

Annexure to the Directors' Report

CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").

Corporate Governance is modus operandi of governing a corporate entity which includes a set of systems, procedures and practices which ensure that the Company is managed in the best interest of all corporate stakeholders i.e. shareholders, employees, suppliers, customers and society in general. Fundamentals of Corporate Governance include transparency, accountability, reporting and independence. For accomplishment of the objectives of ensuring fair Corporate Governance, the Government of India has put in place a framework based on the stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standards, etc. Corporate Governance has become a buzzword in the corporate world. Globalizations, widespread of shareholders, changing ownership structure, greater expectations, etc. have made a good Corporate Governance sin-quo-nun of modern management.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's governance philosophy is based on trusteeship, transparency and accountability. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders. The Company's Code of Business Conduct and Ethics, Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders and the Charter-Business for Peace are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

The Company's governance framework is based on the following principles:

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

The composition and category of the Board of Directors as at March 31, 2020, the number of other Directorships/Committee memberships held by them and also the attendance of the Directors at the Board meetings of the Company are as under:

Name	Designation	DIN	Date of Joining	Date of Resignation (If Applicable)	Committee Membership in Other Listed Cos.	Committee Chairmanship in other Listed Cos.	No. of Directorship in other Listed Cos.
Goutam Bhowal*	Managing Director	08268162	23 rd Nov 2018	N.A.	Nil	Nil	Nil
Alok Kr. Das	Non-Executive Director	00243572	28 th August 2017	N.A.	Nil	Nil	Nil
Mangal Joshi	Independent Director	02429795	10 th Dec. 2010	N.A.	Nil	Nil	Nil
Raj Kumar Chhakara	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.

Chairman and Managing Director

His primary role is to provide leadership to the Board in achieving goals of the Company. He is responsible for transforming the Company into a successful organization. He is responsible, inter-alia, for the working of the Board and for ensuring that all relevant issues are placed before the Board and that all Directors are encouraged to provide their expert guidance on the relevant issues raised in the meetings of the Board. He is also responsible for formulating the corporate strategy along with other members of the Board of Directors. His role, inter alia, includes:

- Provide leadership to the Board and preside over all Board and General Meetings.
- Achieve goals in accordance with Company's overall vision.
- Ensure that Board decisions are aligned with Company's strategic policy.
- Ensure to place all relevant matters before the Board and encourage healthy participation by all Directors to enable them to provide their expert guidance.
- Monitor the core management team.

Non-Executive Directors (including Independent Directors) play a critical role in balancing the functioning of the Board by providing independent judgments on various issues raised in the Board Meetings like formulation of business strategies, monitoring of performances, etc. Their role, inter- alia, includes:

- Impart balance to the Board by providing independent judgment.
- Provide feedback on Company's strategy and performance.
- Provide effective feedback and recommendations for further improvements.

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. In case he/she is serving as a Whole-Time Director in any listed company, does not hold the position of Independent Director in more than three 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.

Board Diversity Policy

The Company has a Board approved policy on Board diversity. The objective of the policy is to ensure that the Board comprises of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Board composition, as at present, broadly meets with the above objective.

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 9 times on 6th April, 22nd May, 19th June, 12th August, 26th September, 9th November, and 23rd November in year 2019 and on 9th February and 23rd March in the year 2020 during the financial year 2020.

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 Bhowal*	Managing Director	N.A.	3
Mangelal Joshi	Independent Director	Yes	9
Raj Kumar Chhakara	Independent Director	Yes	9
Puspa Devi Saraswat	Independent Director	Yes	9
Alok Kr. Das	Non-Executive Director	Yes	9

*Mr. Goutam Bhowal has been appointed as Managing Director of the Company in place of Mr. Goutam Bose w.e.f. 23rd November 2018.

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.

In view of the amendments to the Listing Regulations and SEBI PIT Regulations, the Board amended the terms of reference of the Committee, effective from 1 April 2019.

These broadly include oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of compliances and review of systems and controls, approval or any subsequent modification of transactions of the Company with related parties, review compliance with regulation 9A of the SEBI PIT Regulations, etc.

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, 2020.

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 composition of Audit Committee was re-constituted in the meeting of Board of Directors held on 23rd November 2018 wherein Mr. Goutam Bhowal was appointed as member of the Committee in place of Mr. Goutam Bose who has resigned from both, Committee and Board w.e.f. 23rd November 2018.

The members of Audit Committee met seven times on 30th May, 16th July, 14th August, 27th September and 1st November in year 2019 and on 13th February and 15th March in year 2020 during the financial year ended on 31st March 2020.

Name	Position	Number of Meetings Held	Meetings Attended
Goutam Bose	Member	5	5
Gotam Bhowal	Member	2	2
Mangelal Joshi	Chairman	7	7
Raj Kumar Chhakara	Member	7	7

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of three Non-executives, 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

There is no change in composition of Nomination & Remuneration Committee during the financial year. The members of Nomination & Remuneration Committee met four times on 16th July, 27th September and 23rd November in year 2019 and on 15th March in year 2019 during the financial year ended on 31st March 2020.

Name	Positions	Number of Meetings Held	Meetings Attended
Puspa Devi Saraswat	Member	4	4
Mangelal Joshi	Chairman	4	4
Raj Kumar Chhakara	Member	4	4

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholder's Relationship Committee is constituted in line with the provisions of Regulation 20 of the SEBI LODR Regulations 2015, read with Section 178 of the Act and rules made thereunder.

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. Sneha Gupta, Company Secretary, as a Compliance Officer within the meaning of Regulation 6 of Listing Regulations.

Composition of Committee and Meetings attended

The composition of Stakeholders' Relationship Committee was re-constituted in the meeting of Board of Directors held on 23rd November 2018 wherein Mr. Goutam Bhowal was appointed as member of the Committee in place of Mr. Goutam Bose who has resigned from both, Committee and Board w.e.f. 23rd November 2018.

During the year, four meetings of the Stakeholders' Relationship Committee were held on 6th April, 18th July, and 11th October in year 2019 and on 11th January in year 2020 during the financial year 2019-20.

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

Name	Position	Category	Meetings Attended
Mr. Mangalal Joshi	Chairman	Independent, Non-Executive	4
Mr. Goutam Bose	Member	Executive Director	3
Mr. Goutam Bhowal	Member	Executive Director	1
Mr. Raj Kumar Chhakara	Member	Independent, Non-Executive	4

Details of Shareholders' Complaints

There was Nil Complaint pending at the beginning of the Financial Year. During the year the Company has received one compliant which was pending for resolution 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, 2020, 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
37 th Annual General Meeting	27 th September 2019, 11.00 AM	Shyamal Smriti Parishad, 30, Dr. Nagen Ghosh Road, Kolkata-700 031
36 th Annual General Meeting	27 th September 2018, 9.00 AM	Shyamal Smriti Parishad, 30, Dr. Nagen Ghosh Road, Kolkata-700 031
35 th Annual General Meeting	21 st September 2017, 10.00 AM	Shyamal Smriti Parishad, 30, Dr. Nagen Ghosh Road, Kolkata-700 031
34 th Annual General Meeting	28 th September 2016, 10.00 AM	Shyamal Smriti Parishad, 30, Dr. Nagen Ghosh Road, Kolkata-700 031

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 34th Annual General Meeting -

- Change in place of keeping records relating to Shareholders, i.e. from Registered Office of the Company to the office of RTA.

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:

No resolution was being passed by way of Postal Ballot Rules during last three financial years.

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 2020.

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

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 examined periodically by the Board and the Audit Committee.

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

The Company has a whistle blower policy encompassing vigil mechanism pursuant to the requirements of the section 177(9) of the Act and regulation 22 of the Listing Regulations. The Board of Directors, at its meeting held on 12 March 2019, revised whistle blower policy containing, inter alia, leak or suspected leak of unpublished price sensitive information in view of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, (SEBI PIT Regulations). The policy/vigil mechanism enables directors and employees to report to the Management their concerns about unethical behaviors, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and leak or suspected leak of unpublished price sensitive information.

This mechanism provides safeguards against victimisation of directors/employees who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee in exceptional cases. The policy has been

appropriately communicated to the employees within the Organisation and has also been hosted on the Company's website viz. www.khoobsuratltd.com.

COMPLIANCES REGARDING INSIDER TRADING

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has a Board approved code of conduct to regulate, monitor and report trading by insiders ('code of conduct') and a Code of Practices and Procedures for Fair Disclosure of unpublished price sensitive information ('code of fair disclosure').

During the year under review, SEBI amended the SEBI PIT Regulations. In view of the amendments to the said Regulations, the Board of Directors, at its meeting held on 13th February 2019, inter alia approved the following, with effect from 1 April 2019:

- a. Revised code of conduct to regulate, monitor and report trading by Designated Persons;
- b. Revised code of practices and procedures for fair disclosure of unpublished price sensitive information;
- c. Revised whistle blower policy;
- d. Institutional mechanism for prevention of insider trading; and
- e. Amendment to the terms of reference of the Audit Committee.

The code of conduct and code of fair disclosure framed by the Company have helped in ensuring compliance with the requirements.

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 approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper and in local language (Bengali) newspaper, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.
- The Company's financial results and official press releases are displayed on the Company's Website- www.khoobsuratltd.com
- Any presentation made to the institutional investors or/and analysts are also posted on the Company's website.
- Management Discussion and Analysis forms part of the Annual Report, which is sent to the shareholders of the Company.
- The Company also informs, by way of intimation to BSE, MSEIL & CSE, all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members.
- 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 MSEIL's online portal. The Company has complied with filing submissions through BSE's BSE Online Portal and MSEIL'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.
- Sections 20 and 136 of the Act, read with the Companies (Accounts) Rules, 2014 permit companies to deliver the documents electronically to the registered email IDs of the members.

DISCLOSURES ON MANDATORY REQUIREMENTS

The Company has complied with the mandatory requirements of the Listing Regulations.

DISCLOSURES ON DISCRETIONARY REQUIREMENTS

The Company has also complied with the discretionary requirements as under:

A. The Board

A Chairman's office has been made available for the non-executive Chairman and he is allowed reimbursement of expenses incurred in performance of his duties.

B. Shareholder Rights

The Company communicates all material events to its shareholders as and when it occurs.

C. Modified Opinion(s) in the Audit Report

The Company confirms that its financial statements are with unmodified audit opinion.

D. Reporting of Internal Auditor

The internal auditor reports directly to the Audit Committee.

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 38th Annual General Meeting for the financial year ended on 31st March 2020 is as follows :-

Date	:	28 th December, 2020 (Thursday)
Time	:	11.00 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 2021 :

Subject Matter	Tentative Date
Financial Reporting of 1 st Quarter ended on 30 th June 2020	Mid of August, 2020
Financial Reporting of 2 nd Quarter ended on 30 th September 2020	Mid of November, 2020
Financial Reporting of 3 rd Quarter ended on 31 st December 2020	Mid of February 2021
Financial Reporting of 4 th Quarter ended on 31 st March 2021	During May 2021
Date of Annual General Meeting	During September 2021

d. Date of Book Closure : December 21, 2020 to December 28, 2020. (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

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125.

Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon

transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the IEPF Rules.

Details of Unclaimed Dividend and Due Dates for transfer are as follows as on March 31, 2019:

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 Regulation 34(3) read with Schedule V of Listing Regulations, 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 the current financial year.

- h. Listing of Shares** : BSE Limited (BSE)
Calcutta Stock Exchange Association Ltd. (CSE)
Metropolitan Stock Exchange of India Ltd. (MSEIL)
- i. Listing Fees** : Annual Listing Fees for FY 2019-2020 have been paid to BSE
Whereas Listing Fees is yet to be paid to MSEIL and CSE.
- j. Stock Code & ISIN Code** : 535730 on BSE; 21144 on CSE, MSEIL - KHOBSURAT
: INE731G01019 on both CDSL & NSDL

k. 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

l. Share Transfer System

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of fifteen days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

m. Consolidation of Folios and avoidance of multiple mailing

In order to enable the Company to reduce costs and duplicity of efforts for providing services to investors, members who have more than one folio in the same order of names are requested to consolidate their holdings under one folio. Members may write to the Registrars and Transfer Agents indicating the folio numbers to be consolidated along with the original shares certificates to be consolidated.

n. Compliance with Secretarial Standards

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with each one of them.

o. Shareholding Pattern as on 31st March 2020

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	464301	0.35
Private Corporate Bodies	36050843	27.14
Indian Public	84043096	63.26
Total	132844740	100.00

p. Distribution of Shareholding as on 31st March 2020

No. of Equity Shares	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
1-500	533	16.81	86977	0.07
501-1000	309	9.75	290666	0.22
1001-2000	248	7.82	423452	0.32
2001-3000	137	4.32	370913	0.28
3001-4000	62	1.96	229182	0.17
4001-5000	109	3.44	533875	0.40
5001-10000	291	9.18	2437854	1.84
10001-50000	1092	34.45	33843726	25.48
50001-100001	215	6.78	16278369	12.25
100001 and above	174	5.49	78349726	58.98
Total....	3170	100.00	132844740	100.00

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.

As on 31st March 2020, 94.36% public shareholdings of the Company are in dematerialized form.

Procedures for dematerialization of Equity Shares:

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail the benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

- Demat account should be opened with a Depository Participant (DP).
- Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.
- DP will process the DRF and will generate a Dematerialization Request Number (DRN).
- DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA), which is ABS Consultants Private Limited.
- RTA will process the DRF and confirm or reject the request to DP/ depositories
- Upon confirmation of request, the shareholder will get credit of the equivalent number of shares in his demat account maintained with the DP

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., "absconsultant99@gmail.com."

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:

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 Whole time Director & Chief Executive Officer is annexed to this report.

aa. Plant Location

Not Any

bb. Address for Correspondence

Khoobsurat Limited

7-A, Bentinck Street, 3rd Floor, Kolkata-700 001

Tel: +91 33 40661067 Fax: +91 33 30285807, Email: khoobsurat.kolkata@gmail.com

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CERTIFICATE

Based on our verification of the books, papers, minute books, forms and returns filed, MCA website and other records maintained by M/s Khoobsurat Limited, having its Registered office at 7-A, Bentinck Street, 3rd Floor, Kolkata-700 001 West Bengal and also the information provided by the Company, its officers, agents and authorized representatives, we hereby report that during the Financial Year ended on March 31, 2019, in our opinion, none of the director on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Company by the Board/Ministry of Corporate Affairs or any such Statutory authority.

Place: Kolkata

Sd/-
CS KRITI DAGA
Practicing Company Secretaries
Membership No. 26425, C. P. No. 14023