

Khoobsurat Limited

34th Annual Report 2015 - 2016

Board of Directors

Goutam Bose	Managing Director
Mangelal Joshi	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 Jhunjhunwala

Bankers

ICICI Bank Ltd.
Yes Bank Ltd.
Punjab National Bank
Indian Overseas Bank

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, 2016
Time : 10.00 A.M.
Venue : Shyamal Smriti Parishad,
30, Dr. Nagen Ghosh Road,
Kolkata-700 031

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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 34th Annual General Meeting of the members of **Khoobsurat Limited** will be held on Wednesday, the 28th day of September, 2016 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 2016.
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 34th 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 20 of the Companies Act 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed there under, whereby a document may be served on any member by the company by sending it to him by post or by registered post or by speed post or by courier or by electronic or other mode as may be prescribed, the consent of the company be and is hereby accorded to charge from the member the fee in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the shareholder for delivery of such document to him, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of document by the company and that no such request shall be entertained by the company post the dispatch of such document by the company to the shareholder."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, director or key managerial personnel of the company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to above resolution."

4. 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 Section 94 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, approval of the members be and is hereby accorded to keep the Register of Members, Index of Members and other such Registers as may be required to be maintained under Section 88 of the Companies Act, 2013, be kept at the office of the Registrar and Transfer Agent (RTA) of the Company viz. M/s ABS Consultants Pvt. Ltd., 99, Stephen House, 6th Floor, 4, B.B.D. Bag (East), Kolkata-

700 001 or with some other RTA, as appointed from time to time and at such other office or place within Kolkata or Mumbai, where such RTA may shift or exists, from time to time.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this 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.

Pursuant to Section 105 of Companies Act, 2013, 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 2016 to 28th September 2016 (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. 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.
6. 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.
7. 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.
8. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
9. 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.
10. 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.
11. 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.
12. Members are requested to intimate change in their address immediately to ABS Consultants Pvt. Ltd., the Company's Registrar and Share Transfer Agents, at their office at 99, Stephen House, 6th Floor, 4, B.B.D. Bag (East), Kolkata-700 001.

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 2016 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 2016 are being sent by the permitted mode.
18. The Notice for the 34th 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 may also note that the Notice of the 34th AGM and the Annual Report for 2015-2016 will also be available on the Company's website www.khoobsuratltd.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during all working days (except Saturday, Sunday and public holidays) between 11.00 AM to 1.00 PM up to the date of this AGM. Even after registering for e-communication, members are entitled to receive such in physical form, upon making a request for the same by post or email. For any communication, the Shareholders may also send requests to the Company's email id : khoobsurat.kolkata@gmail.com
20. A route map showing directions to reach the venue of the 34th Annual General Meeting is given at the end of the Report.
21. 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.

22. 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, 2016.
23. 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- 2230 1043, Fax No: +91 33- 2243 0153, E-mail : absconsultant@vsnl.net so as to reach him on or before September 26, 2016 by 5.00 p.m. Any Ballot Form received after the said date shall be treated as invalid.
24. 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 34th AGM by electronic means and the business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).
25. The facility of voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 34th AGM. The Members attending the AGM, who have not casted their vote through remote e-voting, shall be able to exercise their voting rights at the AGM. The Members who have already casted their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.
26. 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 two (2) 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.
27. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
28. The details for voting electronically are as under -
 - a) Date and time of commencement of voting through electronic means: **Sunday, September 25, 2016 at 9.00 a. m.**
 - b) Date and time of end of voting through electronic means beyond which voting will not be allowed : **Tuesday, September 27, 2016 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, 2016**, 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.

29. 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 "KHOOSURAT LIMITED" from the drop down menu and click on "SUBMIT".
- iv Now Enter your User ID (as mentioned in the Attendance Slip)
 - 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 KHOOSURAT 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 a Compliance user should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix 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.

Statement pursuant to Section 102 of the Companies Act 2013

ITEM NO. 3

As per the provisions of Section 20 of the Companies Act, 2013, a member may request for any document through a particular mode, for which the member shall pay such fees as may be determined by the Company in its annual general meeting. Since the cost of providing documents may vary according to the mode of service, weight and its destination etc., therefore it is proposed that actual expense borne by the Company for such dispatch will be paid in advance by the member to the company.

The Board recommends the resolution at Item No. 3 of Notice for the approval of the Shareholders.

None of the Directors of the Company, Key Managerial Personnel or their relatives respectively is in any way concerned or interested in the proposed resolution.

ITEM NO. 4

As required under the provisions of Section 94 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2013, there under certain documents such as the Register of Members, Index thereof and certain other registers, certificates, documents etc. as provided under Section 88 of the Companies Act, 2013 are required to be kept at the registered office of the Company. However, these documents can be kept at any other place in India, in which more than one-tenth of the total number of members resides, with the approval of the members by way of Special Resolution.

Currently, the Register/Index of Members etc. is being maintained at the office of its Registrar and Share Transfer Agents (RTA) ABS Consultants Private Limited ('ABS') having its office at 99, Stephen House, 6th Floor, 4, B.B.D. Bag (East), Kolkata-700 001.

It is therefore proposed to change the place of keeping / maintaining the aforesaid Registers from the office of ABS to the office of said Registrar and Transfer Agent.

Further, the Company may decide to change its RTA in future and in that case the Company is being empowered to change the place of keeping / maintaining the aforesaid Registers into the office of such newly appointed Registrar and Transfer Agent; as and when such new RTA is being appointed.

A copy of the proposed resolution is being forwarded in advance to the Registrar of Companies, West Bengal, Kolkata, as required under the said Section 94(1) of the Companies Act, 2013 and Rule 15 of The Companies (Management and Administration) Rules, 2013.

Accordingly, the Board of Directors recommend passing of the Special Resolutions as set out in this Notice at Item No. 4.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are concerned or interested, inimically or otherwise in aforesaid resolution.

Kolkata, May 30, 2016

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

Sd/-
Goutam Bose
(DIN : 02504803)
Managing Director

Directors' Report

To
The Members,

Your Directors have pleasure in presenting the 34th Annual Report of your Company together with the Audited Statements of Accounts for the financial year ended March 31, 2016.

(` in Lac)

Financial Results	Year Ended 31.03.2016	Year Ended 31.03.2015
Sales / Revenue for the Year	364.85	959.78
Profit before Tax & Extraordinary Items	5.37	26.15
Less : Provision for Taxation (including Deferred Tax)	0.55	7.54
Less : Taxes for earlier years	0.85	-
Profit after Tax	3.97	18.61
Less : Adjustments for Depreciation	-	8.59
Add : Profit brought forward from Previous Year	144.16	139.14
Profit available for appropriation	148.13	149.16
Transfer to General Reserve	-	5.00
Balance carried forward to Next Year	148.13	144.16

OVERVIEW OF ECONOMY

Despite the rough and uncertain global environment, India's economic growth has been steady and robust in 2015-16. Additionally, inflation, fiscal deficit and current account balance have exhibited distinct signs of improvement. The Survey states that GDP growth in FY16 is likely to increase to 7.6% in 2015-16, from 7.2% in 2014-15. India's GDP growth projection for FY 2017 stands at 7- 7.5% despite moderating global growth. Further, India's long run potential growth rate is around 8- 10%, and realizing this potential calls for a push on three main fronts: creating a competitive environment, major investments in health and education of people, and focus on agriculture.

The Gross Value Added (GVA), broadly reflecting the supply or production side of the economy, registered an increase in its growth rate of 7.1% in 2014-15. In the current year, the growth in GVA is likely to increase to 7.3%, affirming the positive trends in the economy. The total GVA followed a smooth trajectory of growth in the current year. Quarter-wise the growth measured by GVA at basic prices was 7.2%, 7.5% and 7.1% respectively in the first three quarters of 2015-16, and further increased to 7.4% in the fourth quarter of 2015-16.

OVERALL PERFORMANCE & OUTLOOK

Gross Revenue from operations for the year stood at ` 364.85 lac in comparison to last year revenue of ` 959.78 lac. PBT Margin for the year stood at ` 5.37 lac in comparison to last years' profit of ` 26.15 lac whereas Profit after Tax and Extra-Ordinary items stood at ` 3.97 lac in comparison to last years' figure of ` 18.61 lac.

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

The Company has faced several challenges in the both front; i.e. of textile business and investment activities. In regard to textile business, growing competition and lack of retail demand has seriously affected the business of the Company and higher inflation has added the fuel to the same.

In regard to the capital market activities, high volatility and lack of retail participation as well as low volume in Mid Cap and Small Cap shares have broadly affected the activities of the Company.

DIVIDEND AND RESERVES

Due to significant fall in profit margin 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 ` Nil were transferred to General Reserves.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2016 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, 2016, none of the Directors of the Company hold shares or convertible instruments of the Company.

CORPORATE ACTIONS

During the Financial Year, the face value of Equity Shares have been sub-divided from ` 10/- to ` 1/- effective from 14th December 2015.

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 2016.

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 Regulation 23 of SEBI LODR Regulations, 2015 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 and the Rules made thereunder are not attracted and thus disclosure in form AOC-2 in term of Section 134 of Companies Act, 2013 is not required. Further, there are 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 Regulation 34 of SEBI LODR Regulations, 2015, the Management Discussion and Analysis is annexed and forms part of the Directors' Report.

MANAGEMENT

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

DIRECTORS

During the financial year, Mr. Purushottam Khandelwal has resigned from the Board w.e.f. 13th October 2015. Apart from this, there is no change in composition of Board.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 requirements of Regulation 25 of SEBI LODR Regulations, 2015, a person shall not serve as an independent director in more than seven listed entities: provided that any person who is serving as a whole time director in any listed entity shall serve as an independent director in not more than three listed entities. Further, independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.

DETAILS OF DIRECTORS / KMP APPOINTED AND RESIGNED DURING THE YEAR

Sl. No.	Name	Designation	Date of Appointment	Date of Resignation
1.	Ms. Ankita Sharma	Company Secretary	-	15 th May 2015
2.	Ms. Minu Jhunjunwala	Company Secretary	15 th May 2015	-
3.	Raj Kumar Mishra	Chief Financial Officer	-	1 st April 2016
4.	Purushottam Khandelwal	Independent Director	-	13 th October 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.

DIRECTORS RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

1. that in the preparation of the Annual Accounts for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit/(loss) of the Company for the year ended on that date;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis;
5. that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INFORMATION TECHNOLOGY

Innovation and Technology are synonymous with the Company. The investment in technology acts as a catalyst and enables the Company to be innovative.

BUSINESS RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

However, provision of Regulation 21 of SEBI LODR Regulations, 2015 for constitution of Risk Management Committee is not applicable to the Company.

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

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company i.e. www.khoobsuratltd.com

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 34th 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. Priti Agarwal, (C. P. No. 9937) Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed as MR-3 in this Annual Report.

Internal Auditors

The Company has appointed M/s. Jaiswal Akash & Co., Chartered Accountants (FRN - 328324E) 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 Company wishes to place on record their appreciation to the contribution made by the employee of the Company during the period.

During the year under review there were no employees who were in receipt of the remuneration beyond the limits prescribed under Rule 5 (2) of Companies (Appointment and Remuneration) Rules, 2014 and therefore no disclosures need to be made under the said section.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013 READ WITH RULES

Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 read with Rules thereunder, the Company has not received any complaint of sexual harassment during the year under review.

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

Since the Company is into the business trading in textile products, of financing and into the investing activities in Shares and Securities; the information regarding Conservation of Energy, Technology Absorption, Adoption and Innovation, as defined under section 134(3)(m) of the Companies Act, 2013 read with Rule, 8(3) of the Companies (Accounts) Rules, 2014, is reported to be NIL.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has not earned sum of US\$ 1,35,729/- towards foreign exchange earnings as against export of garments. However there is no outgoings in foreign exchange 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 SEBI LODR Regulations, 2015. Pursuant to Regulation 27 of the SEBI LODR Regulations, 2015, a Report on the Corporate Governance and the Auditors Certificate on Corporate Governance are annexed to this report.

CAUTIONARY STATEMENT

Statements in this Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

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 30, 2016

Registered Office :

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

By order of the Board
For Khoobsurat Limited

Sd/-

Goutam Bose
(DIN : 02504803)
Managing Director

MACRO ECONOMIC ENVIRONMENT

As per the Advanced Estimates released by Central Statistics Office (CSO), the growth of Gross Domestic Product (GDP) at constant (2011-12) market prices is estimated at 7.6 per cent in 2015-16 indicates that despite uncertainties in the global economy, Indian economy stands out as a haven of macroeconomic stability, resilience and optimism and can be expected to register GDP growth that could be in the range of 7 to 7.75 per cent in the coming year. International Monetary Fund, in their World Economic Outlook Update (January 2016) has indicated that India is projected to continue growing at a robust pace.

As per the Budget 2016-17, the fiscal deficit as a ratio of GDP at current market prices is estimated at 3.9 per cent for the year 2015-16 (revised estimates). As per the Advanced Estimates released by Central Statistics Office (CSO), the growth of GDP at constant (2011-12) market prices is estimated at 7.6 per cent in 2015-16. This estimation has been done in accordance with the international best practices.

REVIEW OF OPERATIONS

Gross Revenue from operations for the year was stood at ` 364.85 lac in comparison to last year revenue of ` 959.78 lac. PBT Margin for the year stood at ` 5.37 lac in comparison to last years' figure of ` 26.15 lac whereas Profit after Tax and Extra-Ordinary items stood at ` 3.97 lac in comparison to last years' profit of ` 18.61 lac.

In term of Segment wise performance, your Company has registered gross revenue of ` 190.94 lac from textile segment and gross revenue of ` 170.46 lac from investment & financial services activities and ` 3.46 lac from other activities. In term of Net Profit (PBT) for the year, the Company has earned a profit of ` 7.13 lac from textile segment, incurred a loss of ` 5.15 lac from investment & financing activities and earned a profit of ` 3.44 lac from other 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 future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into 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.

Financing & Capital Market activities

The Union Budget 2016-17 has generated some action in the market. The equity market reacted positively and the benchmark index moved upward and a few stocks have shown good recovery. The Budget puts a lot of emphasis on kick starting the rural economy and allocated a good part of the resources to agricultural sector. India has been hailed as a 'bright spot' amidst a slowing global economy by IMF. The Government has to manage additional fiscal burden due to 7th Central Pay Commission recommendations and OROP. The Government has assured of the continuance of the ongoing reform programme and ensuring passage of the Goods and Service Tax bill and Insolvency and Bankruptcy Laws to give the corporate sector a big boost. The recent passage of the Bill giving statutory backing to AADHAR

platform would ensure that the benefits reach the deserving through direct transfer. The Budget proposes a new Digital Literacy Mission Scheme for rural India to cover around 6 Crore additional households within the next 3 years. This will help the rural sector to grow impressively.

The Indian Capital Market have made significant performance with span several dimensions of development such as accessibility, regulatory framework, market infrastructure, transparency, liquidity and the types of instruments available.

All these factors have culminated in the emergence of much deeper and resilient primary, as well as secondary capital market in India.

SEBI, the capital markets regulator, is established to protect the interests of the investors in securities, as well as promote the development of the capital market. It regulates all intermediaries of the capital market (such as stock brokers, merchant bankers, underwriters, etc.), as well as prohibiting unfair trade practices in the securities market.

THREATS & CONCERNS

Cotton remains the major textiles base in our country even though there has been a shift in consumer preferences in recent years towards man-made fibres. The supply and price constraint of cotton requires to be removed by improving productivity and reducing costs. Simultaneously, the techniques of ginning and pressing must be improved to reduce contamination and make available quality cotton. While the Government is actively considering the launching of Technology Mission on Cotton (TMC) for the purpose, the ginning and pressing units can take advantage of the TUFS, improve techniques and effectively increase the availability of quality cotton.

Likewise, the production of man-made fibre and yarn has also to be sustained at a high rate so that the production of quality man-made fabrics for domestic and export consumption may increase. The world trade in man-made apparels and even made-ups has been rising fast but India's share continues to be insignificant. The Government has been taking steps to rationalise duties and encourage the production and consumption of man-made textiles.

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.

In regard to Capital Market, in the last decade, there has been a paradigm shift in the Indian capital market. The application of many reforms and developments has made it comparable with international capital markets. Now, the market features a developed regulatory mechanism and a modern market infrastructure, with growing market capitalization, market liquidity and mobilization of resources. The emergence of a private corporate debt market is also a good innovation, replacing the banking mode of corporate finance.

HUMAN RESOURCES

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2015-2016, 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 SOCIAL RESPONSIBILITY INITIATIVES

The provision of the Section 135 and Schedule VII of the Companies Act, 2013 as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 effective from April 1, 2014 relating to CSR Initiatives are not applicable to the Company.

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.

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 30, 2016

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

Sd/-

Goutam Bose
(DIN : 02504803)
Managing Director

SECRETARIAL AUDIT REPORT FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2016

[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, 2016, 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, 2016 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, 2015;
 - 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;
6. Other laws applicable specifically to the company namely:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) Provident Fund Act 1952;
- c) The West Bengal Shops and Establishments Act, 1963.
- d) The Listing Agreements entered into by the Company with BSE Limited (BSE), Multi Commodity Exchange Ltd. (MCX-SX) and Calcutta Stock Exchange Association Ltd. (CSE).
- e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (with effect from December 1, 2015).

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.

For **A. L. Associates**
Practicing Company Secretaries

Place : Kolkata
Date : May 30, 2016

CS Priti Agarwal
Partner
Membership No. 26513, C. P. No. 9937

Annexure A to the Secretarial Audit Report

The Members,
M/s. Khoobsurat Limited
Kolkata

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

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

For **A. L. Associates**
Practicing Company Secretaries

Place : Kolkata
Date : May 30, 2016

CS Priti Agarwal
Partner
Membership No. 26513, C. P. No. 9937

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2016
[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	52.83%
Financing & Trading / Investment in Shares & Securities	66110	47.17%

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

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	600000	-	600000	0.45	-
b) Central Govt. (s)	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	1168650	-	1168650	8.80	11686500	-	11686500	8.80	-
e) Banks / FIs	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub Total A(1)	1228650	-	1228650	9.25	12286500	-	12286500	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	12286500	-	12286500	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) FII's	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-	-
Sub Total B(1)	-	-	-	-	-	-	-	-	-	-
(2) Non-Institutions										
a) Bodies Corporate										
i. Indians	4336366	206290	4542656	34.20	49657972	1612900	51270872	38.59	4.39	
ii. Overseas	-	-	-	-	-	-	-	-	-	
b) Individuals										
i. Individual Shareholders holding nominal share capital up to ` 2 lakh	3530543	698340	4228883	31.83	46680608	8209900	54890508	41.32	9.49	
ii. Individual Shareholders holding nominal share capital in excess of ` 2 lakh	3035319	248916	3284235	24.72	13416200	979160	14395360	10.84	13.88	
c) Others (Specify)										
i. Clearing Members	-	-	-	-	-	-	-	-	-	-
ii. NRI	50	-	50	0.00	1500	-	1500	0.00	0.00	
Sub Total B(2)	10902278	1153546	12055824	90.75	109756280	10801960	120558240	90.75	-	
Total Public Shareholding B = B(1) + B(2)	10902278	1153546	12055824	90.75	109756280	10801960	120558240	90.75	-	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	
Grand Total (A+B+C)	12130928	1153546	13284474	100.00	122042780	10801960	132844740	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	600,000	0.45%	Nil	Refer Note 1
Globe Stocks & Securities Ltd.	426,600	3.21%	Nil	4,266,000	3.21%	Nil	Refer Note 1
Anant Properties Pvt. Ltd.	299,700	2.26%	Nil	2,997,000	2.26%	Nil	Refer Note 1
Bhawani Freight & Forwarder Pvt. Ltd.	259,350	1.95%	Nil	2,593,500	1.95%	Nil	Refer Note 1
Karikish Vyapar Pvt. Ltd.	183,000	1.38%	Nil	1,830,000	1.38%	Nil	Refer Note 1

Note 1 : There was a sub-division in face value of Equity Shares i.e. from ` 10/- to ` 1/-. However there is no change in holding of any of the Promoters / Promoters group in term of percentage of holding.

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	12286500	9.25	Refer Note 1	
At the end of the Year	1228650	9.25	12286500	9.25		

Note 1 : There was a sub-division in face value of Equity Shares i.e. from ` 10/- to ` 1/-. However there is no change in holding of any of the Promoters / Promoters group in term of percentage of holding.

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		Date wise increase/ decrease in Shareholding	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.	10,62,975	8.00	No Change	1,06,29,750	8.00
Global Capital Markets Ltd.	8,65,500	6.52	No Change	86,55,000	6.52
Saikat Tradelink Private Limited	20,800	0.02	Refer Note 1 below	28,00,500	2.11
Sidhivinayak Broking Limited	2,48,000	1.87	No Change	24,80,000	1.87

Jackson Investments Limited	2,37,050	1.78	No Change	23,70,500	1.78
Remac Fabrics Pvt. Ltd.	00	0.00	Refer Note 1 below	22,90,000	1.72
Raj Kumar Saraswat	2,28,000		No Change	22,80,000	1.72
Khushi Tradelink Pvt. Ltd.	1,71,108		No Change	17,11,080	1.29
Key Chain Tex Trade Pvt. Ltd.	1,56,000		No Change	15,60,000	1.17

Note 1 :

- The Company does not procure Beneficiary Positions (BENPOS) on daily basis from Depositories and due to this reason the Company is unable to provide details of date wise change in Shareholding of top 10 shareholders during the current financial year.
- There was a sub-division in face value of Equity Shares i.e. from ` 10/- to ` 1/- w.e.f. 14th December 2015. However there is no change in holding of any of the Promoters / Promoters group in term of percentage of holding.

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			

V. INDEBTEDNESS

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

	Secured Loans Excluding deposits ` in Lac	Unsecured Loans ` in Lac	Deposits ` in Lac	Total Indebtedness ` in Lac
Indebtedness at the beginning of the financial year				
i. Principal Amount	Nil	Nil	Nil	Nil
ii. Interest due but not Paid	Nil	Nil	Nil	Nil
iii. Interest Accrued but not due	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i. Principal Amount	Nil	Nil	Nil	Nil
ii. Interest due but not Paid	Nil	Nil	Nil	Nil
iii. Interest Accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sr. No.	Particulars of Remuneration	Goutam Bose (MD)	Rajkumar Mishra (CFO)	Minu Jhunjhunwala (CS)	Ankita Sharma (CS)
1.	Gross Salary	Nil	` 2,94,000/-	` 2,31,250/-	` 27,750/-
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			No Instance		
Punishment					
Compounding					
B. Directors					
Penalty			No Instance		
Punishment					
Compounding					

C. Other Officers in Default	
Penalty	No Instance
Punishment	
Compounding	

Annexure to the Directors' Report

CORPORATE GOVERNANCE

Pursuant to Regulation 34 of **SEBI LODR Regulations, 2015** (hereinafter referred as "**Listing Regulations**") along with other requirements as specified in Schedule V of these regulations, 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 –

- ✓ Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- ✓ Timely disclosure of material operational and financial information to the stakeholders;
- ✓ Availability of Information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- ✓ Proper business conduct by the Board, Senior Management and Employees.

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 four 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, 2016, 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 Chairman Ship in other Listed Cos.	No. of Directorship in other Listed Cos.
Goutam Bose*	Managing Director	02504803	25 th March 2010	N.A.	1	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	13 th Oct 2015	Nil	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

Notes:

1. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
2. Chairmanship/Membership of Committee only includes Audit Committee and Stakeholders' Relationships Committee in Indian Public Limited companies other than M/s. Khoobsurat Limited.
3. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairperson of more than five such Committees.
4. No Directors are related with each other.

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 Regulation 16(b) of Listing Regulations. Further, none of the Independent Director is serving more than seven listed companies. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 and the Listing Regulations has been issued and draft of the same has been disclosed on website of the Company.

Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board is circulated to the Directors well in advance to facilitate the Directors to plan their schedules. In case of business exigencies, the Board's calls the meeting as pre requirements of prevailing Act.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company.

Information placed before the Board

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meeting.

Post Meeting Mechanism

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

Board Support

The Company Secretary attends the Board meetings and advises the Board on Compliances with applicable laws and governance.

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, requirements of Listing Regulations, 2015 and other relevant regulations and affirmation taken with respect to the same. The Chairman & Managing Director also has 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 12 times on 14th May, 15th May, 29th May, 12th August, 30th September, 13th October, 19th October, 9th November, 28th November, and 30th November in year 2015 and on 12th February and 28th March in the year 2016 during the financial year 2015-2016.

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	12
Purushottam Khandelwal\$	Independent Director	Yes	5
Mangelal Joshi	Independent Director	Yes	12
Raj Kumar Chhakra	Independent Director	Yes	12
Puspa Devi Saraswat	Independent Director	Yes	12

*Chairman of the Board, \$Resigned w.e.f. 13th October 2015

AUDIT COMMITTEE

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.

TERMS OF REFERENCE

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal controls system, discussion on financial results, interaction with Statutory and Internal Auditors, one-on-one meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Management Discussions and Analysis, Review of Internal Audit Reports, significant related party transactions. The Company has framed the Audit Committee Charter for the purpose of effective compliance of provisions of section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

FUNCTIONS OF AUDIT COMMITTEE

The Audit Committee, while reviewing the Annual Financial Statements also reviews the applicability of various Accounting Standards (AS) referred to in Section 133 of the Companies Act, 2013. Compliance of the Accounting Standards as applicable to the Company has been ensured in the preparation of the Financial Statements for the year ended March 31, 2016.

The Audit Committee bridges the gap between the Internal Auditors and the Statutory Auditors. To ensure good Governance, the Company has been rotating Partners of Statutory Auditors. The Statutory Auditors are responsible for performing Independent audit of the Company's financial statements in accordance with the generally accepted auditing practices and issuing reports based on such audits, while the Internal Auditors are responsible for the internal risk controls.

Besides the above, Chairman and Managing Director, Chief Financial Officer, the representatives of the Statutory Auditors and the Internal Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary acts as a Secretary to the Committee as required by Regulation 18(1)(e) of the Listing Regulations.

The Company follows best practices in financial reporting. The Company has been reporting on quarterly basis, the Un-audited Financial Results as required by the Regulation 33 of the Listing Regulations. The Company's quarterly Un-audited Standalone Financial Results are made available on the web-site www.khoobsuratltd.com and are also sent to the Stock Exchanges where the Company's equity shares are listed for display at their respective websites.

The Audit Committee also oversees and reviews the functioning of a vigil mechanism (implemented in the Company as a Whistle Blower Policy) and reviews the finding of investigation into cases of material nature and the actions taken in respect thereof.

INTERNAL CONTROLS AND GOVERNANCE PROCESSES

The Company continuously invests in strengthening its internal control and processes. The Audit Committee along with the CFO formulates a detailed plan to the Internal Auditors for the year, which is reviewed at the Audit Committee Meetings. The Internal Auditors attend the meetings of Audit Committee at regular intervals and submit their recommendations to the Audit Committee and provide a road map for the future.

Constitution and Meetings of Audit Committee

The Audit Committee was re-constituted on 13th October 2015, wherein Mr. Raj Kumar Chhakra has been appointed as Member of the Committee in place of Mr. Purushottam Khandelwal.

The members of Audit Committee met five times on 29th May, 12th August, 30th September and 9th November in year 2015 and on 12th February in year 2016 during the financial year ended on 31st March 2016.

Name	Number of Meetings Held	Meetings Attended
Goutam Bose	5	5
Mangelal Joshi*	5	5
Purushottam Khandelwal	3	3
Raj Kumar Chhakra	2	2

* Chairman of the Committee

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of three Non-executive, Independent Directors. All members of the Nomination & Remuneration Committee are financially literate and they have accounting or related financial management expertise.

Terms of Reference

The Board has framed the Remuneration and Nomination Committee Charter which ensure effective Compliance of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations, which are as follows:

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing/Whole-time Director(s) and Senior Management (one level below the Board);
- to help in determining the appropriate size, diversity and composition of the Board;
- to recommend to the Board appointment/reappointment and removal of Directors;
- to frame criteria for determining qualifications, positive attributes and independence of Directors;
- to recommend to the Board remuneration payable to the Directors (while fixing the remuneration to Executive Directors the restrictions contained in the Companies Act, 2013 is to be considered);
- to create an evaluation framework for Independent Directors and the Board;
- to provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
- to assist in developing a succession plan for the Board;
- to assist the Board in fulfilling responsibilities entrusted from time-to-time;
- Delegation of any of its powers to any Member of the Committee or the Compliance Officer.

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 paid by way of salary, allowances, perquisites, amenities and retirement benefits.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, 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.

The performance evaluation of the Chairman and Managing Director and the Non Independent Directors was carried out by the Independent Directors. Directors express their satisfaction with the evaluation process.

Constitution and Meetings of Nomination & Remuneration Committee

The Nomination and Remuneration Committee was re-constituted in the meeting of Board of Directors held on 14th May 2015 wherein Mrs. Puspa Devi Saraswat has been appointed as member of Committee in place of Mr. Goutam Bose.

Further, in the meeting of Board of Directors held on 13th October 2015, Mr. Raj Kumar Chhakra has been appointed as Chairman of the Committee in place of Mr. Purushottam Khandelwal.

The members of Nomination & Remuneration Committee met four times on 15th May, 30th September, and 9th November in year 2015 and on 12th February in year 2016 during the financial year ended on 31st March 2016.

Name	Number of Meetings Held	Meetings Attended
Puspa Devi Saraswat	4	4
Mangelal Joshi	4	4
Purushottam Khandelwal*	2	2
Raj Kumar Chhakra*	2	2

* Chairman of the Committee up to and w.e.f. 13th Oct 2015.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of Listing Regulations, the Board has renamed the existing "Shareholders'/Investors' Grievance Committee" as the "Stakeholders' Relationship Committee".

The terms of reference of the Committee are:

- approval of transfer of shares/debentures and issue of duplicate/split/consolidation/sub-division of share/ debenture certificates;
- opening/modification of operation and closing of bank accounts;
- grant of special/general Power of Attorney in favour of employees of the Company from time to time in connection with the conduct of the business of the Company particularly with Government and Quasi- Government Institutions; to fix record date/book closure of share/debenture transfer book of the Company from time to time;
- to appoint representatives to attend the General Meeting of other companies in which the Company is holding shares;
- to change the signatories for availing various facility from Banks/Financial Institutions;
- to carry out any other duties that may be delegated to the Committee by the Board of Directors from time-to-time.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, ABS Consultants Private Limited attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. The Minutes of the Stakeholders' Relationship Committee Meetings are circulated to the Board and 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 updated telephone numbers and e-mail addresses to facilitate prompt action.

Compliance Officer

The Company has appointed Ms. Minu Jhunjunwala, Company Secretary, as a Compliance Officer within the meaning of Regulation 6 of Listing Regulations.

Composition of Committee and Meetings attended

The Stakeholders' Relationship Committee was re-constituted in the meeting of Board of Directors held on 13th October 2015, wherein Mr. Raj Kumar Chhakra has been appointed as Member of the Committee in place of Mr. Purushottam Khandelwal.

During the year, four meetings of the Stakeholders' Relationship Committee were held on 29th May, 12th August, and 9th November in year 2015 and on 12th February in year 2016 during the financial year 2015-2016.

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

Name	Position	Category	Meetings Attended
Mr. Mangelal Joshi*	Chairman	Independent, Non-Executive	4
Mr. Goutam Bose	Member	Executive Director	4
Mr. Purushottam Khandelwal	Member	Independent, Non-Executive	2
Mr. Raj Kumar Chhakra	Member	Independent, Non-Executive	2

Details of Shareholders' Complaints

There was Nil Complaint pending at the beginning of the Financial Year. During the year the Company did not receive any complaint from any of the shareholders. Further, there was no pending complaint at the close of the financial year.

As required under Regulation 40(9) of Listing Regulations, 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 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 28, 2016, 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
33 rd Annual General Meeting	28 th September 2015, 10.00 AM	Shyamal Smriti Parishad, 30, Dr. Nagen Ghosh Road, Kolkata-700 031
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

SPECIAL RESOLUTION PASSED AT LAST THREE ANNUAL GENERAL MEETINGS:

Company has passed following Special Resolution in pursuance of the prevailing Laws, Rules, Regulations, Guidelines, Standards, etc. in the 33rd Annual General Meeting -

- Adoption of new set of Articles of Association of the Company as per Section 14 of the Companies Act, 2013

Apart from the above, no special resolution has been passed in remaining two out of last three Annual General Meetings.

PASSING OF RESOLUTION BY POSTAL BALLOT:

During Financial Year 2015-16, Special Resolution has been passed for sub-division in face value of Equity Shares i.e. from ` 10/- to ` 1/- and to amend Capital Clause of Memorandum of Association accordingly.

At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by Postal Ballot.

EXTRA-ORDINARY GENERAL MEETING

No Extra-Ordinary General Meeting was held by the Company during the financial year ended on 31st March 2016.

BOARD DISCLOSURES

Compliance with Governance Framework

The Company is in compliance with all mandatory requirements under Listing Regulations, 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

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

SEBI / STOCK EXCHANGE COMPLIANCE

The Company has complied with all requirements of the Listing Agreement entered into with Stock Exchanges and also SEBI Listing Regulations (effective from 1st December 2015). 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, 2015) 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. Further, we affirm that no personnel have been denied access to the Audit Committee.
- d) **Reconciliation of Share Capital** : As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the company's shares are Listed the audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of

shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

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

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. www.khoobsuratltd.com.

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 Regulations. 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 newspaper viz. "Financial Express" and Bengali daily newspaper viz. "Dainik Lipi". 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 Listing Regulations, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE are filed electronically on BSE's and MCX-SX's online portal. The Company has complied with filing submissions through BSE's BSE Online Portal and MCX-SX's Online Portal. In case of CSE the same are filed by email.
- A separate dedicated section under 'Investors' on the Company's website gives information on unclaimed dividends (if any), notices to the Board Meetings, quarterly compliance reports / communications with the Stock Exchanges and other relevant information of interest to the investors / public.

DISCLOSURES ON NON-MANDATORY REQUIREMENTS

Adoption of non-mandatory requirements of Listing Regulations is being reviewed by the Board from time-to-time.

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 34th Annual General Meeting for the financial year ended on 31st March 2016 is as follows :-

Date	:	28 th September, 2016 (Wednesday)
Time	:	10.00 A.M.
Venue	:	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 2017 :

Subject Matter	Tentative Date
Financial Reporting of 1 st Quarter ended on 30 th June 2016	Mid of August, 2016
Financial Reporting of 2 nd Quarter ended on 30 th September 2016	Mid of November, 2016
Financial Reporting of 3 rd Quarter ended on 31 st December 2016	Mid of February 2017
Financial Reporting of 4 th Quarter ended on 31 st March 2017	During May 2017
Date of Annual General Meeting	During September 2017

d. **Date of Book Closure** : September 22, 2016 to September 28, 2016. (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

The unclaimed Dividend for a period of seven years is compulsorily deposited in Investor Education and Protection Fund (IEPF) Account in accordance with Section 205C of the Companies Act, 1956 administered by Central Government which cannot be claimed by the Shareholders / Investors. The details of unclaimed dividend are posted on the website of the Company.

Details of Unclaimed Dividend and Due Dates for transfer are as follows as on March 31, 2016:

Sr. No.	Year of Declaration of Dividend	Date of Declaration of Dividend	Unclaimed Amount	Due Date for transfer to IEPF Account
1.	Not Any	Not Any	Nil	N.A.

Further, 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 FY 2016-2017 have been paid to both BSE and MCX-SX whereas Listing Fees is yet to be paid to CSE.

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 2015	38.05	28.70	3,470	29094.61	26897.54
May 2015	57.00	40.05	38,010	28071.16	26423.99
June 2015	60.90	53.80	469	27968.75	26307.07
July 2015	67.45	40.65	3,383	28578.33	27416.39
August 2015	53.40	42.65	631	28417.59	25298.42
September 2015	55.65	50.35	1,023	26471.82	24833.54
October 2015	51.00	37.05	2,093	27618.14	26168.71
November 2015	54.50	35.15	13,948	26824.30	25451.42
December 2015*	37.40	3.60	51,790	26256.42	24867.73
January 2016	4.25	3.71	14,353	26197.27	23839.76
February 2016	3.65	3.51	96	25002.32	22494.61
March 2016	3.51	2.99	5,04,770	25479.62	23133.18

*The Face Value of Equity Shares has been sub-divided from ₹ 10/- to ₹ 1/- w.e.f. December 14, 2015.

However, Shares of the Company have not been traded either on CSE or on MCX-SX during the financial year under review.

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 2016

Categories	No. of Shares	% of Shareholding
Promoters, Directors & Relatives & Person acting in concert	12286500	9.25
Indian Bank / Mutual Funds	00	0.00
NRI/OCBS	1500	0.00
Private Corporate Bodies	51270872	38.59
Indian Public	69285868	52.16
Total	132844740	100.00

o. Distribution of Shareholding as on 31st March 2016.

No. of Equity	No. of Share	% of Share	Total No. of	% of Share
---------------	--------------	------------	--------------	------------

Shares	Holder	Holders	Shares Held	Holding
1-500	218	12.31	28387	0.02
501-1000	60	3.39	52399	0.04
1001-2000	52	2.94	91263	0.07
2001-3000	27	1.52	73575	0.06
3001-4000	18	1.02	65580	0.05
4001-5000	25	1.41	121459	0.09
5001-10000	89	5.03	674198	0.51
10001 and Above	1282	72.39	131737879	99.17
Total....	1771	100.00	132844740	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 2016 –

Name of Shareholder	No. of Shares Held	% of Shareholding
Ella Finetex Co. Pvt. Ltd.	10,62,975	8.00%
Global Capital Markets 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. 91.87% of the Company's Equity Share Capital held under Public category has been dematerialized up to 31st March 2016.

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. 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.

v. 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).

w. Details on use of Public Funds Obtained in the last three years :

No Fund has been raised during last three financial years.

x. Investors Correspondence

Shareholders can contact the following Officials for secretarial matters of the Company :-

Ms. Minu Jhunjhunwala - khoobsurat.kolkata@gmail.com

y. Outstanding GDRs./ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity :

Not Any.

z. 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 Wholetime Director & Chief Executive Officer is annexed to this report.

aa. Plant Location

Not Any

bb. Address for Correspondence

Khoobsurat Limited
Room No. 40, Martin Burn House, 5th Floor, 1, R N Mukherjee Road, Kolkata – 700 001
Tel : +91 33 40661067 Fax : +91 33 30285807, Email : khoobsurat.kolkata@gmail.com

CEO / CFO Certification

I the undersigned, in our respective capacities as Managing Director of M/s. Khoobsurat Limited ("the Company") to the best of our knowledge and belief certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (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.

Kolkata, May 30, 2016

For **Khoobsurat Limited**
Sd/-
Goutam Bose
(DIN : 02504803)
Managing Director

ANNUAL CERTIFICATE UNDER REGULATION 26 (3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with M/s. Khoobsurat Limited, of Code of Business Conduct and Ethics for the year ended March 31, 2016.

Kolkata, May 30, 2016

For **Khoobsurat Limited**
Sd/-
Goutam Bose
(DIN : 02504803)
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of **Khoobsurat Limited**

We have examined the compliance of conditions of Corporate Governance by **M/s. Khoobsurat Limited** (The Company), for the year ended March 31, 2016 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to 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 opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

For **Bharat D. Sarawgee & Co.**
Chartered Accountants
FRN: 326264E
Sd/-
Bharat D. Sarawgee
Partner
Membership No. 061505

Place : Kolkata
Date : May 30, 2016

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, 2016, 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 stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and the cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the 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 adequate 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 and the Rules made thereunder, including the accounting standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 of the state of affairs of the Company as at 31st March 2016, and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act(hereinafter referred to as the "Order"),and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the 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 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
 - g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (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 as at March 31, 2016 which would impact its financial position in its financial statements.
 - ii The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses during the year ended March 31, 2016.
 - iii There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund during the year ended March 31, 2016.

For **Bharat D. Sarawgee & Co.**
Chartered Accountants
FRN: 326264E
Sd/-
Bharat D. Sarawgee
Partner
Membership No. 061505

Place : Kolkata
Date : May 30, 2016

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

The auditor's report on the accounts of a company to which this Order applies shall include a statement on the following matters, namely:-

- i (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- ii The Company is maintaining proper records of inventory and there is no any material discrepancy noticed.
- iii The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iii) of the Order are not applicable to the Company.
- iv In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company
- vi Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and no such accounts and records have been so made and maintained. Accordingly, the provisions of Clause 3(vi) of the Order are not applicable to the Company.
- vii (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities;
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax -tax, which have not been deposited on account of any dispute.
- viii According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date
- ix In our opinion, and according to the information and explanations given to us, there was no money raised by way of Initial public offer or any term loan, accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company
- x During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the

Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

- xi During the course of our examination of the books and records of the Company and according to the information and explanations given to us, the company has paid managerial remuneration within the limits specified under Section 197 of Companies Act, 2013.
- xii As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii The Company has not entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. Accordingly, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- xiv The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly the provisions of the clause 3(xvi) of the said order are not applicable to the Company.

For **Bharat D. Sarawgee & Co.**
Chartered Accountants
FRN: 326264E
Sd/-
Bharat D. Sarawgee
Partner
Membership No. 061505

Place : Kolkata
Date : May 30, 2016

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2(f) of the Independent Auditors' Report of even date to the members of **Khoobsurat Limited** on the financial statements for the year ended March 31, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of **Khoobsurat Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Bharat D. Sarawgee & Co.**
Chartered Accountants
FRN: 326264E
Sd/-

Bharat D. Sarawgee
Partner
Membership No. 061505

Place : Kolkata
Date : May 30, 2016

KHOBSURAT LTD**Balance Sheet as at March 31, 2016****(All amounts in Rupees, except share data and unless otherwise stated)**

Particulars	Note	AS AT	AS AT
		31ST MARCH ,2016	31ST MARCH ,2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	13,28,44,740	13,28,44,740
Reserves and surplus	2.2	11,71,70,128	11,67,72,817
		25,00,14,868	24,96,17,557
NON-CURRENT LIABILITIES			
Deferred tax liabilities (Net)	2.3	1,78,058	2,60,827
		1,78,058	2,60,827
CURRENT LIABILITIES			
Trade Payable	2.4	3,87,67,290	3,05,92,708
Other current liabilities	2.5	5,59,694	1,01,836
Short-term provisions	2.6	51,66,399	83,86,036
		4,46,71,441	3,93,41,407
TOTAL		29,46,86,309	28,89,58,964
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.7	7,01,954	7,89,945
		7,01,954	7,89,945
CURRENT ASSETS			
Current Investment	2.8	3,34,58,700	-
Stock-in Trade	2.9	86,31,000	6,93,000
Trade Receivable	2.10	1,90,21,337	56,09,067
Cash and Cash Equivalents	2.11	1,43,61,155	6,25,584
Short-term loans and advances	2.12	21,85,12,164	28,12,41,368
TOTAL		29,46,86,309	28,89,58,964
Significant accounting policies and notes on accounts	1	-	-

As per report of even date
For BHARAT D. SARAWGEE & CO.
Chartered Accountants

For and on behalf of the Board

BHARAT D. SARAWGEE
Partner
Regn. No.326264E
Membership No.F61505
Kolkata, 30th May, 2016

GOUTAM BOSE
Director
02504803

MANGELAL JOSHI
Director
02429795

CFO

MINU JHUNJHUNWA
Company Secretary

KHOBSURAT LTD**Statement of Profit and Loss Account for the year ended 31 March 2016****(All amounts in Rupees, except share data and unless otherwise stated)**

Particulars	Note	2015-16	2014-15
REVENUE			
REVENUE FROM OPERATIONS	2.13	2,47,81,714	8,69,14,581
OTHER INCOME	2.14	1,17,03,606	90,63,072
TOTAL REVENUES		3,64,85,320	9,59,77,653
EXPENSES			
Changes in Inventories of Stock-In-Trade		(79,38,000)	6,20,000
Purchases of stock-In-Trade	2.15	3,40,62,161	8,70,01,990
Employee benefits expense	2.16	32,29,785	31,99,084
Depreciation & amortisation Exps.	2.7	87,991	1,18,714
Other Expenses	2.17	65,06,271	24,22,377
TOTAL EXPENSES		3,59,48,208	9,33,62,165
PROFIT /(LOSS) BEFORE TAX		5,37,112	26,15,488
Provision for Tax			
Current		1,38,000	7,81,200
Earlier Year		84,570	
Deferred		(82,770)	(26,985)
Profit / (Loss) for the year		3,97,312	18,61,273

Earning per Equity Share -Par Value of Rs.10/- - Basic & Diluted 2.18 0.03 0.14

Significant Accounting Policies and notes on accounts**1**

As per report of even date
For BHARAT D. SARAWGEE & CO.
Chartered Accountants

For and on behalf of the Board

BHARAT D. SARAWGEE
Partner
Regn. No.326264E
Membership No.F61505
Kolkata, 30th May, 2016

GOUTAM BOSE
Director
02504803

MANGELAL JOSHI
Director
02429795

CFO

MINU JHUNJHUNWALA
Company Secretary

KHOBSURAT LIMITED

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH,2016

Particulars	For the year Ended 31st March 2016	For the year Ended 31st March 2015
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary items	5,37,112	26,15,488
Adjustments for:		
Add:		
Depreciation	87,991	1,18,714
Operating Profit before working Capital Changes	6,25,103	27,34,202
Adjustments for Working Capital Changes:		
Trade and other Receivable	(1,34,12,270)	(12,94,958)
Loans & Advances	6,27,29,204	(62,36,525)
Stock-in-trade	(79,38,000)	6,20,000
Trade Payable & Other Liabilities	86,32,440	33,37,585
Cash Generated from Operations	5,06,36,477	(8,39,697)
Provision for Income Tax	(32,19,637)	-
Income Tax paid	(2,22,570)	-
Net Cash From Operating Activities	4,71,94,271	(8,39,697)
B CASH FLOW FROM INVESTING ACTIVITIES		
(Increase)/decrease in Investment	(3,34,58,700)	-
(Increase)/decrease in Fixed Assets	-	-
Net Cash From Investing Activities	(3,34,58,700)	-
C CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash From Financing Activities	-	-
Net Increase/(Decrease) in cash and cash Equivalents (A+B+C)	1,37,35,571	(8,39,697)
Cash & Cash Equivalents (Opening Balance)	6,25,584	14,65,282
Closing Cash & Cash Equivalents (Closing Balance)	1,43,61,155	6,25,585

NOTES:

(1) Figures in bracket represent outflows.

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

As per our report of even date annexed

For and on behalf of the Board

For BHARAT D. SARAWGEE & CO.

Chartered Accountants

BHARAT D. SARAWGEE

Partner

Regn. No.326264E

Membership No.F61505

Kolkata, 29th May, 2016

GOUTAM BOSE

Director

02504803

MANGELAL JOSHI

Director

02429795

CFO

MINU JHUNJHUNWALA

Company Secretary

AFGPA7962Q

KHOBSURAT LTD

Notes on Financial Statements for the Period ended 31st March 2016

(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 company operates in Textiles. 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:

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

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.

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.

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.

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.

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

KHOBSURAT LTD**Notes on Financial Statements for the year ended 31st March, 2016**

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

Note 2.1**SHARE CAPITAL****Authorised**

150,000,000 equity shares of Re.1/- each

(last year: 1,50,00,000 Equity Shares of Rs.10/- each))

Issued, subscribed and paid-up capital

132,844,740 equity shares of Re. 1/- each fully paid-up

(last year: 1,32,84,474 Equity Shares of Rs.10/- each)

Notes:

As at	
March 31, 2016	March 31, 2015
15,00,00,000	15,00,00,000
13,28,44,740	13,28,44,740

Number of Equity Shares held is as given below:

Name of the shareholder

Ella Fintex Pvt Ltd

10,62,975

10,62,975

8.00%

8.00%

Global Capital Market & Infrastructures Ltd

8,65,500

8,65,500

6.52%

6.52%

The Company has only one class of shares referred to as equity shares having a par value of Rs.10/- each

Note 2.2**RESERVES AND SURPLUS****Special Reserve**

Balance at the beginning of the year

30,00,000

25,00,000

Add: Transfer from Surplus

-

5,00,000

30,00,000**30,00,000****General Reserve**

Balance at the beginning of the year

9,93,56,857

9,93,56,857

9,93,56,857**9,93,56,857****Surplus**

Opening balance

1,44,15,960

1,39,13,856

Add: Net profit for the current year

3,97,312

18,61,273

Amount available for appropriation

1,48,13,271

1,57,75,129

Less: Transfer to special reserve

-

5,00,000

Depreciation for earlier years

-

8,59,169

Closing balance

1,48,13,271

1,44,15,960

TOTAL**11,71,70,128****11,67,72,817**

As at	
March 31, 2016	March 31, 2015
30,00,000	25,00,000
-	5,00,000
30,00,000	30,00,000
9,93,56,857	9,93,56,857
9,93,56,857	9,93,56,857
1,44,15,960	1,39,13,856
3,97,312	18,61,273
1,48,13,271	1,57,75,129
-	5,00,000
-	8,59,169
1,48,13,271	1,44,15,960
11,71,70,128	11,67,72,817

NOTE 2.3**Deferred Tax Liabilities(Net)**

As on	
31st March, 2016	31st March, 2015
1,78,058	2,60,827
1,78,058	2,60,827
1,98,35,377	
1,89,31,913	3,05,92,708
3,87,67,290	3,05,92,708
5,59,694	1,01,836
5,59,694	1,01,836
51,66,399	83,86,036
51,66,399	83,86,036

NOTE 2.4**TRADE PAYABLE**

More than six months

Others

NOTE 2.5**OTHER CURRENT LIABILITIES**

Other Current Liabilities

NOTE 2.6**SHORT TERM PROVISION**

Provision for Taxation (net)

NOTE 2.10**TRADE RECEIVABLE**

(Unsecured, considered good)

Outstanding for a period exceeding six months from the date they are due for payment

Others

1,30,931	-
1,88,90,406	56,09,067
1,90,21,337	56,09,067

NOTE 2.11**CASH AND CASH EQUIVALENT**

Cash in hand (As certified by Management)

Balances with Scheduled Banks:

TOTAL

1,20,747	5,83,667
1,42,40,408	41,916
1,43,61,155	6,25,584

Note 2.12**SHORT TERM LOANS & ADVANCES****UNSECURED ,CONSIDERED GOOD****Other loans & advances**

Unsecured Loans considered good(Temporary Business Accomodation)

Unsecured advances considered good

14,15,64,772	16,18,91,434
7,69,47,392	11,93,49,934
21,85,12,164	28,12,41,368
21,85,12,164	28,12,41,368

TOTAL LOANS AND ADVANCES**Note 2.13****REVENUE FROM OPERATION**

Textile Sales

Sale of Equity Shares

As on	
31st March, 2016	31st March, 2015
1,90,93,714	7,31,47,081
56,88,000	1,37,67,500
2,47,81,714	8,69,14,581

Note 2.14**OTHER INCOME**

Interest on Loan (TDS .Rs 9,70,306/-)

(P.Y. Rs.12,58,451/-)

Custom Drawback

Discount

Interest on I.T. Refund

1,13,57,954	1,31,01,212
3,14,163	-
5,286	-
26,203	-

F & O Trading	-	(40,38,140)
	1,17,03,606	90,63,072

Note 2.15

Purchases of Stock-In-Trade

Textile	1,41,89,186	7,32,34,490
Shares	1,98,72,975	1,37,67,500
	3,40,62,161	8,70,01,990

Note 2.16

EMPLOYEES BENEFIT EXPENSES

Salary ,Bonus & Allowance	29,70,785	30,07,248
Staff Welfare	2,59,000	1,91,836
	32,29,785	31,99,084

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 2.17

OTHER EXPENSES

Advertisement	35,198	51,632
Auditors Remuneration		
-Statutory Audit Fees	28,625	28,090
-Other Services	30,804	25,207
Bank Charges	6,454	1,455
Computer Maintenance	53,000	49,630
Depository & Registrar charges	1,85,147	1,66,516
Accessory	63,678	-
Clearing Charges	90,520	-
Colouring Charges	3,043	-
Cutting, Making & Finishing charges	19,73,376	-
Hanger Charges	3,61,390	-
Sample Exps.	11,430	-
Dyeing Charges	9,98,003	-
Knitting Charges	3,63,737	-
Packing Material	2,17,007	-
Electricity Charges	17,670	-
Director's Meeting Fees	30,000	30,000
Filing Fees	25,200	8,900
General Charges	2,63,893	3,90,319
Leave & License Fees	2,42,000	60,000
Service Tax Paid	4,458	3,708
Listing Fees	3,23,249	2,05,762
Loading charges	19,500	-
Miscellaneous Charges	68,025	4,00,128
Postage & Courier charges	1,25,011	1,13,992
Printing & Stationaries	1,88,423	2,22,806
Professional & Advisory Charges	8,000	14,000
Repairs & Maintenance	1,48,163	1,04,325
Telephone & Mobile charges	1,33,105	71,265
Transport Charges	1,15,214	71,752
Travelling & Conveyance Expenses	3,72,948	4,02,890
	65,06,271	24,22,377

Note 2.18

Computation of Basic and Diluted Earning per Share

Earnings: Profit after tax(Rs.)	3,97,312	18,61,273
---------------------------------	----------	-----------

Weighted Average	1,32,84,474	1,32,84,474
No. of Equity Share Outstanding during the year (Face Value of Rs.10/- each)		
Earning Per Share - Basic & Diluted	0.03	0.14

NOTE 2.19

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. Mangelal Joshi

2) Transactions

There has been no related party transactions during the year.

Note 2.20

SEGMENT REPORTING (ACCOUNTING STANDARD 17)

a) The company has Three primary business segments viz:

- i) Textile Business
- ii) Investment Business

	<u>Textile</u>	<u>Investment</u>	<u>Other</u>
Gross Segment Revenue	1,90,93,714	1,13,57,954	56,88,000
Previous Year	7,31,47,081	1,31,01,212	97,29,360

b) Secondary Segments

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

Note 2.21

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 2.22

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 2.23

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 to be necessary in respect of any assets.

Note 2.24

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 2.25

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

Details of Loans given & investments made during the year are disclosed by way of separate sheet, further no no

guarantees have been given by the Company. (**As per Annexure A**)

Note2.26

Company has made a export textile sale in foreign currency of \$1,35,729/- equivalent to Rs.89,58,129/- for the year ended 31st March, 2016. Previous Year foreign textile sale was NIL

Note2.27

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

NOTE 2.7
FIXED ASSETS

	Tangible Assets	GROSS BLOCK(AT COST)				DEPRECIATION					NET BLOCK	
		As on 01-04-2015 Rs.	Additions during the year Rs.	Sales/ Adjustment Rs.	As on 31-03-2016 Rs.	As on 01-04-2015 Rs.	For the Year Rs.	On Sales Adjustment Rs.	Charged to Retained earnings	Upto 31-03-2016 Rs.	As on 31-03-2016 Rs.	As on 31-03-2015 Rs.
1	Data Processing Equipments	89,99,021	-	-	89,99,021	85,49,072	-	-	-	85,49,072	4,49,949	4,49,949
2	Furnitures	8,34,999	-	-	8,34,999	4,95,003	87,991	-	-	5,82,994	2,52,005	3,39,996
	TOTAL	98,34,020	-	-	98,34,020	90,44,075	87,991	-	-	91,32,066	7,01,954	7,89,945
	Previous Year	98,34,020	-	-	98,34,020	80,66,192	1,18,714	-	8,59,169	90,44,075	7,89,945	17,67,828

NOTE 2.8**DETAIL OF VALUES OF CURRENT INVESTMENT**

Name of The Scrip	CLOSING		OPENING	
	As on 31st March 2016		As on 31st March 2015	
	QNTY	VALUE	QNTY	VALUE
Agradooti Vanijya Private Limited	74,452	74,45,200	-	-
Beau Mont Tradecom Pvt Ltd	7,320	36,60,000	-	-
Blue Lagoon Vanijya Pvt Ltd	89,980	89,98,000	-	-
Jubilant Fin Tex Pvt Ltd	1,000	1,00,000	-	-
Larica Trading Pvt Ltd	13,400	67,00,000	-	-
Matarani Commotrade Pvt Ltd	4,000	20,00,000	-	-
Sadgati Trading Pvt Ltd	690	3,45,000	-	-
Sudarshan Builders Pvt Ltd	75	7,500	-	-
Viacom Trade & Finance Pvt Ltd	8,406	42,03,000	-	-
TOTAL	1,99,323	3,34,58,700	-	-
		-		-

NOTE 2.9**DETAIL OF VALUES OF CLOSING STOCK**

Name of The Scrip	CLOSING		OPENING	
	As on 31st March 2016		As on 31st March 2015	
	QNTY	VALUE	QNTY	VALUE
1 Easun Capital Markets Limited	29,000	2,03,000	29,000	2,03,000
2 Gcm Capital Advisors Ltd.	10,000	2,00,000	10,000	2,00,000
3 Blue Circle Ltd	1,00,000	2,90,000	1,00,000	2,90,000
4 Ojas Assets Construction	3,60,000	79,38,000	-	-
TOTAL	4,99,000	86,31,000	1,39,000	6,93,000
Market Value of Quoted Inventory		88,74,000		4,90,000

Annexure A

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

S.No	Name of Party	Rate of Interest	Tenure	Purpose	Amount	Amount of Repayment
1	Badriprasad Vishwanath Jewels Pvt. Ltd.	12%	on Demand	Business	11,00,000	-
2	Scarlet Splendour Design Pvt. Ltd.	9%	on Demand	Business	70,00,000	-
3	Wasir Ali Khan	9%	on Demand	Business	27,00,000	-
4	Arihant Impex Pvt. Ltd.	9%	on Demand	Business	80,00,000	80,00,000

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

<u>Regd. Folio / DP ID & Client ID</u>		
<u>Name and Address of the Shareholder</u>		

- I hereby record my presence at the 34th Annual General Meeting of the Company, to be held on Wednesday, 28th September 2016 at 10.00 A.M. at Shyamal Smriti Parishad, 30, Dr. Nagen Ghosh Road, Kolkata-700 031 and at any adjournment thereof.
- Signature of the Shareholder/Proxy Present

--
- Shareholder / Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover the same at the entrance duly signed.
- Shareholder / Proxy holder desiring to attend the meeting may bring his / her copy of the Annual Report for reference at the meeting.

Please hand it over at the Attendance Verification Counter at the Entrance of the Meeting Venue

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING



ELECTRONIC VOTING PARTICULARS

(1) EVSN (E-Voting Sequence No.)	(2) USER ID.	(3) PAN or Relevant No. as under	(4) Bank Account No.
			(See Note No.1)

Notes:

- Where Bank Account Number is not registered with the Depositories or Company, please enter your User Id as mentioned in column (2) above.
- Please read the Instructions printed under the Item No. 29 to the Notice dated 30th May 2016 of the 34th Annual General Meeting. The e-Voting period starts from 9.00 A.M. on 25.09.2016 and ends at 5.00 P.M. on 27.09.2016, the e-voting module shall be disabled by CDSL for voting thereafter.

No gift of any nature will be distributed at the Annual General Meeting

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 34th Annual General Meeting of the Company, to be held on Wednesday, 28th September 2016 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, 2016		
2.	Ratification of appointment of M/s. Bharat D. Sarawgee, Chartered Accountants, as Statutory Auditors and to fix their remuneration.		
Special Business :			
3.	To recover Charges for service of document under Section 20 of Companies Act 2013		
4.	Change in place of keeping certain documents / records related to Shareholders.		

Signed this _____ day of _____ 2016

Sign. of Shareholder _____ Sign. of Proxy _____

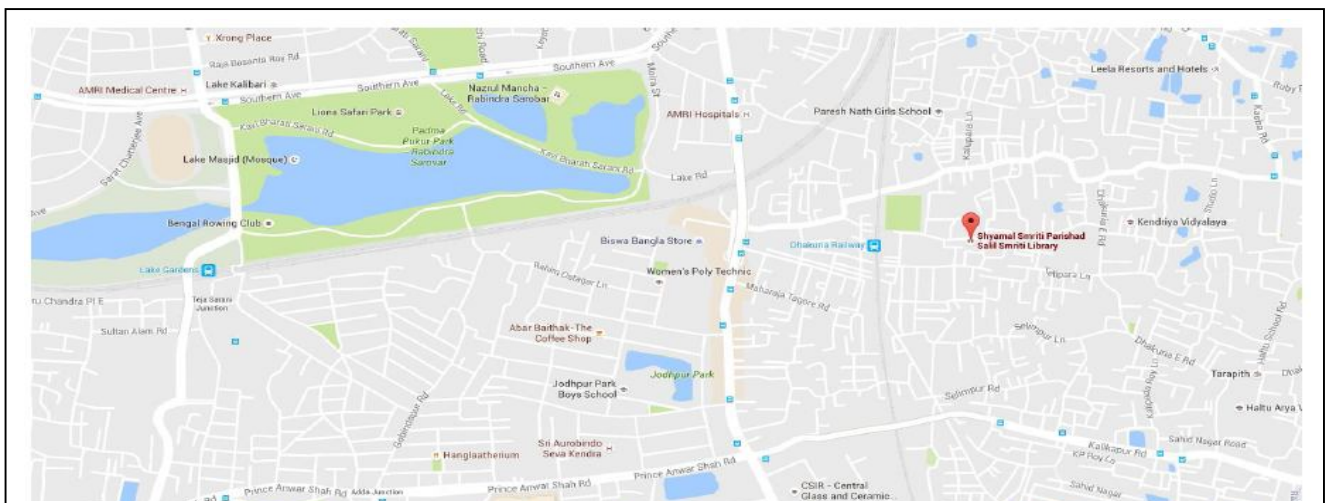
Affix
Revenue
Stamp
1/-

Notes :

1. This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 34th Annual General Meeting.



Location Plan of Venue of AGM of M/s. Khoobsurat Limited



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

Dear Shareholder(s),

This is to inform you that the company is in process of updation of records of the shareholders in order to reduce the physical documentation as far as possible.

With new BSE & CSE listing agreement, it is mandatory for all the investors including transferors to complete their KYC information. Hence, we have to update your PAN No., Phone no. and E-mail id in our records. We would also like to update your current signature records in our system to have better services in future.

To achieve this we solicit your co-operation in providing the following details to us :

1. If you are holding the shares in dematerialized form you may update all your records with your Depository Participant (DP).
2. If you are holding shares in physical form, you may provide the following :

Folio No.	:	
PAN No.	:	
E-mail ID	:	
Telephone Nos. with STD Code	:	+91
Name and Signatures	:	1.
		2.
		3.

Thanking you,

By order of the Board
For Khoobsurat Limited

S/d-
Goutam Bose
(DIN : 02504803)
Managing Director