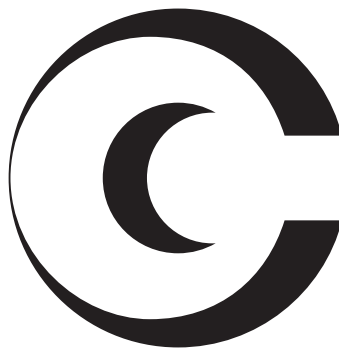


# **Celebrity Fashions Limited**



**29<sup>th</sup>**  
**ANNUAL REPORT 2017-2018**

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### BOARD OF DIRECTORS

Mr. Venkatesh Rajagopal	Chairman
Mr. Charath Ram Narsimhan	Managing Director (upto 7th August 2018)
Mr. Vidyuth Rajagopal	Managing Director (w.e.f.8th August 2018)
Mrs. Rama Rajagopal	Director
Mr. N.K. Ranganath	Independent Director
Mrs. Nidhi Reddy	Independent Director
Mr. P.S.Raman	Independent Director
Mr. K. Sridhar	Independent Director

### Chief Financial Officer

Mr. S. Venkataraghavan

### Company Secretary

Mr. A. Rishi Kumar

### Registered Office

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

### Banker

State Bank of India, Overseas Branch  
Chennai – 600 001

### Statutory Auditors

M/s. SRSV & ASSOCIATES  
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, Thirumudivakkam Village,  
Sriperumbudur, Kancheepuram

### Warehouse

No. 208, Velachery Tambaram Road,  
Narayanapuram, Pallikaranai,  
Chennai 601 100.

### Washing Plant

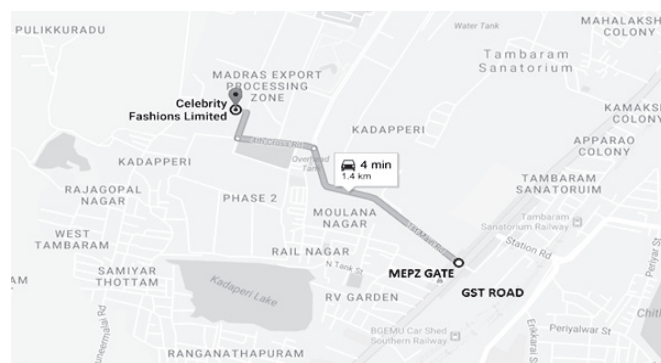
No. 70/2 & 3A, Selaiyur Agaram Road,  
Thiruvanchery, Chennai 600 073.

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 29th Annual General Meeting of CELEBRITY FASHIONS LIMITED will be held on Tuesday, 25th September, 2018 at 2.30 p.m. at the Registered Office of the Company at SDF IV & C2 , 3rd Main Road, MEPZ/SEZ, Tambaram, Chennai - 600 045 to transact the following businesses:

### ORDINARY BUSINESS:

- To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018 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.

### SPECIAL BUSINESS:

- Revision in remuneration of Mr. Vidyuth Rajagopal, Joint Managing Director of the Company.

To consider and, if thought fit, to pass the following resolution as a **Special Resolution:-**

**"RESOLVED THAT** in partial modification of the resolutions passed by the shareholders at the annual general meetings held on 30th September, 2016 and 25th September, 2017, and subject to the applicable provisions of Sections 196, 197 and 198 read with Schedule V and any other applicable provisions of the Companies Act, 2013 (the Act), and the Rules made thereunder, including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and as recommended by the Nomination and Remuneration Committee and the board of directors of the Company, approval and ratification of the members be and is hereby accorded for the revision in the terms of remuneration paid to Mr Vidyuth Rajagopal, (holding DIN 07578471) Joint Managing Director of the Company, effective 1st October 2017 upto 07th August, 2018, as stated in the Explanatory Statement attached to this Notice.

**RESOLVED FURTHER THAT** all other terms and conditions of appointment, as approved earlier by the shareholders at the annual general meetings held on 30th September 2016 and 25th September 2017 and which are not dealt with in this resolution, shall remain unaltered.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and / or Mr. A. Rishi Kumar, Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

- Appointment of Mr. Vidyuth Rajagopal as Managing Director of the Company  
To consider and, if thought fit, to pass the following resolution as a **Special Resolution:-**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and any other applicable provisions of the Companies Act, 2013 (the Act), and the Rules made thereunder, including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and as recommended by the Nomination and Remuneration Committee and the board of directors of the Company, and subject to such other approvals as may be necessary, the approval of the Members of the Company, be and is hereby accorded for the appointment of Mr. Vidyuth Rajagopal (holding DIN 07578471), as the Managing Director of the Company for a period of 3 years effective 08th August, 2018 on terms and conditions including remuneration as set out in the explanatory statement annexed to the notice convening this meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to fix and vary remuneration and perquisites including monetary value thereof to the extent the Board of Directors may consider appropriate and as may be considered and permitted or authorized in accordance with the provisions of the Companies Act, 2013 for the time being in force and any statutory modifications or reenactment thereof, and/ or any rules or regulations framed there under.

**RESOLVED FURTHER THAT** in the event of the Company incurring a loss or its profits are inadequate in any financial year during the currency of his tenure the Company shall pay to Mr. Vidyuth Rajagopal the above remuneration as a minimum remuneration by way of salary, perquisites

and allowances, in accordance with the provisions of Schedule V to the Companies Act, 2013 as amended from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and / or Mr. A. Rishi Kumar, Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

- Re-appointment of Mr. N. K. Ranganath (DIN: 00004044) as an Independent Director.

To consider, and if thought fit, to pass, the following Resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. N K Ranganath (DIN: 00004044), Independent Director of the Company, whose period of office is liable to expire on 31st March, 2019 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 be and is hereby re-appointed as an Independent Director of the Company with effect from 01st April 2019 to 31st March 2024 and the term shall not be subject to retirement by rotation."

- Re-appointment of Mr. P. S. Raman (DIN: 00003606) as an Independent Director.

To consider, and if thought fit, to pass, the following Resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. P S Raman (DIN: 00003606), Independent Director of the Company, whose period of office is liable to expire on 31st March, 2019 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby re-appointed as an Independent Director of the Company with effect from 01st April 2019 to 31st March 2024 and the term shall not be subject to retirement by rotation."

- Re-appointment of Mrs. Nidhi Reddy (DIN: 00004081) as an Independent Director.

To consider, and if thought fit, to pass, the following Resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Nidhi Reddy (DIN: 00004081), Independent Director of the Company, whose period of office is liable to expire on 31st March, 2019 and who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby re-appointed as an Independent Director of the Company with effect from 01st April 2019 to 31st March 2024 and the term shall not be subject to retirement by rotation."

By Order of the Board  
For **CELEBRITY FASHIONS LIMITED**

Place: Chennai  
Date: 08th August, 2018

A Rishi Kumar  
Company Secretary

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("THE MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The Instrument appointing proxies, in order to be effective, must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the Companies, Societies and Partnership firms etc must be supported by appropriate resolution/authority as applicable, issued on behalf of the nominating organization.

2. 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.
3. 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.
4. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect to the special business as set out in the Notice is annexed hereto.
5. Members who hold the shares in the dematerialized form are requested to incorporate their DP ID Number and Client ID Number in the Attendance Slip/Proxy Form, for easier identification of attendance at the Meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and 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.
7. The Register of Members and the Share Transfer books of the Company will remain closed from 15th September, 2018 to 25th September, 2018. (both days inclusive) for the purpose of Annual General Meeting.
8. 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. Link Intime India Private Limited, C 101, 247 Park, L.B.S Marg, Vikhroli (W), Mumbai - 400083.
9. Queries, 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.
10. In accordance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 cut-off date for determining the eligibility to vote by electronic means or by ballot at the general meeting shall be 14th September, 2018.
11. 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.
12. Details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange in respect of the Director seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice.
13. A route map showing directions to reach the venue of the 29th Annual General Meeting is given along with this notice.

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 2017-18, 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 2017-18 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(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 2017-2018 is being sent in the permitted mode.

Electronic copy of the Notice of the 29th 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 Participant(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 29th Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent in the permitted mode.

The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account details for all shareholders. All members holding shares in demat and physical form are therefore requested to submit their PAN and Bank Account details to Link Intime India Private Limited (RTA) by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque.

SEBI has mandated that securities of listed companies can be transferred only in dematerialized form w.e.f 05th December, 2018. In view of the above and to avail various benefits of dematerialization, members are kindly advised to dematerialize the shares held by them in physical form by sending request to Link Intime India Private Limited (RTA).

15. **E-Voting:**

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and the Secretarial Standards issued by the Institute of Company Secretaries of India, the Company is pleased to provide its shareholders, facility to exercise their right to vote at the 29th AGM through electronic means and all the businesses may be transacted through the e-voting services provided by the Central Depository Services (India) Limited (CDSL). The facility for voting, through ballot/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.

**THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY (REMOTE E-VOTING) ARE AS UNDER:**

- (i) The voting period begins on Thursday, 20th September, 2018 at 9.00 A.M. and ends on Monday, 24th September, 2018 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 14th September 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) 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 code 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 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:

<b>For Members holding shares in Demat Form and Physical</b>	
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 of 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 ID/folio number in the Dividend Bank details field as mentioned in instruction (v)</li> </ul>

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) 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.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN of Celebrity Fashions Limited.
- (xiv) 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.
- (xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvi) 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.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take a print out of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xix) If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xx) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple 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.
- (xxi) 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, a Compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](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.
- (xxii) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on Friday, 14th September 2018, being the cut-off date. Members are eligible to cast vote only if they are holding shares as on that date.
  - The Company has appointed M/s. BP & Associates, Practising Company Secretaries as Scrutinizer to scrutinize the voting (at AGM Venue) and remote e-voting process in a fair and transparent manner.
  - The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two (2) witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing who shall countersign the same.
  - The results of voting shall be declared by the Chairman or by any person authorized by him in this regard on or before 27th September 2018. The result declared 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 & NSE Limited. The resolution, if approved will be taken as passed effectively on the date of declaration of the result, explained as above.
  - The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on 25th September, 2017.
  - 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.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

### **Item No. 3**

At the board meeting held on 1st August, 2016, Mr Vidyuth Rajagopal, was appointed as whole-time director of the Company for a period of three years from 1st August, 2016 on such remuneration within the limit prescribed under applicable provisions of the Companies Act, 2013. The shareholders approved his terms of appointment and remuneration payable to him at the 27th AGM held on 30th September, 2016.

Considering his increased responsibilities, the board, at its meeting held on 05th April, 2017, appointed him as Joint Managing Director (JMD), as recommended by the NRC, for the remaining period of his tenure up to 31st July, 2019, without any other change in his terms of appointment and remuneration. This was approved by the shareholders at the AGM held on 25th September 2017.



The board reviewed the remuneration payable to him after taking into consideration his active involvement in all spheres of management for exploring business opportunities both in India and abroad and felt that, JMD can be compensated by way of enhanced commission. The board was of the opinion that the existing remuneration was considerably inadequate, when compared with the industry norms and similarly placed senior management personnel of the Company. Therefore, the board, at its meeting held on 11th December 2017, proposed the following revision in the terms of remuneration payable to him effective 1st October 2017, as recommended by the NRC, subject to the approval of the shareholders in the ensuing AGM.

**i) Salary**

Basic salary Rs.2,50,000/- per month.

**ii) Medical Benefits**

Suitable Mediclaim Policy for hospitalization for himself and family. Reimbursement of all actual medical expenses for himself and family to the extent not reimbursed under Mediclaim Policy.

**iii) Telephone**

Telephone, Tele fax and other communication facilities at residence at Company's cost.

**iv) Automobile**

He shall be entitled to a fully maintained Company car with driver for company's business.

**v) Reimbursement of expenses**

He shall be entitled to the reimbursement of all actual expenses or charges, including travel, entertainment and other out of pocket expenses incurred by him for and on behalf of the Company, in furtherance of its business and objects.

**vi) Sitting Fees**

He will not be entitled to any sitting fees for attending the meetings of the Board or of any committee thereof.

The valuation of perquisites will be as per the Income-Tax Rules in cases where the same is otherwise not possible to be valued.

It is therefore conceivable that such modification in the terms of remuneration will amount to revision in the overall remuneration payable to him, in terms of Sections 197 and 198 read with Schedule V to the Act and require approval of the shareholders.

The terms of remuneration payable to JMD as specified above are now being placed before the members for their approval by way of a special resolution, as set out in item no. 3 of this Notice, in compliance with the provisions of Sections 196, 197 and 203 read with Schedule V to the Act, as recommended by the NRC and by the board.

Mr Vidyuth Rajagopal is deemed to be concerned / interested in this resolution, since it relates to his remuneration as JMD. Mr Venkatesh Rajagopal, Chairman and Mrs Rama Rajagopal, Director are also deemed to be interested, being his relatives.

None of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution as set out in item no.3 of this Notice. The board, therefore, recommends the special resolution, as set out in item no.3, for approval by the shareholders of the Company.

**Item No. 4**

In terms of Section 196, 197 read with Schedule V of the Act, a special resolution is proposed to be passed for payment of remuneration to Mr. Vidyuth Rajagopal for a period of 3 years with effect from 08th August, 2018. The Board of Directors of the Company and the Nomination & Remuneration Committee have recommended the appointment of Mr. Vidyuth Rajagopal for a period of 3 years effective 08th August 2018 to 07th August 2021 for a remuneration of Rs. 2,50,000/- per month plus applicable perquisites, with authority to the Board to sanction increment, subject to the provisions of the Companies Act, 2013.

The terms of the appointment and remuneration details are given below.

**i) Tenure**

For a period of 3 years with effect from 08th August 2018 to 07th August 2021

**ii) Salary**

Basic salary Rs.2,50,000/- per month.

**iii) Medical Benefits**

Suitable Mediclaim Policy for hospitalization for himself and family. Reimbursement of all actual medical expenses for himself and family to the extent not reimbursed under Mediclaim Policy.

**iv) Telephone**

Telephone, Tele fax and other communication facilities at residence at Company's cost.

**v) Automobile**

He shall be entitled to a fully maintained Company car with driver for company's business.

**vi) Reimbursement of expenses**

He shall be entitled to the reimbursement of all actual expenses or charges, including travel, entertainment and other out of pocket expenses incurred by him for and on behalf of the Company, in furtherance of its business and objects.

**vii) Sitting Fees**

He will not be entitled to any sitting fees for attending the meetings of the Board or of any committee thereof.

The above may be treated as an abstract of the terms of appointment and Memorandum of concern or interest, pursuant to Section 190 of the Companies Act, 2013.

The valuation of perquisites will be as per the Income-Tax Rules in cases where the same is otherwise not possible to be valued.

The Board recommends Item No. 4 as special resolution for approval of Members.

Mr Vidyuth Rajagopal is deemed to be concerned / interested in this resolution, since it relates to his remuneration as JMD. Mr Venkatesh Rajagopal, Chairman and Mrs Rama Rajagopal, Director are also deemed to be interested, being his relatives.

None of the other Directors and/or Key Managerial Persons of the Company and their relatives except to the extent of their shareholding in the Company is in any way concerned or interested, financially or otherwise, in the Resolutions set out at Item No.4 of the Notice

**The statement containing the information to be given to the members in terms of Schedule V of the Companies Act, 2013 is as under:**

**I. General Information**

1	Nature of Industry	Manufacture & Export of all type of Textile garments and clothing accessories
2	Date or expected date of commencement of commercial production	N.A. since the Company has already commenced its business activities
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4	Financial performance based on given indicators	The Company has made a net loss of Rs.1.30 Crs for the financial year ended 31st March, 2018.
5	Foreign Investments or collaborations, if any	Not Applicable

**II. Information about the appointee**

1	Background details	Mr. Vidyuth Rajagopal holds a B.A. (Hons) Degree in Economics from Loyola College, Chennai. He has had significant experience over the years working across all areas of the organization. Further, he was serving as the Whole Time Director of the Company w.e.f 01st August 2016 and elevated to the position of Joint Managing Director by the Board on 05th April 2017.
2	Past remuneration (In lakhs)	19.60
3	Recognition or awards	NIL
4	Job profile and his suitability	Job requires strong knowledge and experience in garments industry. Mr. Vidyuth Rajagopal is eminently suitable given his background
5	Proposed Remuneration	As per resolution given above

6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	The proposed remuneration is comparable and in line with the other companies of similar size and nature in the Industry.
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Mr. Vidyuth Rajagopal, son of Mr. Venkatesh Rajagopal and Mrs. Rama Rajagopal, the promoter directors.

### III. Other Information

1	Reasons of loss or inadequate profits	Industry trend and increase in operating cost.
2	Steps taken or proposed to be taken for improvement	The company is undertaking various strategic initiatives including improvement to productivity and rationalisation of costs.
3	Expected increase in productivity and profits in measurable terms	The company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms.

#### Item No.5

Mr. N.K. Ranganath was appointed as an Independent Director of the Company by the members at the 25th AGM of the Company held on 29th September, 2014 for a period of five consecutive years commencing from 1st April, 2014 upto 31st March, 2019.

Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company and shall be eligible for re-appointment on passing a special resolution by the Company for another term of five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. N.K. Ranganath, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 1st April, 2019 upto 31st March, 2024.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Mr. N.K. Ranganath fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his reappointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. N.K. Ranganath as an Independent Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. N.K. Ranganath as an Independent Director.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. N.K. Ranganath as an Independent Director for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024, for the approval by the shareholders of the Company.

Save and except Mr. N.K. Ranganath, none of the other Directors / Key Managerial Personnel of the Company / their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

The Board recommends passing of the Resolution at Item No.5 of the Notice as a Special Resolution.

#### Item No.6

Mr. P.S. Raman was appointed as an Independent Director of the Company by the members at the 25th AGM of the Company held on 29th September, 2014 for a period of five consecutive years commencing from 1st April, 2014 upto 31st March, 2019.

Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company and shall be eligible for re-appointment on passing a special resolution by the Company for another term of five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. P.S. Raman, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 1st April, 2019 upto 31st March, 2024.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Mr. P.S. Raman fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his reappointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. P.S. Raman as an Independent Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. P.S. Raman as an Independent Director.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. P.S. Raman as an Independent Director for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024, for the approval by the shareholders of the Company.

Save and except Mr. P.S. Raman, none of the other Directors / Key Managerial Personnel of the Company / their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

The Board recommends passing of the Resolution at Item No.6 of the Notice as a Special Resolution.

#### Item No.7

Mrs. Nidhi Reddy was appointed as an Independent Director of the Company by the members at the 25th AGM of the Company held on 29th September, 2014 for a period of five consecutive years commencing from 1st April, 2014 upto 31st March, 2019.

Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company and shall be eligible for re-appointment on passing a special resolution by the Company for another term of five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Nidhi Reddy, being eligible for re-appointment as an Independent Director and offering herself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 1st April, 2019 upto 31st March, 2024.

The Company has received declaration from her stating that she meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. She has also given her consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Mrs. Nidhi Reddy fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her reappointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mrs. Nidhi Reddy as an Independent Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Nidhi Reddy as an Independent Director.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mrs. Nidhi Reddy as an Independent Director for another term of five consecutive years with effect from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024, for the approval by the shareholders of the Company.

Save and except Mrs. Nidhi Reddy, none of the other Directors / Key Managerial Personnel of the Company / their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.7.

The Board recommends passing of the Resolution at Item No.7 of the Notice as a Special Resolution.

By Order of the Board  
For **CELEBRITY FASHIONS LIMITED**

Place: Chennai  
Date: 08th August, 2018

A. Rishi Kumar  
Company Secretary

#### Details of the Directors retiring by rotation/ seeking re-appointment/ appointment at the 29<sup>th</sup> Annual General Meeting

(In pursuance of Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard -2 on General Meetings)

Name of Director	Mr. Vidyuth Rajagopal (DIN: 07578471)	Mrs. Rama Rajagopal (DIN: 00003565)
Date of Birth & Age	22 <sup>nd</sup> Sep 1986 & 32 Years	06 <sup>th</sup> Aug 1955 & 63 Years
Nationality	Indian	Indian
Qualification	Degree in Economics from Loyola College, Chennai	Post Graduate degree in economics from University of Bangalore
Nature of Expertise/ Experience	Marketing & Merchandising	General Management & Administration
Date of first appointment to the Board	01 <sup>st</sup> August, 2016	04 <sup>th</sup> January, 1994
Terms and Conditions of Appointment / Re- appointment	Re-appointment for 3 (three) years w.e.f 08 <sup>th</sup> August, 2018.	Being longest in office liable to retire by rotation and sought herself of reappointment.
Remuneration last drawn in the FY 2017-18	Rs. 19,60,000/-	Nil
Remuneration proposed to be paid.	Rs. 2,50,000/- per month	Nil
Shareholding in this company	32,000 Equity shares	67,94,902 Equity shares
Relationship with other Directors/KMP	Son of Mr. Venkatesh Rajagopal and Mrs. Rama Rajagopal, Promoter Directors of the Company	Spouse of Mr. Venkatesh Rajagopal (Chairman) and Mother of Mr. Vidyuth Rajagopal (Joint Managing Director)
No of Board Meetings attended and held during the year	6/6	3/6
Directorship of other Boards	Nil	Indian Terrain Fashions Limited
Chairpersonship/ Membership in committees of other Entities	Nil	Indian Terrain Fashions Limited • Chairperson - CSR Committee

Name of Director	Mr. N K Ranganath (DIN: 00004044)	Mr. P S Raman (DIN: 00003606)	Mrs. Nidhi Reddy (DIN: 00004081)
Date of Birth / Age	13 <sup>th</sup> Mar 1956 & 62 Years	07 <sup>th</sup> Nov 1960 & 57 Years	13th April 1956 & 62 Years
Nationality	Indian	Indian	Indian
Qualification	Mr. N.K. Ranganath is a mechanical engineer and holds a post graduate degree in Business Management from XLRI. He is the Managing Director of Grundfos Pumps India Private Limited. He has acquired valuable knowledge, experience and expertise in sales, marketing, finance, production and human resource disciplines.	Mr. P.S. Raman holds a bachelor degree in Commerce and Law. He is a Senior Advocate with more than two decades of practice experience at Madras High Court and in the Supreme Court. During the years of practice, he has gained valuable knowledge, experience and expertise in the field of law.	Mrs. Nidhi Reddy holds a Master Degree in Economics from Delhi School of Economics and a Post Graduate Diploma in Personnel Management and Industrial Relations from XLRI. She specializes in the field of Human Resource Management, Behavioral Training and Recruitment.
Date of first appointment on the Board	06 <sup>th</sup> September 2005	10 <sup>th</sup> January 2013	06 <sup>th</sup> September 2005
Terms and Conditions of Re- appointment	Re-appointment for 5 (five) years w.e.f 01 <sup>st</sup> April, 2019	Re-appointment for 5 (five) years w.e.f 01 <sup>st</sup> April, 2019	Re-appointment for 5 (five) years w.e.f 01 <sup>st</sup> April, 2019
Remuneration last drawn in the FY 2017-18	Sitting Fees of Rs. 27,000/- paid for attending Board and Committee meetings.	Sitting Fees of Rs. 8,000/- paid for attending Board and Committee meetings.	Sitting Fees of Rs.6500/- paid for attending Board and Committee meetings.
Remuneration proposed to be paid.	Sitting Fees to be paid for attending Board, Committee and Independent Directors' meetings.	Sitting Fees to be paid for attending Board, Committee and Independent Directors' meetings.	Sitting Fees to be paid for attending Board, Committee and Independent Directors' meetings.



Shareholding in this company	Nil	Nil	Nil
Relationship	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
No of Board Meetings attended and held during the year	5/6	2/6	2/6
Directorship of other Boards	1.Indian Terrain Fashions Limited 2.Grundfos Pumps India Private Limited 3.L&T Valves Limited 4.Cura Healthcare Private Limited	1.Indian Terrain Fashions Limited 2.Sundaram Brake Linings Limited	Kalinga Consultancy and Construction Consortium Private Limited
Chairmanship/Membership in committees of other Entities	Indian Terrain Fashions Limited • Chairman - Audit Committee -Nomination and Remuneration Committee -Stakeholders relationship Committee • Member -Corporate Social Responsibility Committee	Indian Terrain Fashions Limited • Member - Audit Committee - Nomination and Remuneration Committee -Stakeholders relationship Committee Sundaram Brake Linings Limited • Member - Audit Committee	Nil

## BOARD'S REPORT

### Dear Shareholders,

The Directors have pleasure in presenting the 29<sup>th</sup> Annual Report of the Company, along with the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2018.

### FINANCIAL HIGHLIGHTS

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

(Rs. In Crores)

Particulars	FY 2017-18	FY 2016-17
Revenue From operations	203.54	192.05
Gross Profit / (Loss) before interest and depreciation	12.80	8.97
Interest	6.79	6.59
Profit / (Loss) before depreciation and tax	6.01	2.38
Depreciation	6.89	7.03
Profit / (Loss) before Exceptional items	(0.88)	(4.65)
Exceptional Item – Expense/ (Income)	0.00	8.22
Profit/(Loss) after Exceptional items	(0.88)	(12.87)
Profit/ (Loss) before tax	(0.88)	(12.87)
Provision for Taxation	0.00	0.00
Profit / (Loss) after tax	(0.88)	(12.87)
Other Comprehensive Income	(0.42)	(0.56)
Balance carried to Balance Sheet	(1.30)	(13.43)

### PERFORMANCE REVIEW

The clothing Export scenario continued to be fiercely competitive. Textile and clothing exports slid 0.4% in the last financial year (2017-18) to \$ 35 billion as apparel exports fell. While exports of cotton yarn, fabrics and made ups grew 4%, outbound apparel shipments registered a 4% decline, reducing from \$ 17.3 billion to \$ 16.7 billion. Garment exports from Vietnam and Bangladesh were increasing whereas Garment production in India has declined in the last 10 months. As pricing are too competitive, great effort is necessary to bag orders. Furthermore Duty Drawback element also reduced by about 70% during the period.

IMF said India's growth is expected to rise from 6.7% in 2017-18 to 7.3% in 2018-19 and 7.5% in 2019-20, as the effects of demonetization and the introduction of the goods and services tax fade.

The performance of the Company has to be viewed from the context of the back drop of the business conditions that it was compelled to operate during the year.

Pursuant to the notification, issued by the Ministry of Corporate Affairs dated February 16, 2015 relating to the Companies (Indian Accounting Standards) Rules, 2015, the Company has adopted "IND AS" with effect from 1st April 2017 with transition date of 1st April 2016. Accordingly, the financial statements for the year 2017-18 have been prepared in compliance with the Companies (Indian Accounting Standards) Rules, 2015.

The Company has turned in a satisfactory performance in the year 2017-18 with a net Revenue from operations at Rs.203.54 crs reflecting ~ 6 percent rise vis-à-vis Rs.192.05 crs recorded in the previous year. The Operating EBITDA stood at Rs.12.80 crs against Rs.8.97 crs the previous year.

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

#### Preferential Allotment

Allotment of Equity Shares on Preferential basis upon conversion of Warrants: "During the financial year 2016-'17, the Company has issued and allotted 56,96,756 Warrants at a price of Rs.11.41 (including premium of Rs.1.41 per Warrant) per Warrant to promoters and Managing Director convertible into equivalent number of Equity Shares on preferential basis in accordance with and in terms of the provisions of Sections 39, 42 and 62(1)(c) of the Companies Act, 2013 read with rules framed thereunder, Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time and other applicable laws. Out of the 56,96,756 warrants allotted, 35,05,696 Warrants were converted into equivalent number of Equity Shares during the year under review.

Consequent upon allotment of 35,05,696 equity shares on preferential basis, the paid up equity share capital of the Company has been increased from Rs.42,07,12,490/- to Rs. 45,57,69,450.

The entire issue proceeds were utilized for Augmenting Long Term Capital and for general corporate purpose. This equity infusion reiterates the promoter's commitment towards the business of the company and confidence in its growth prospects and will strengthen the balance sheet of the company.

#### DIVIDEND

In view of the 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 the reserves.

## FINANCE AND ACCOUNTS

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. The financial statements up to and for the year ended March 31, 2017, were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act ('Previous GAAP'). The financial statements for the year ended March 31, 2018 is the first financial statements of the Company under Ind AS.

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.

## 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, 2018, 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 31<sup>st</sup> March, 2018 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 forms part of this Report are set out as separate Annexures, together with the Certificate from the Secretarial 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, 2018.

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 to this effect is annexed to the report on Corporate governance, which 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

### Directors:

During the year, the board, at its meeting held on 05th April, 2017, based on the recommendation of the Nomination & Remuneration Committee, appointed Mr. Vidyuth Rajagopal, who was actively involved in all spheres of the management of the Company as Joint Managing Director from the position of the whole-time director.

The board, on the recommendation of Nomination and Remuneration Committee, at its meeting held on 11th December, 2017 reviewed the remuneration payable to Joint Managing Director effective 01st October, 2017 within the overall limits prescribed in Schedule V of the Companies Act, 2013.

During the year, the board, at its meeting held on 11th December, 2017 re-appointed Mr. Charath Ram Narsimhan as Managing Director of the Company, effective 13th February, 2018 to hold the office for a period of five years on such terms and conditions, subject to the approval of the shareholders at the AGM.

### Key Managerial Personnel:

Pursuant to Section 203 of the Companies Act, 2013, Mr. S. Venkataraghavan was appointed as Chief Financial Officer (Key Managerial Personnel) of the Company with effect from 27th May, 2017 in place of Mrs. L. Visalakshi who resigned from the services of the Company with effect from 26th May, 2017.

## 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

The Board of Directors met Six (6) times during the financial year 2017-18 i.e., 05th April 2017, 26th May 2017, 18th August 2017, 08th September 2017, 11th December 2017, and 13th February 2018. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of all Board/Committee meetings held are given in the Corporate Governance Report.