."

u. Listing Fees

The Company has paid the Annual Listing Fees for year 2015-2016 to all the Exchanges where Shares of Company are listed.

v. Requirement of PAN Card in case of Transfer of Shares in Physical Form

Pursuant to SEBI Circular, the shareholders holding shares in physical form are requested to submit self certified copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.

- w. **For the Attention of Shareholders holding shares in electronic form**
Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).
- x. **Details on use of Public Funds Obtained in the last three years :**
No Fund has been raised during last three financial years.
- y. **Investors Correspondence**
Shareholders can contact the following Officials for secretarial matters of the Company :-
Ms. Minu Jhunjhunwala - khoobsurat.kolkata@gmail.com
- z. **Outstanding GDRs./ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity :**
Not Any.
- aa. **Code of Conduct**
The Board of Directors of the Company has laid down Code of Conduct for Directors and for Senior Management & Employees. All Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Wholtime Director & Chief Executive Officer is annexed to this report.
- bb. **Green initiatives in Corporate Governance to receive documents through email by registering your email address :**
The Ministry of Corporate Affairs (MCA) has taken a “Green initiative in the Corporate Governance” by providing an opportunity to the shareholders to register their email address with Company and changes therein from time to time.

The Company is sending notices/documents such as Annual Reports and notices by email to the shareholders who have registered their email address with DP/RTA. To support this laudable move of the Government, the members who have not registered their email address, so far, are requested to do so at the earliest, in respect of demat holding, through the respective Depository Participant (DP) and in respect of physical holding, through the Registrar and Share Transfer Agent (RTA) M/s. ABS Consultants Pvt. Ltd.

While every notice/document will be sent through email address registered with the Company/RTA/DP, in case you desire to receive any notice/document in physical form, please intimate by email and the same shall be sent to your address registered with the Company/DP.

We solicit your patronage and support in joining hands with the Company to implement the e-governance initiative.
- cc. **Plant Location**
Not Any
- dd. **Address for Correspondence**
Room No. 40, Martin Burn House, 5th Floor, R N Mukherjee Road, Kolkata – 700 001
Tel. : 033 40661067 Fax. : 033 30285807, Email : khoobsurat.kolkata@gmail.com

Chairman & Managing Director's Declaration on Code of Conduct

As required by Clause 49 of Listing Agreement, the CEO's Declaration for Code of Conduct is given below:

The Members of **Khoobsurat Limited**

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief, we certify that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.
- (e) We further declare that all Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct for the current Financial Year.

S/d-

Goutam Bose

(DIN : 02504803)

Managing Director

Kolkata, May 29, 2015

Annexure I

Declaration by the Managing Director under Clause 49(II) (E) of the Listing Agreement

The Members of **Khoobsurat Limited**

In accordance with Clause 49 sub clause II(E) of the Listing Agreement with the Stock Exchanges, I, **Goutam Bose**, Managing Director of Khoobsurat Limited hereby confirm that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conducts.

S/d-

Goutam Bose

(DIN : 02504803)

Managing Director

Kolkata, May 29, 2015

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of **Khoobsurat Limited**

We have examined the compliance of the conditions of Corporate Governance by **Khoobsurat Limited** (The Company) for the year ended 31st March 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with all stock exchanges where the Shares of Company are listed.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Stakeholders' Relationship Committee.

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

For **Bharat D. Sarawgee & Co.**
Chartered Accountants

Place : Kolkata
Date : May 29, 2015

Bharat D. Sarawgee
Partner
Membership No. 061505
FRN: 326264E

INDEPENDENT AUDITORS' REPORT**To The Members of Khoobsurat Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of M/s. Khoobsurat Limited, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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 the 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

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 31st March 2015;
- b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the order") issued by the Central Government in terms of Sub section 11 of Section 143 of the Act , we give in the Annexure a statement on the matters Specified in paragraph 3 and 4 of the Order , to the extent applicable:

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, the 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 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies Act, 2013 (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us.
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - iii. The Company was not required to transfer any fund into the Investors Education and Protection Fund during the year.

For **Bharat D. Sarawgee & Co.**
Chartered Accountants

Place : Kolkata
Date : May 29, 2015

Bharat D. Sarawgee
Partner
Membership No. 061505
FRN: 326264E

Annexure to the Auditors' Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of Khoobsurat Limited on the accounts of the company for the year ended 31st March, 2015.

On the basis of such checks as we considered appropriate and according to the information and Explanations given to us during the course of our audit, we report that:

i) In respect of its fixed assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- b) As explained to us, fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

ii) In respect of its inventory:

- a) As explained to us, the inventory of shares is physically verified at the end of the year by the Management.
- b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stocks as compared to book records.

iii) In respect of loans, secured or unsecured, granted to the parties covered in register maintained under section 189 of the Companies Act 2013:

- (a) According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered 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, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods (and/ services). During the course of our Audit, we have not observed any continuing failure to correct major weaknesses in internal control.

v) The company has not received any public deposits during the year.

vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

vii) **In respect of statutory dues:**

- (a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees state insurance (ESI), Investor Education and Protection Fund, Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value added tax (VAT), Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.
- (b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, sales tax, VAT, Cess and other material statutory dues in arrears /were outstanding as at 31 March, 2015 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.
- viii) The company does not have the accumulated losses at the end of financial year. The company has not incurred any Cash losses during the financial covered by our Audit and the immediately preceding financial year.
- ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- x) In our opinion, and according to the information and the explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xi) The company has not obtained any term loan during the year, so this para of order is not applicable.
- xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **Bharat D. Sarawgee & Co.**
Chartered Accountants

Place : Kolkata
Date : May 29, 2015

Bharat D. Sarawgee
Partner
Membership No. 061505
FRN: 326264E

Balance Sheet as at March 31st 2015

PARTICULARS	Note No.	As At March 31, 2015 ₹	As at March 31, 2014 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2.1	132,844,740	132,844,740
Reserves and Surplus	2.2	116,772,819	115,770,717
		249,617,559	248,615,457
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities (Net)	2.3	260,827	287,812
		260,827	287,812
CURRENT LIABILITIES			
Trade Payable		30,592,708	26,944,635
Other Current Liabilities	2.4	101,836	412,324
Short-term Provisions	2.5	8,386,036	7,604,836
		39,341,407	35,249,607
TOTAL		288,958,966	283,865,064
ASSETS			
Non-current assets			
Fixed Assets			
Tangible Assets	2.6	789,947	1,767,830
		789,947	1,767,830
Current Assets			
Stock-in Trade	2.7	693,000	1,313,000
Trade Receivable		5,609,067	4,314,109
Cash and Cash Equivalents	2.8	625,584	1,465,282
Short-term Loans and Advances	2.9	281,241,368	275,004,843
		288,169,019	282,097,234
TOTAL		288,958,966	283,865,064

Significant Accounting Policies and Notes on Accounts 1

As per report of even date

For BHARAT D. SARAWGEE & CO.

Chartered Accountants

Firm Regn. No.326264E

For and on behalf of the Board

Bharat D. Sarawgee

Partner

Membership No.F61505

Kolkata, 29th May, 2015

Mangelal Joshi

Director

Raj Kumar Mishra

CFO

Goutam Bose

Director

Minu Jhunjunwala

Company Secretary

Statement of Profit & Loss for the Year Ended 31st March, 2015

PARTICULARS	Note No.	For the Year ended on March 31, 2015 ₹	For the Year ended on March 31, 2014 ₹
REVENUE			
Revenue from Operations	2.11	86,914,581	132,583,400
Other Income	2.12	9,063,072	14,517,050
TOTAL REVENUES		95,977,653	147,100,450
Expenses:			
Changes in Inventories of Stock-In-Trade		620,000	11,756,920
Purchases of Stock-In-Trade	2.13	87,001,990	126,372,091
Employee Benefits Expense	2.14	3,199,084	3,032,400
Depreciation & Amortisation Expenses	2.6	118,714	974,122
Other Expenses	2.15	2,422,377	2,351,825
TOTAL EXPENSES		93,362,165	144,487,358
Profit before Tax		2,615,488	2,613,092
Less : Provision for Tax			
Current		781,200	975,403
Deferred		(26,985)	(167,958)
Profit for the year		1,861,273	1,805,647

Significant Accounting Policies and Notes on Accounts 1

As per report of even date

For BHARAT D. SARAWGEE & CO.

Chartered Accountants

Firm Regn. No.326264E

Bharat D. Sarawgee

Partner

Membership No.F61505

Kolkata, 29th May, 2015

For and on behalf of the Board

Mangelal Joshi

Director

Raj Kumar Mishra

CFO

Goutam Bose

Director

Minu Jhunjunwala

Company Secretary

**Statement of Cash Flow Annexed to the Balance Sheet
as at 31st March, 2015**

PARTICULARS	For the Year ended on March 31, 2015 ₹	For the Year ended on March 31, 2014 ₹
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary Items	2,615,488	2,613,092
Adjustments for:		
Depreciation	118,714	974,122
Operating Profit before Working Capital Changes	2,734,202	3,587,214
Adjustments for Working Capital Changes:		
Trade and Other Receivable	(1,294,958)	(1,969,452)
Loans & Advances	(6,236,525)	90,637,121
Stock-in-trade	620,000	11,756,920
Trade Payable & Other Liabilities	3,337,585	(139,781,543)
Cash Generated from Operations	(839,696)	(35,769,741)
Income Tax Paid for the Year	-	-
Net Cash From Operating Activities	(839,696)	(35,769,741)
B CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) / Decrease in Investment	-	32,165,049
(Increase) / Decrease in Fixed Assets	-	-
Net Cash From Investing Activities	-	32,165,049
C CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash From Financing Activities	-	-
Net Increase/(Decrease) in cash and cash Equivalents (A+B+C)	(839,696)	(3,604,692)
Cash & Cash Equivalents (Opening Balance)	1,465,282	5,069,974
Closing Cash & Cash Equivalents (Closing Balance)	625,586	1,465,282

NOTES:

(1) Figures in bracket represent outflows.

(2) Previous years figures have been regrouped / reclassified wherever applicable.

As per report of even date

For BHARAT D. SARAWGEE & CO.

Chartered Accountants

Firm Regn. No.326264E

For and on behalf of the Board

Bharat D. Sarawgee

Partner

Membership No.F61505

Kolkata, 29th May, 2015

Mangelal Joshi

Director

Raj Kumar Mishra

CFO

Goutam Bose

Director

Minu Jhunjunwala

Company Secretary

Notes on Financial Statements for the Period ended 31st March 2015

(All amounts in ₹, except share data and unless otherwise stated)

Note 1 Company Information & Accounting Policies

Company Information

The company is incorporated on 17th April, 1982 at Calcutta, West Bengal, India. It is a Public limited company by its shares. The activities of the company include trading in textiles, investing in shares & other securities and other related activities.

Accounting Policies

Basis of Preparation of Financial Statements

These financial statements have been prepared to comply in all material aspects with Generally Accepted Accounting Principles in India (Indian GAAP), the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

Use of Estimates

The preparation of the financial statements in conformity with the generally accepted principles requires the management to make estimates and assumptions that effect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from that estimates and assumptions used in preparing the accompanying financial statements. Any differences of actual results to such estimates are recognized in the period in which the results are known / materialized.

Cash Flow Statement

Cash flow statement has been prepared in accordance with the "indirect method" as explained in the AS-3 issued by the Institute of Chartered Accountants of India.

Fixed Assets & Depreciation Tangible Assets

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their book value or net realisable value and are shown separately in the financial statements under Other Current Assets. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the profit and loss

account.

Depreciation is provided on a pro-rata basis on the Written Down Value Method at the rates prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:
- assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

Intangible Assets & Amortisation

Intangibles assets are stated at cost less accumulated amortisation. These are being amortised over the estimated useful life, as determined by the management. Leasehold land is amortised over the primary period of the lease.

Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

a) Income is recognized on accrual basis as sale takes place.

Other Income Recognition

Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

Dividend income on investments is accounted for when the right to receive the payment is established

Purchase

Purchase is recognized on passing of ownership.

Expenditure

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities

Investments

Current investments are stated at the lower of cost and fair value. Long-term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments. Investments are classified into current and long-term investments.

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non current investments.

Cash & Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there is a change in the estimated recoverable value.

Taxation

Provision for current Income Tax is made on the taxable income using the applicable tax rates

and tax laws. Deferred tax assets or liabilities arising on account of timing differences between book and tax profits, which are capable of reversal in one or more subsequent years is recognized using tax rate and tax laws that have been enacted or subsequently enacted. Deferred tax asset in respect of unabsorbed depreciation and carry forward losses are not recognized unless there is sufficient assurance that there will be sufficient future taxable income available to realize such losses.

Earnings per Share

Basic earning per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

Stock in Trade

Stocks are valued at cost or market value, whichever is lower. The comparison of Cost and Market value is done separately for each category of stock.

Contingent Liabilities & Provisions

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the year end date.

These are reviewed at each year end date and adjusted to reflect the best current estimate.

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

Other Notes and Additional Information forming part of Financial Statements

i) In the opinion of the management, current assets, loans and advances and other receivables have realizable value of at least the amounts at which they are stated in the accounts

**Notes forming part of the Financial Statements for the year ended
March 31, 2015**

Note 2.1 : Share Capital

Particulars	31st March 2015	31st March 2014
	₹	₹
Authorised shares 1,50,00,000 equity shares of Rs. 10/- each (last year: 1,50,00,000 Equity Shares)	150,000,000	150,000,000
Issued, subscribed and paid-up capital 1,32,84,474 Equity Shares of Rs. 10/- each fully paid- up (last year: 1,32,84,474 Equity Shares)	132,844,740	132,844,740

Number of Equity Shares held for more than 5% is as given below:

Name of the shareholder	31st March 2015	31st March 2014
Ella Fintex Pvt Ltd	1,062,975 8.00%	1,062,975 8.00%
Global Capital Market & Infrastructures Ltd	865,500 6.52%	865,500 6.52%

NOTE 2.2 : RESERVE AND SURPLUS

Particulars	31st March 2015	31st March 2014
	₹	₹
Special Reserves		
Balance at the beginning of the year	2,500,000	2,000,000
Add: Transfer from Surplus	500,000	500,000
	3,000,000	2,500,000
General Reserves		
Balance at the beginning of the year	99,356,857	99,356,857
	99,356,857	99,356,857
Surplus		
Opening Balance	13,913,858	12,608,211
Add: Net profit for the Current Year	1,861,273	1,805,647
Amount available for Appropriation	15,775,131	14,413,858
Less : Transfer to Special Reserves	500,000	500,000
Less : Adjustments for Depreciation	859,169	-
Closing Balance	14,415,962	13,913,858
TOTAL	116,772,819	115,770,715

NOTE 2.3 : DEFERRED TAX LIABILITIES(NET)

Particulars	31st March 2015	31st March 2014
	₹	₹
Deferred Tax Liabilities(Net)	260,827	287,812
	260,827	287,812

NOTE 2.4 : OTHER CURRENT LIABILITIES

Other Current Liabilities	101,836	412,324
	101,836	412,324

NOTE 2.5 : SHORT TERM PROVISIONS

Provision for Taxation (net)	8,386,036	7,604,836
	8,386,036	7,604,836

NOTE 2.6 : FIXED ASSETS

Tangible Assets	GROSS BLOCK(AT COST)			DEPRECIATION				NET BLOCK			
	As on 01-04-2014	Additions during the year	Sales/Adjustment	As on 31-03-2015	As on 01-04-2014	For the Year	On Sales Adjustment	Charged to Retained earnings	Upto 31-03-2015	As on 31-03-2014	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1 Data Processing Equipments	8,999,021	-	-	8,999,021	7,689,901	-	-	859,169	8,549,070	449,951	1,309,120
2 Furnitures	834,999	-	-	834,999	376,289	118,714	-	-	495,003	339,996	458,710
TOTAL	9,834,020	-	-	9,834,020	8,066,190	118,714	-	859,169	9,044,073	789,947	1,767,830
Previous Year	9,834,020	-	-	9,834,020	7,092,069	974,122	-	-	8,066,191	1,767,829	2,741,951

NOTE 2.7 : DETAIL OF VALUATION OF CLOSING STOCK

Sl. No.	Particulars	CLOSING		OPENING	
		Quantity Nos.	Value ₹	Quantity Nos.	Value ₹
1	Easun Capital Markets Limited	29,000	203,000	29,000	203,000
2	GCM Capital Advisors Limited	10,000	200,000	10,000	200,000
3	Blue Circle Services Limited	100,000	290,000	100,000	910,000
	TOTAL	139,000	693,000	139,000	1,313,000
	Market Value of Quoted Inventory		490,000		1,477,000

NOTE 2.8 : CASH AND CASH EQUIVALENT

Particulars	31st March 2015	31st March 2014
	₹	₹
Cash in hand (As certified by Management)	583,667	92,423
Balances with Scheduled Banks:		
ICICI Bank	31,521	1,362,464
The Bank of Rajasthan Ltd.	10,395	10,395
TOTAL	625,584	1,465,282

NOTE 2.9 : SHORT TERM LOANS & ADVANCES

Unsecured, Considered Good		
Other Loans & Advances		
Temporary Business Accomodation	161,891,434	154,392,468
Unsecured Advances	119,349,934	120,612,375
	281,241,368	275,004,843

NOTE 2.10 : REVENUE FROM OPERATION

Textile Business	73,147,081	32,562,470
Sale of Shares	13,767,500	100,020,930
	86,914,581	132,583,400

NOTE 2.11 : OTHER INCOME

Interest on Loan (TDS 12.58 Lac)	13,101,212	14,517,050
F & O Trading	(4,038,140)	-
Total	9,063,072	14,517,050

NOTE 2.12 : PURCAHSES OF STOCK-IN-TRADE

Textile	73,234,490	31,988,076
Shares	13,767,500	94,384,015
	87,001,990	126,372,091

NOTE 2.13 : EMPLOYEES BENEFIT EXPENSES

Salary, Bonus & Allowance	3,007,248	2,855,000
Staff Welfare	191,836	177,400
	3,199,084	3,032,400

The Payment of Gratuity Act, 1972 is not applicable to the Company as the no. of employees of the company is below the threshold minimum. Therefore, the company has no liability on account of retirement benefits in lieu of Accounting Standard 15 (Revised) on Employees Benefit.

NOTE 2.14 : OTHER EXPENSES

Particulars	31st March 2015	31st March 2014
	₹	₹
Advertisement	51,632	33,477
Auditors Remuneration		
-Statutory Audit Fees	28,090	5,000
-Other Services	25,207	5,000
Bank Charges	1,455	15,774
Computer Maintenance	49,630	-
Depository & Registrar charges	166,516	182,583
Director's Meeting Fees	30,000	30,000
Filing Fees	8,900	11,000
General Charges	390,319	370,225
Leave & License Fees	60,000	-
Service Tax Paid	3,708	12,360
Listing Fees	205,762	259,819
Miscellaneous Charges	400,128	384,074
Postage & Courier charges	113,992	110,379
Printing & Stationaries	222,806	227,474
Professional & Advisory Charges	14,000	100,000
Repairs & Maintenance	104,325	99,661
Telephone & Mobile charges	71,265	81,133
Transport Charges	71,752	41,000
Travelling & Conveyance Expenses	402,890	382,866
	2,422,377	2,351,825

NOTE 2.15 : EARNINGS PER SHARE

Earnings: Profit after Tax (₹)	1,861,273	1,805,647
Weighted Average (No. of Equity Share Outstanding during the year (Face Value of ₹10/- each))	13,284,474	13,284,474
Earning Per Share - Basic & Diluted	0.14	0.14

NOTE 2.16

RELATED PARTY DISCLOSURE (ACCOUNTING STANDARD 18)

1) Relationships

- A. Wholly owned Subsidiary - None
- B. Associate Company - None
- C. Companies under the common control of promoters - None
- D. Key Management Personnel
 1. Goutam Bose
 2. Mangal Joshi

2) Transactions

There has been no related party transactions during the year.

Note 2.17

SEGMENT REPORTING (ACCOUNTING STANDARD 17)

- a) The company has two primary Business Segments viz:
- i) Textile Business
 - ii) Investment Business

	Textile	Investment	Other
Gross Segment Revenue	73,147,081	13,101,212	9,729,360
Previous Year	32,562,470	14,517,050	100,020,930

b) Secondary Segments

The Company Operates predominantly within the geographical limits of India. It has no secondary segments revenue.

Note 2.18

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, relating to amount unpaid as at the year end together with interest paid/payable as required under the said act, have not been given

Note 2.19

In accordance with the requirement under the Accounting Standard - 22 "Accounting for taxes on Income" the company has accounted for deferred Tax during the year. Consequently the reversal of deferred tax Liability of Rs. 26985/- during the year arising due to timing difference in depreciation & related items has been charged to Profit & Loss account.

Note 2.20

Impairment Of Assets

The management of the company has during the year carried out technological evaluation for identification of assets, if any, in accordance with Accounting Standard 28. Based on the judgement of the management and as certified by the directors, no provision for impairment is found to be necessary in respect of any assets.

Note 2.21

Events Occurring after Balance Sheet Date

No significant events which could effect the financial position as on March 31, 2015, to a material extent have been reported by the management, after the balance sheet date till the signing of the report.

Note 2.22

Details of Loans given, Investments made, guarantees given covered under section 186(4) of The Companies Act, 2013

Loans given during the year are disclosed by way of separate sheet, further no investments are made and no guarantees have been given by the Company.

Note 2.23

Previous Year figures have been rearranged and regrouped wherever considered necessary.

KHOOBSURAT LIMITED

CIN : L23209WB1982PLC034793

Regd. Office : Room No. 40, 5th Flr., Martin Burn House, 1, R N Mukherjee Rd., Kolkata-700 001

Tel : +91 33 4061 7068, Email : khoobsurat.kolkata@gmail.com; Website : www.khoobsuratltd.com

Form No. MGT – 11, PROXY FORM / BALLOT FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration), 2014)

Name of the Member _____

Registered Address _____

Folio No. / DP/Client ID _____ Email ID _____

I/We being the members of _____ Shares of Khoobsurat Ltd., hereby appoint -

1. _____ having email Id _____ Signature _____ or failing him

2. _____ having email Id _____ Signature _____ or failing him

3. _____ having email Id _____ Signature _____

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on Monday, 28th September 2015 at 10.00 AM and at any adjournment thereof in respect of such resolution(s) as are indicated below :

Ordinary Business :		For	Against
1.	Adoption of Financial Statements for the year ended March 31, 2015		
2.	Re-appointment of M/s. Bharat D. Sarawgee, Chartered Accountants, as Statutory Auditors and to fix their remuneration.		
Special Business :			
3.	Appointment of Mr. Raj Kumar Chhakra as Independent Director for a term of 5 Years.		
4.	Appointment of Mrs. Puspa Devi Saraswat as Independent Director for a term of 5 Years.		
5.	Appointment of Mr. Goutam Bose as Managing Director of the Company for the period of 3 Years.		
6.	Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013		

Signed this _____ day of _____ 2015

Sign. of Shareholder _____ Sign. of Proxy _____

Affix
Revenue
Stamp
₹ 1/-

KHOOBSURAT LIMITED

CIN : L23209WB1982PLC034793

Regd. Office : Room No. 40, 5th Flr., Martin Burn House, 1, R N Mukherjee Rd., Kolkata-700 001

Tel : +91 33 4061 7068, Email : khoobsurat.kolkata@gmail.com; Website : www.khoobsuratltd.com

ATTENDANCE SLIP

Registered Folio No. /DP ID/Client Id _____

Name & Address of Share Holder _____

I/We hereby record my/our presence at the 33rd Annual General Meeting of the Company at Shyamal Smriti Parishad, 30, Dr. Nagen Ghosh Road, Kolkata-700 031 on Monday, 28th September 2015 at 10.00 A.M.

Members' Folio/DPID/Client ID _____

Member/Proxy's Name in Block Letters _____

Member/Proxy's Signature _____

Please complete the Folio/DP ID/Client ID and Name, sign this Attendance Slip and hand it over at the Attendance verification counter at the Entrance of the Meeting Place.

BOOK-POST

If undelivered, please return to:

KHOBSURAT LIMITED

Room No. 40, 5th Flr., Martin Burn House, 1, R N Mukherjee Rd., Kolkata-700 001