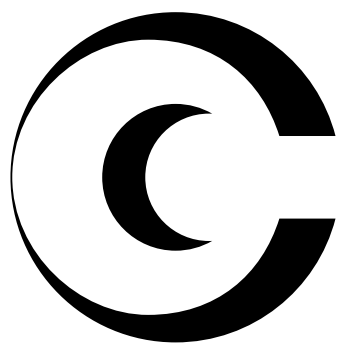


# **Celebrity Fashions Limited**



**28<sup>th</sup>**  
**ANNUAL REPORT 2016 - 2017**

## Contents

	Page No
Board of Directors	2
Manufacturing Facilities	2
Notice of the AGM	3
Board's Report	5
Annexure to Board's Report	9
Management Discussion and Analysis	18
Report on Corporate Governance	20
Auditors Certificate on Corporate Governance	27
Independent Auditors Report	27
Annexure to Auditors Report	28
Balance Sheet	30
Statement of Profit & Loss	31
Notes to the Accounts	32
Cash flow statement	46

### Board of Directors

<b>Mr. Venkatesh Rajagopal</b>	Chairman
<b>Mr. Charath Ram Narsimhan</b>	Managing Director
<b>Mr. Vidyuth Rajagopal</b>	Joint Managing Director
<b>Mrs. Rama Rajagopal</b>	Director
<b>Mr. N.K. Ranganath</b>	Independent Director
<b>Mrs. Nidhi Reddy</b>	Independent Director
<b>Mr. P.S.Raman</b>	Independent Director
<b>Mr. K. Sridhar</b>	Independent Director

### Chief Financial Officer

Mr. S. Venkataraghavan (Appointed w.e.f 27th May 2017)

### Company Secretary

Mr. A Rishi Kumar

### REGISTERED OFFICE & CORPORATE OFFICE

SDF –IV & C2, 3rd Main Road,  
MEPZ – SEZ, Tambaram, Chennai – 600 045

### BANKERS

State Bank of India, Overseas Branch  
Chennai – 600 001

### STATUTORY AUDITORS

M/s. Anil Nair & Associates,  
Egmore, Chennai – 600 008

M/s. CNGSN & ASSOCIATES LLP  
T. Nagar, Chennai – 600 017.

### INTERNAL AUDITORS

M/s R. Venkatakrishnan & Associates,  
R.A. Puram, Chennai – 600 028.

### SECRETARIAL AUDITORS

M/s. BP & Associates  
Ashok Nagar, Chennai – 600 083.

### MANUFACTURING FACILITIES

SDF – IV, 3rd Main Road,  
MEPZ – SEZ, Tambaram,  
Chennai – 600 045.

No. 208, Velachery Tambaram Road,  
Narayanapuram, Pallikaranai,  
Chennai – 600 100.

No.8, BSR Avenue, Thirumudivakkam High Road,  
Thirumudivakkam, Chennai – 600 044.

### Washing Plant

No. 70/2 & 3A, Selaiyur Agaram Road,  
Thiruvanchery, Chennai 600 073.

SDF – IV, 3rd Main Road,  
MEPZ – SEZ, Tambaram, Chennai – 600 045

### ROUTE MAP TO THE AGM VENUE VENUE: CELEBRITY FASHIONS LIMITED SDF - IV & C 2, THIRD MAIN ROAD, MEPZ – SEZ, CHENNAI-600045.



## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of Celebrity Fashions Limited will be held on Monday, 25th September, 2017 at 2.30 p.m. at the Registered Office of the Company situated at SDF IV & C2 , 3rd Main Road, MEPZ/ SEZ, Tambaram, Chennai - 600 045 to transact the following businesses:-

### ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2017 together with the reports of the Board of Directors and Auditors thereon.
- To appoint a Director in place of Mrs. Rama Rajagopal (DIN 00003565), who retires by rotation and being eligible, offers herself for re-appointment.
- 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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to recommendation of the Audit Committee and the Board of Directors, Company hereby appoints M/s. SRSV & Associates, Chartered Accountants, Chennai, having Firm Registration No. 015041S as Statutory Auditors of the Company in place of M/s CNGSN & Associates LLP, Chartered Accountants, Chennai and M/s. Anil Nair & Associates, Chartered Accountants, Chennai, whose tenure expires at this Annual General Meeting, at such remuneration plus reimbursement of out-of pocket, travelling expenses and other applicable taxes, as may be mutually agreed between the Board of Directors of the Company and the said Auditors."

**"RESOLVED FURTHER THAT** M/s. SRSV & Associates, Chartered Accountants, Chennai, if appointed as the Statutory Auditors of the Company, shall hold office for a period of five years, from the conclusion of this 28th Annual General Meeting till the conclusion of 33rd Annual General Meeting of the Company, subject to ratification of the appointment by Members at every Annual General Meeting during their tenure of office."

### SPECIAL BUSINESS:

- Re-designation of Mr. Vidyuth Rajagopal as Joint Managing Director of the Company  
To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:-  
**"RESOLVED THAT** in partial modification of the resolution passed by the Members at the 27th Annual General Meeting held on 30th September, 2016, Mr. Vidyuth Rajagopal, (DIN: 07578471) Whole Time Director of the Company be and is hereby re-designated as the Joint Managing Director with effect from 05th April 2017 till the end of the tenure of his appointment viz. 31st July 2019 on the same terms and conditions including remuneration as approved earlier by the Members."

By Order of the Board  
For **CELEBRITY FASHIONS LIMITED**  
Sd/-  
**A. Rishi Kumar**  
Company Secretary

Place : Chennai  
Date : 18th August 2017

### NOTES:

- An Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business as set out in the Notice is annexed hereto and forms part of this Notice.
- A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself. Proxy need not be a member of the Company.** Proxies in order to be effective should be lodged with the company at the registered office of the company at least 48 hours before the commencement of the meeting. Proxies submitted on behalf of the Companies, Societies and Partnership firms etc must be supported by an appropriate resolution/authority as applicable, issued on behalf of the nominating organization.  
Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 of the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- Corporate members are requested to send a duly certified copy of the Board Resolution, authorizing their representative to attend and vote at the Annual General Meeting.

- The members/proxies and authorised representatives are requested to bring their copy of the Annual Report to the Meeting along with duly filled in Attendance Slips for attending the Meeting.
- 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 AGM.
- The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- The Register of Members and the Share Transfer books of the Company will remain closed from 16th September 2017 to 25th September 2017. (both days inclusive) for the purpose of Annual General Meeting.
- Members are requested to notify Change in address, if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their ID No. and in case of physical shares members are requested to advise any change of communication address immediately to the Registrar and Transfer Agent, Viz. M/s Link Intime India Private Limited, C 101, 247 Park, L.B.S Marg, Vikhroli (W), Mumbai-400083.
- Queries, if any on the Accounts and Operation of the Company, if any, may be sent to the Company at its Registered Office (marked for the attention of the CFO/CS) at least seven days in advance of the Meeting.
- As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 44 of the Listing Regulations, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for e-voting are given in S No.15. The cutoff date for determining the eligibility to vote by electronic means or by ballot at the general meeting shall be 15th September 2017.
- The members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting in terms of notification issued by the Ministry of Corporate Affairs dated 19.03.2015.
- Details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice.
- A Route map showing directions to reach the venue of the 28th Annual General Meeting is given along with this notice as per the requirement of the Secretarial Standards-2 on "General Meetings"

### 14. IMPORTANT SHAREHOLDER COMMUNICATION:

The Ministry of Corporate Affairs ("Ministry"), Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. As per the Circular No.17/2011, dated 21.04.2011 and Circular No.18/2011, dated 29.04.2011 issued by the Ministry of Corporate Affairs, companies can now send various notices/documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors Report, Auditors, Report etc.) to their shareholders through electronic mode, to the registered email addresses of the shareholders. In case you are desirous of having a complete text of Annual Report 2016-17, you may write to us at [investorservices@celebritygroup.com](mailto:investorservices@celebritygroup.com) or at the registered Office of the Company. The Annual report of the Company can be accessed at [www.celebritygroup.com](http://www.celebritygroup.com) in the investor section.

Electronic copy of the Annual Report for 2016-17 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2016-2017 is being sent in the permitted mode.

Electronic copy of the Notice of the 28th Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 28th Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent in the permitted mode.

### 15. E-VOTING:

Voting through electronic means: The Company is pleased to provide members a facility to exercise their right to vote on the resolutions as set out in the Notice by 'electronic means' and all the businesses may be transacted through e-voting services provided by Central Depository Services (India) Limited.

The Company is providing facility for voting by electronic means in compliance with the provisions of Section 108 of the Companies Act, read with Rule 20 of the Companies (Management and Administration) Rule, 2014 and Regulation 44 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

**THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:**

- (i) The voting period begins on Friday, 22nd September, 2017 at 9.00 A.M. and ends on Sunday, 24th September, 2017 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 15th September 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by shareholder, the shareholder shall not be allowed to change it subsequently.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue. The facility for voting, through polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote may exercise their vote through polling paper in the Annual General Meeting.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders / Members.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg.If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date or Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member if/folio number in the Dividend Bank details field as mentioned in instruction (v)</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote. i.e. CELEBRITY FASHIONS LIMITED.
- (xiii) 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.

- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print out of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If a Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android/iOS and Windows based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they should create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
- (xxi) In case of any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
16. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 15th September 2017.
17. M/s. BP & Associates, Practicing Company Secretaries have been appointed as the Scrutinizer to scrutinize the e-voting process and poll in a fair and transparent manner.
18. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
19. The Results shall be declared by the Chairman or by any person authorized by him in this regard on or before 27th September 2017. The result along with the Scrutinizer's report shall be placed on the Company's website [www.celebritygroup.com](http://www.celebritygroup.com) and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited & National Stock Exchange of India Limited. The resolution, if approved will be taken as passed effectively on the date of declaration of the result, explained as above.
20. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 am to 5.00 pm) on all working days except Saturdays & Sundays, up to and including the date of the Annual General Meeting of the Company.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING**

Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS – 2 (ICSI) on General Meetings.

Name of the Director	Mr. Vidyuth Rajagopal	Mrs. Rama Rajagopal
DIN	07578471	00003565
Nationality	Indian	Indian
Date of Appointment on the Board	01st August 2016	4th January 1994
Expertise in Specific Functional Areas	Marketing & Merchandising	General Management & Administration
Qualifications	Degree in Economics from Loyola College, Chennai	Post Graduate degree in economics from University of Bangalore
Age	30 years	60 years
Inter-se Relationship between Directors and Key Managerial Personnel	Son of Mr. Venkatesh Rajagopal and Mrs. Rama Rajagopal, Promoter Directors of the Company	Spouse of Mr. Venkatesh Rajagopal (Chairman) and M Vidyut Managing Director
Remuneration last drawn in the FY 2015-16	₹ 15,00,000/- per annum	Nil
List of directorships held in other Companies	Nil	Indian Terrain Fashions Limited
Number of shares held in the Company	7000	6794902
Chairperson / Member in the Committees of the Boards of companies in which he/she is a Director	Nil	Chairperson in CSR Committee - Indian Terrain Fashions Limited
No. of Board Meetings attended during the year	5/6	3/6

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**
**ITEM NO. 4**

The Board of directors at their meeting held on 05th April 2017, on the recommendation of the Nomination and Remuneration Committee, has approved the change in designation of Mr. Vidyuth Rajagopal (DIN: 07578471) from Whole Time Director to Joint Managing Director of the Company with effect from 05th April 2017.

Considering his increasing involvement in the business operations, the above proposal is in the interest of the Company and the Directors recommend the Resolution in Item No. 4 of the Notice for approval by the Members by way of ordinary resolution.

Save and except Mr. Vidyuth Rajagopal, Mr. Venkatesh Rajagopal and Mrs. Rama Rajagopal and their relatives, none of the other Directors or Key Managerial Personnel and/ or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution at Item No. 4 of the accompanying Notice.

By Order of the Board  
For **CELEBRITY FASHIONS LIMITED**  
Sd/-  
**A. Rishi Kumar**  
Company Secretary

Place : Chennai  
Date : 18th August 2017

**BOARD'S REPORT**
**Dear Members,**

The Directors have pleasure in presenting the 28th Annual Report of the Company, along with the Audited Financial Statements of the Company for the financial year ended 31st March 2017.

**FINANCIAL HIGHLIGHTS**

The Company's performance during the year as compared with previous year is summarized below:

(Rs. in Crores)

Particulars	FY 2016-17	FY 2015-16
Revenue From operations	191.17	197.31
Gross Profit / (Loss) before interest and depreciation	8.16	11.01
Interest	6.34	8.65
Profit / (Loss) before depreciation and tax	1.82	2.36
Depreciation	7.01	8.05
Profit / (Loss) before Exceptional and Extra-ordinary items	(5.19)	(5.69)
Exceptional Item - Expense / (Income)	8.22	(27.09)
Extra-Ordinary Item	-	-
Profit/(Loss) after Exceptional and Extra-ordinary	(13.41)	21.40
Profit/(Loss) before tax	(13.41)	21.40
Provision for Taxation	-	-
Profit / (Loss) after tax	(13.41)	21.40
Balance brought forward from previous year	(43.77)	(65.17)
Balance carried to Balance Sheet	(57.18)	(43.77)

**PERFORMANCE REVIEW**

Indian Exports have been shrinking since December 2014 to September 2016, due to weak global demand and slide in oil prices. India's exports reversed the negative trend in June 2016, when it grew 1.3% after remaining in the red for 18 months. However, shipments again fell 0.3% in August and 6.8% in July.

The government is aiming at lifting India's share in global exports to 5% by 2020, from just 1.6% now. But rising protectionism in the US is threatening to keep exports subdued.

US President Donald Trump's "America First" restrictive policies coupled with Britain's surprise Brexit vote last year to leave the European Union has clouded the global trade outlook.

Amidst the above scenario, the Company began the year with the cascading effect of the Chennai floods impacting the earnings in terms of incremental costs of execution and the consequential loss of revenue opportunities for the first half of the financial year. Nevertheless the sustained marketing efforts coupled with internal productivity improvements and costs rationalization ensured improved earnings in the subsequent quarters of the financial year.

The year also witnessed the successful relocation of partial capacities to a DTA unit from its MEPZ premises. The relocated unit was on Trial run during the Fourth Quarter and commenced commercial production in May 2017. This relocation is expected to benefit the company with incremental export incentives and also help rejigging the overall business portfolio of the Company.

The Company recorded revenues of Rs.191.17 crs for the financial year ending 31st March 2017 as compared to Rs.197.31 crs the previous year. The Operating EBITDA stood at Rs.8.16 crs against Rs.11.01 crs the previous year with the drop attributed to the first two quarters of the financial year.

Further during the year, the company's earnings was impacted with one-off events of arrear minimum wages, short settlement of Flood Claim and retrospective levy of interest on loans by the Company's lender.

The Minimum Wages revision by the Tamilnadu Government effective December 2014 was upheld by the Hon'ble High Court of Madras, accordingly the Company paid Rs.5.78 crs as arrears of wages during the year.

The insurance claim submitted by the Company on account of Chennai Floods was finally settled by the Insurer in April 2017. The claim was short settled by Rs.1.14 crs and the impact of short receipt was recorded under additional depreciation and material costs.

The company's banker during the course of the year had reset the interest on Term loans and has levied interest above the rates specified in the restructuring package sanctioned to the Company in November 2012. This has resulted in the Company being liable for an interest differential amounting to Rs.2.44 crs on Term loans availed upto March 31, 2016.

A detailed analysis of the financial results is given in the Management Discussion and Analysis Report which forms part of this report.

#### CHANGES TO SHARE CAPITAL

During the year, the following changes were effected in the Share Capital of the Company:-

##### a) Increase in Authorised Share Capital

The Authorised Share Capital of the Company was increased from Rs.70 Crores to Rs.80 Crores.

The Share Capital of the Company as on 31st March 2017 is as below:

<b>Authorised Share Capital</b>	
5,40,00,000 Equity Shares of Rs.10 each	54,00,00,000
2,60,00,000 1% Cumulative Redeemable Preference Shares of Rs.10 each	26,00,00,000
<b>Subscribed and Paid-up Capital</b>	
4,20,71,249 Equity Shares of Rs.10 each	42,07,12,490
2,51,04,500 1% Cumulative Redeemable Preference Shares of Rs.10 each	25,10,45,000

The above increase in authorised share capital was approved by shareholders by way of postal ballot dated 12th February 2017.

##### b) Preferential Issue of Equity Shares

During the year under review, the Company made preferential issue of 35,00,000 equity shares to Promoter Director & Managing Director at Rs. 11.41/- each (including premium of Rs. 1.41/- each) as per the SEBI (ICDR) Regulations and other applicable provisions of the Companies Act, 2013.

Out of the 35,00,000 equity shares issued, the board of directors at their meeting held on 04th March 2017 have allotted 30,67,484 equity shares on preferential basis to the Promoter Director and Managing Director of the Company.

Consequent upon allotment of 30,67,484 equity shares on preferential basis, the paid up share capital of the Company has been increased from Rs. 64,10,82,650/- to Rs.67,17,57,490/-.

The preferential issue of equity shares were approved by shareholders by way of postal ballot dated 12th February 2017.

The entire issue proceeds were utilized for Augmenting Long Term Capital and for general corporate purpose.

##### c) Preferential Issue of Convertible Warrants

The preferential issue of 65,00,000 Warrants convertible into equivalent number of equity shares of Rs. 10 each at a price of Rs. 11.41/- each (including premium of Rs. 1.41/- each) was approved by the board of directors on 06th January, 2017, for issuance to the promoter directors and Managing Director as per the provisions of SEBI (ICDR) Regulations and in accordance with the applicable provisions of the Companies Act, 2013.

Out of the 65,00,000 convertible warrants issued, the board of directors at their meeting held on 04th March 2017 have allotted 56,96,756 warrants on preferential basis to the Promoter Directors and Managing Director of the Company.

The preferential issue of Convertible warrants were approved by shareholders by way of postal ballot dated 12th February 2017.

#### DIVIDEND

In view of loss for the year under review, no amount is proposed to be transferred to the reserve(s) and your Directors have not recommended payment of any dividend for the year under review.

#### TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amount to reserves.

#### FINANCE AND ACCOUNTS

The financial statements have been prepared in compliance with the requirements of the Companies Act and Generally Accepted Accounting Principles (GAAP) in India.

The management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgment relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs and profits/(losses) for the year.

The Accounts of the Company have been prepared on the basis of 'going concern concept'. The Company continue to focus on cash generation. The focus is on

improving operating efficiencies and cost savings and to improve the financial health of the Company.

Due to the losses incurred by the Company in the earlier years, there is no provision for Income Tax. The Company has recognized Deferred Tax Asset in unabsorbed depreciation and accumulated losses to the extent of corresponding deferred tax liability on the difference between the book balances and written down value of fixed assets under Income Tax.

The Company has repaid instalments of Term loans amounting to Rs.2.41 crs during the current year.

#### DEPOSITS

During the year under review, the Company has not accepted or renewed any fixed deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on March 31, 2017, there were no deposits which were unpaid or unclaimed and due for repayment.

#### CASH FLOW STATEMENT

In conformity with the provisions of Section 134 of Companies Act, 2013 and Regulation 34 2(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Cash Flow Statement for the year ended 31st March 2017 forms part of this Annual Report.

#### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the transactions with the related parties entered during the year were in the ordinary course of business and on Arm's length basis. Details of such transactions are given in the accompanying financial statements.

The Company has framed a policy on Related Party Transactions and the same has been displayed in the Company's website [www.celebritygroup.com](http://www.celebritygroup.com)

Further, the prescribed details of related party transactions of the Company in Form No. AOC-2, in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in Annexure II to this Report.

#### SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company does not have any subsidiary or associate or joint venture company.

#### CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

The Corporate Governance Report and Management Discussion & Analysis which form part of this Report are set out as separate Annexures, together with the Certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).

#### COMPLIANCE WITH CODE OF CONDUCT

The Company has framed a Code of Conduct for all the members of the Board and Senior Management personnel of the Company. The Code of Conduct is available on the Company's website: [www.celebritygroup.com](http://www.celebritygroup.com).

All members of the Board and senior management personnel have affirmed compliance to the Code as on March 31, 2017.

As stipulated under Regulation 34 (3) and Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a declaration Signed by Mr. Charath Ram Narsimhan, Managing Director regarding compliance with the Code of Conduct by all the Directors and Senior Management Personnel of the Company forms part of this Annual Report

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with the requirements of Section 135 and Schedule VII of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Board of Directors have constituted a CSR Committee. The details of the Committee are provided in the Corporate Governance Report, which forms part of this Annual Report.

As there have been carry forward losses, provisions of section 135 of Companies Act, 2013 pertaining to corporate social responsibility are not applicable to the Company.

The contents of the CSR Policy of the Company as approved by the Board on the recommendation of the CSR Committee is available on the website of the Company and can be accessed through the website [www.celebritygroup.com](http://www.celebritygroup.com).

#### ESTABLISHMENT OF VIGIL MECHANISM

Pursuant to Section 177 (9) of Companies Act 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has a vigil mechanism established, to enable all employees and the directors to report in good faith about any violation of the Policy. The Audit Committee of the Board oversees the functioning of Whistle Blower Policy. The Whistle Blower Policy covering all employees and directors is hosted in the Company's Website [www.celebritygroup.com](http://www.celebritygroup.com).

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **Appointment of Directors**

The Board of Directors of the Company at their meeting held on 1st August 2016, based on the recommendation of the Nomination and Remuneration Committee, has appointed Mr. Vidyuth Rajagopal (DIN: 07578471) and Mr. K. Sridhar (DIN: 02916536) as Additional directors of the Company.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, Mr. K. Sridhar (DIN: 02916536) was appointed as a Director of the Company in the previous Annual General Meeting of the Company held on 30th September, 2016 to hold office as an Independent Director for a period of 5 (Five) years up to 31st July 2021.

Mr. Vidyuth Rajagopal (DIN: 07578471) was appointed as Whole Time Director of the Company at the previous Annual General Meeting of the Company held on 30th September, 2016 to hold office as a Whole Time Director for a period of 3 (Three) years up to 31st July 2019.

Mr. Vidyuth Rajagopal has been re-designated as Joint Managing Director of the Company w.e.f 05th April 2017.

Appropriate resolution seeking your approval to the aforesaid re-designation is appearing in the Notice convening the 28th AGM of your Company.

### **Appointment of KMP**

Pursuant to Section 203 of the Companies Act, 2013, Mr. A. Rishi Kumar was appointed as a Company Secretary & Compliance Officer w.e.f 30th May 2016.

### **DECLARATION BY INDEPENDENT DIRECTOR**

The Company has received necessary declarations from all the Independent Directors of the Company confirming that they continue to meet the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16 & 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, as amended, extract of the Annual Return of the Company in the prescribed Form MGT-9 is annexed as Annexure-III to this Annual Report.

### **NUMBER OF MEETINGS OF THE BOARD & COMMITTEES**

The Board of Directors met Six (6) times during the financial year 2016-17 i.e., on 30th May 2016, 01st August 2016, 12th November 2016, 06th January 2017, 13th February 2017 and 04th March 2017. The gap between any two Board meetings does not exceed 120 days as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The particulars of Meeting of all committees held during the financial year 2016-17 are given in the Corporate Governance Report of the Company, which forms part of this Annual Report.

### **AUDIT COMMITTEE**

Pursuant to Section 177 (8) of Companies Act 2013, the particulars relating to the Composition, terms of reference and other details about the Audit Committee has been detailed in the Corporate Governance Report which forms part of this Annual Report.

During the year all the recommendations of the Audit Committee were accepted by the Board.

### **NOMINATION AND REMUNERATION COMMITTEE POLICY**

The Remuneration policy of the company has been structured to match the market trends of the industry, qualifications and experience of the employee and responsibilities handled by them.

The Policy inter alia provides for the following:

- a) attract, recruit, and retain good and exceptional talent;
- b) list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- d) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- f) fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long term value creation for its stakeholders.

Particulars pertaining to the constitution of the Nomination and remuneration Committee and its terms of reference has been detailed in the Corporate Governance Report forming part of this Annual Report.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not given any loans or guarantees covered under the provision of Section 186 of the Companies Act, 2013. The details of the investments made by the company are given in the notes to the financial statements which forms part of this Annual Report.

### **MATERIAL CHANGES & COMMITMENTS**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report

### **BOARD EVALUATION**

Pursuant to provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of the Board as a whole, various Committees, Directors individually and the Chairman. The statement including the manner in which the evaluation exercise was conducted is included in the Corporate Governance Report, which forms part of this Annual Report.

### **REPORT AS PER SECTION 134 READ WITH RULE 8 AND SUB RULE 5 OF COMPANIES ACCOUNTS RULES 2014**

Change in nature of business, if any: NIL

The name of Companies which have become or ceased to be its subsidiaries, Joint Ventures or associate companies during the year: NIL

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY**

The Company was not in receipt of any orders from the regulator / courts / tribunals impacting the going concern status of future operations of the Company.

The Company was in receipt of the notice / order from statutory authorities during the year for claim not acknowledged as debts by the company. The details of the same have been provided in Note 34 of the financial statements.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and there by strengthen the controls. A report of Auditors pursuant to Section 143(3) (i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors report.

Adequate systems and processes, commensurate with the size of the Company and of its business are put in place to ensure compliance with the provisions of all applicable laws and such systems and processes are operating effectively.

Audit Committee and Board of Directors of the Company were appraised on the performance of the IFC.

### **DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 the company has framed Risk Management Policy which lays down the framework to define, assess, monitor and mitigate the business, operational, financial and other risks associated with the business of the Company. The Company has been addressing various risks impacting the Company in Management Discussion and Analysis Report which forms part of this Annual Report.

During the year under review, the company has not identified any element of risk which may threaten the existence of the company.

### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTOR**

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility of the Directors, the working of the Company, nature of the Industry in which the Company operates, business model, etc.

The details of such familiarization programmes for the Independent Directors are disclosed on the website of the Company [www.celebritygroup.com](http://www.celebritygroup.com).

### **AUDITORS**

#### **Statutory Auditors**

M/s Anil Nair & Associates, Chartered Accountants, Chennai and M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai, the Joint Auditors of the Company, retire at the ensuing Annual General Meeting.

The Annual Accounts of the Company including its Balance Sheet, Statement of Profit and Loss and Cash Flow Statement including the Notes and Schedules to the Accounts have been audited by M/s. Anil Nair & Associates, Chennai and M/s CNGSN & Associates LLP, Chennai.

The Statutory Auditors' Report does not contain any qualification, reservation or adverse remark on financial Statements of the Company. The Auditors' Report is enclosed with the financial statements in this Annual Report.

#### **Mandatory Auditor Rotation**

M/s Anil Nair & Associates, Chartered Accountants, Chennai and M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai, the Joint Auditors of the Company have already completed more than ten years as Statutory Auditors of the Company.

In view of the Mandatory Rotation of Auditor requirement and to ensure smooth transition, and also to comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is proposed to appoint M/s. SRSV & Associates, Chartered Accountants as Statutory Auditors for a period of 5 continuous years. The tenure of their office will commence from the conclusion of the 28th Annual General Meeting till the conclusion of the 33rd Annual General Meeting of the Company subject to their appointment in the ensuing Annual General Meeting as per the process laid down under the Companies Act, 2013 and rules made thereunder and subsequent ratification at every Annual General Meeting.

#### **Secretarial Auditors**

Pursuant to the Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. BP & Associates, Practicing Company Secretaries, as the Secretarial Auditors of the Company for conducting the Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year 2016-17 does not contain any adverse remark, qualification or reservation or disclaimer which requires any explanation/comments by the Board. The Secretarial Audit Report is annexed as Annexure - IV which forms the part of this Annual Report.

#### **Internal Auditors**

Pursuant to Section 138 of the Companies Act 2013 read with rule 13 of The Companies (Accounts) Rules, 2014 and all other applicable provisions (including any amendment thereto) if any of the Companies Act 2013 and as recommended by the audit committee M/s. RVKS & Associates, Chartered Accountants, Chennai were appointed as the Internal Auditors of the company for the Financial Year 2016-17.

The audit conducted by the Internal Auditors is based on an internal audit plan, which is reviewed each quarter in consultation with the Audit Committee. These audits are based on risk based methodology and inter alia involve the review of internal controls and governance processes, adherence to management policies and review of statutory compliances. The Internal Auditors share their findings on an ongoing basis during the financial year for corrective action. The Audit Committee oversees the work of Internal Auditors.

#### **LISTING FEE**

The equity shares of the Company are listed on the Stock Exchanges viz., BSE Limited and National Stock Exchange of India Limited. The Company has paid the applicable listing fee to the Stock Exchanges within the stipulated time.

#### **DISCLOSURE UNDER SECTION 67 (3) (C) OF THE COMPANIES ACT, 2013**

No disclosure is required under section 67 (3) (c) of the Companies Act, 2013 read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014, in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said section are not applicable.

#### **PARTICULARS OF EMPLOYEES**

Disclosure with respect to the remuneration of Directors as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as Annexure - I to this Annual Report.

Statement containing Particulars of Employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 also annexed in Annexure - I which forms part of this Annual Report.

#### **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

During the financial year 2016-17, no unpaid or unclaimed dividend was required to be transferred to IEPF.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment and Non-discrimination at Work Place in line with the requirements of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

An Internal Complaints Committee (ICC) has been set up to redress the complaints received from women regarding sexual harassment and discrimination at workplace.

During the year ended 31st March, 2017, the ICC did not receive any complaint pertaining to sexual harassment / discrimination at the work location.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Sections 134(3)(c) and 134(5) of the Companies Act, 2013, the Directors, to the best of their knowledge and ability, confirm that:-

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- they 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;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2016-17.

#### **CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION / FOREIGN EXCHANGE**

##### **A. Conservation of Energy:**

The operations of the Company are not energy-intensive. However, wherever possible, the Company strives to curtail the consumption of energy on a continuing basis.

##### **B. Technology absorption:**

Not applicable.

##### **C. Foreign Exchange Earning and Outgo:**

a. Total Foreign exchange earned (FOB Value)	Rs. 154.70 Crores
b. Total Foreign exchange outgo	Rs. 36.73 Crores

#### **ACKNOWLEDGEMENT**

Directors wish to extend their sincere thanks to all employees, customers, suppliers, investors, lenders and other organizations for the faith reposed and valuable support provided by them to the Company and its Management.

For and on Behalf of the Board  
Sd/-

**Venkatesh Rajagopal**  
Chairman  
(DIN: 00003625)

Place : Chennai  
Date : 26th May 2017



**ANNEXURE - I TO BOARD'S REPORT**
**PARTICULARS OF EMPLOYEES:**

**A. Disclosure with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is as follows:**

- a) Ratio of remuneration of each director to the median remuneration of all the employees of the company for the financial year 2016-17:

Name of Director(s)	Designation	Ratio
Venkatesh Rajagopal	Chairman	Nil
Rama Rajagopal	Executive Director	Nil
Charath Ram Narsimhan	Managing Director	Nil
Vidyuth Rajagopal*	Joint Managing Director	11.6 : 1

\* Mr. Vidyuth Rajagopal appointed as Director with effect from 1st August 2016.

- b) Percentage increase in the remuneration of each director, CFO, CEO, CS or Manager, if any in the Financial Year 2016-17.

Name of Director(s)	Designation	% increase in remuneration in financial year
Venkatesh Rajagopal	Chairman	Nil
Rama Rajagopal	Executive Director	Nil
Charath Ram Narsimhan	Managing Director	Nil
Vidyuth Rajagopal*	Joint Managing Director	NA
L. Visalakshi	Chief Financial Officer	Nil
A. Rishi Kumar*	Company Secretary	NA

\* Mr. Vidyuth Rajagopal appointed as Director with effect from 1st August 2016.

\* Mr. Rishi Kumar appointed as Company Secretary with effect from 30th May 2016.

- c) Percentage increase in the median remuneration of all employees in the financial year 2016-17: 10.12% (excluding minimum wages impact)
- d) The number of permanent employees on the rolls of the company as on 31st March 2017: 3,554
- e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:  
Average increase in remuneration is NIL for Managerial Personnel (KMP & Senior Management) & 8% (excluding minimum wages impact) for employees other than Managerial Personnel.
- f) Affirmation that the remuneration is as per the Remuneration Policy of the Company:  
It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of the Company.

**B. Information as per Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors Report for the year ended March 31, 2017: Not Applicable**

For and on Behalf of the Board

Sd/-  
**Venkatesh Rajagopal**  
Chairman  
(DIN: 00003625)

Place : Chennai  
Date : 26th May 2017

**ANNEXURE - II TO BOARD'S REPORT**
**FORM NO. AOC -2**

**(Pursuant to Section 134(3)(h) of the Companies Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to Section 188(1) of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

Sr. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	NIL
2	Nature of contracts/arrangements/transaction	
3	Duration of the contracts/arrangements/transaction	
4	Salient terms of the contracts or arrangements or transaction including the value, if any	
5	Justification for entering into such contracts or arrangements or transactions'	
6	Date(s) of approval by the Board	
7	Amount paid as advances, if any	
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No	Particulars	Details
1	Name (s) of the related party	Indian Terrain Fashions Limited.
2	Nature of Relationship	Mr. Venkatesh Rajagopal & Mrs. Rama Rajagopal, Directors of Celebrity Fashions Limited are also Directors in Indian Terrain Fashions Limited
3	Nature of contracts/ arrangements/transaction	Jobwork Charges, Material Transfer and Rentals.
4	Duration of the contracts/ arrangements/transaction	Not Applicable
5	Salient terms of the contracts or arrangements or transaction including the value, if any	Upto Maximum of Rs.40 Crores in any financial year
6	Date of approval by the Board	13th November 2014
7	Amount paid / received, if any	NIL

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business.

For and on Behalf of the Board

Sd/-  
**Venkatesh Rajagopal**  
Chairman  
(DIN: 00003625)

Place : Chennai  
Date : 26th May 2017

**ANNEXURE - III TO BOARD'S REPORT**
**FORM NO. MGT-9**
**EXTRACT OF ANNUAL RETURN**
**As on the financial year ended on 31<sup>st</sup> March 2017**
**[Pursuant to Section 92(3) of the Companies Act, 2013 and  
Rule 12(1) of the Companies (Management and Administration) Rules, 2014]**
**I. REGISTRATION DETAILS**

i	CIN	L17121TN1988PLC015655
ii	Registration Date	28.04.1988
iii	Name of the Company	CELEBRITY FASHIONS LIMITED
iv	Category / Sub-Category of the Company	Company Limited by shares
v	Address of the Registered office and contact details	SDF-IV & C2, 3rd Main Road, MEPZ-SEZ, Tambaram, Chennai-600 045 Ph No.044-4343 2200; Email id: investorservices@celebritygroup.com
vi	Whether listed company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai-400 083 Phone No. 022-25963838   Fax No. 022 25946969 Website : www.linkintime.co.in

**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:

Sl.No.	Name and Description of main Products/Services	NIC Code of the Product/Service	% to total turnover of the Company
1	Manufacture of all types of textile garments and clothing accessories	14101	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl.No.	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares Held	Applicable Section
NOT APPLICABLE					

**IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	14692781	Nil	14692781	37.67	16445629	Nil	16445629	39.09	1.42
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt.s	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other ....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (A)(1)</b>	<b>14692781</b>	<b>Nil</b>	<b>14692781</b>	<b>37.67</b>	<b>16445629</b>	<b>Nil</b>	<b>16445629</b>	<b>39.09</b>	<b>1.42</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp...	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (A)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>14692781</b>	<b>Nil</b>	<b>14692781</b>	<b>37.67</b>	<b>16445629</b>	<b>Nil</b>	<b>16445629</b>	<b>39.09</b>	<b>1.42</b>