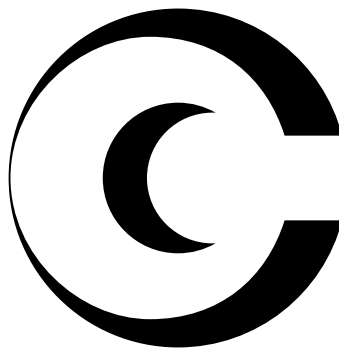


Celebrity Fashions Limited



30th
ANNUAL REPORT 2018-2019

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BOARD OF DIRECTORS

Mr. Venkatesh Rajagopal	Chairman
Mr. Vidyuth Rajagopal	Managing Director
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 RVKS & 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

Registrar and Share Transfer Agent

Link Intime India Private Limited
www.linkintime.co.in

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 30th Annual General Meeting of Celebrity Fashions Limited will be held on Monday, 30th September, 2019 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 business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2019 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Rama Rajagopal (DIN: 00003565), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

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

Place: Chennai
Date: 13th August, 2019

A Rishi Kumar
Company Secretary

Registered Office:

SDF – IV & C2, 3rd Main Road,
MEPZ-SEZ, Tambaram,
Chennai - 600 045.
Phone: +91-44-4343 2120
E-mail: investorservices@celebritygroup.co.in
CIN: L17121TN1988PLC015655
Website: www.celebritygroup.com

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 ON POLL, TO VOTE ON HIS/HER BEHALF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The Instrument appointing the proxy, in order to be effective, should be deposited at the registered office of the company not less than 48 hours before the commencement of the AGM. 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. 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.
5. 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.

6. The Register of Members and the Share Transfer books of the Company will remain closed from 24th September, 2019 to 30th September, 2019. (both days inclusive) for the purpose of Annual General Meeting.
7. 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.
8. 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.
9. 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 in the general meeting shall be 23rd September, 2019.
10. 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.
11. Details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Director seeking re-appointment at the Annual General Meeting, forms integral part of the notice.
12. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
13. A route map showing directions to reach the venue of the 30th 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 2018-19, you may write to us at investorservices@celebritygroup.com or at the registered Office of the Company. The Annual report of the Company can be accessed at www.celebritygroup.com in the investor section.

Electronic copy of the Notice of the 30th Annual General Meeting and Annual Report 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 30th Annual General Meeting and Annual Report of the Company along with Attendance Slip and Proxy Form is being sent in the permitted mode.

15. E-Voting:

In accordance 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 30th AGM through electronic means and the business may be transacted through the e-voting services provided by the Central Depository Services 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) (i) The voting period begins on Friday, 27th September, 2019 at 9.00 A.M. and ends on Sunday, 29th September, 2019 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 23rd September 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user, 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"> 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.
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"> 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)

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of Celebrity Fashions Limited.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print out of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a 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.
- (xviii) **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. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **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 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.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
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 Monday, 23rd September 2019, being the cut-off date. Members are eligible to cast vote only if they are holding shares as on that date.
17. 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.
18. 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.
19. The results of voting shall be declared by the Chairman or by any person authorized by him in this regard on or before 02nd October 2019. The result declared along with the Scrutinizer's report shall be placed on the Company's website 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.

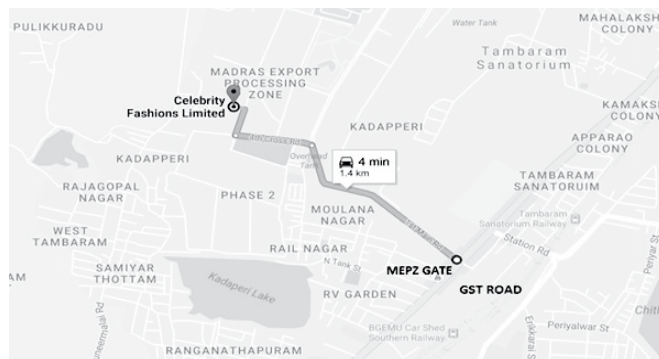
20. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on 25th September, 2017.
21. All documents referred to in the accompanying Notice 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.
22. In keeping with the Green Initiative measures, the Company hereby requests members who have not registered their email addresses so far, to register their email addresses for receiving all communication including annual report, notices, circulars, etc. from the Company electronically.

Details of the Director seeking re-appointment at the 30th 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	Mrs. Rama Rajagopal (DIN: 00003565)
Date of Birth & Age	06 th Aug 1955 & 64 Years
Nationality	Indian
Qualification	Post Graduate degree in economics from University of Bangalore
Nature of Expertise/ Experience	General Management & Administration
Date of first appointment to the Board	04 th January, 1994
Terms and Conditions of Appointment / Re- appointment	Being longest in office liable to retire by rotation and sought herself of reappointment.
Remuneration last drawn in the FY 2018-19	Nil
Remuneration proposed to be paid.	Nil
Number of Equity shares held in the company	89,85,962
Inter-se relationship with other Directors/KMP	Spouse of Mr. Venkatesh Rajagopal (Chairman) and Mother of Mr. Vidyuth Rajagopal (Managing Director)
No of Board Meetings attended and held during the year	3/4
Name(s) of other entities in which holding of directorship	Indian Terrain Fashions Limited
Chairpersonship/Membership in committees of other Entities	Indian Terrain Fashions Limited • Chairperson - CSR Committee

Route Map to the AGM Venue
Venue: Celebrity Fashions Limited
SDF - IV & C 2, THIRD MAIN ROAD, MEPZ – SEZ, CHENNAI - 600045.



BOARD'S REPORT

The Directors have pleasure in presenting the 30th Annual Report of the Company, along with the Audited Financial Statements of the Company for the financial year ended 31st March, 2019.

FINANCIAL SUMMARY

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

(Rs. In Crores)

Particulars	FY 2018-19	FY 2017-18
Revenue From operations	231.39	203.54
EBITDA	16.36	12.80
Interest Cost	7.27	6.79
Profit / (Loss) before depreciation and tax	9.09	6.01
Depreciation	5.85	6.89
Profit/ (Loss) before tax	3.24	(0.88)
Provision for Taxation	0.00	0.00
Profit / (Loss) after tax	3.24	(0.88)
Other Comprehensive Income	(0.93)	(0.42)
Total Comprehensive Income	2.31	(1.30)
Earnings per Share (In Rs.)	0.69	(0.21)

PERFORMANCE REVIEW

The Company has turned in a satisfactory performance in the year 2018-19 with a net Revenue from operations at Rs.231.39 crs reflecting ~ 13.7 percent rise vis-à-vis Rs.203.54 crs recorded in the previous year. The Operating EBITDA stood at Rs.16.36 crs against Rs.12.80 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 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 previous year and the remaining 21,91,060 Warrants were converted into equivalent number of Equity Shares during the year under review.

Consequent upon allotment of 21,91,060 equity shares on preferential basis, the paid up share capital of the Company has been increased from Rs. 70,68,14,450 to Rs. 72,87,25,050

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

Due to the losses incurred by the Company in the earlier years, the Board of Directors have not recommended any dividend for the financial year ended 31st March, 2019.

TRANSFER TO RESERVES

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

FINANCE AND ACCOUNTS

The financial statements are 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, 2019, 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, 2019 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

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 separately along with the Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance and Certificate from a Company Secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority as stipulated in Schedule V read with 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, which was amended with effect from 1st April 2019. The Code of Conduct is available on the Company's website: www.celebritygroup.com.

All members of the Board and senior management personnel have affirmed compliance to the Code as on March 31, 2019.

As stipulated under Regulation 34 (3) and Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a declaration Signed by Mr. Vidyuth Rajagopal, 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.

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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors:

Change in Designation

During the year, the board, at its meeting held on 08th August, 2018, 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 Managing Director from the position of Joint Managing Director with effect from 08th August, 2018 to hold office for a term of 3 (three) years and the same was approved by the shareholders at the 29th Annual General Meeting of the Company held on 25th September, 2018.

Reappointments

Mr. Pattabi Sundar Raman (DIN: 00003606), Mr. Nugahalli Krishna Ranganath (DIN: 00004044), Mrs. Nidhi Reddy (DIN: 00004081) were re-appointed as Independent Directors of the Company at the 29th Annual General Meeting of the Company held on 25th September, 2018 to hold office for a term of 05 (five) consecutive years from 01st April, 2019 till 31st March, 2024. They were re-appointed based on their performance evaluation and as per the recommendation of the Nomination and Remuneration Committee and the Board considered that their continued association would be of immense benefit to the Company.

Resignations

Mr. Charath Ram Narsimhan resigned as Managing Director and from the Board of the Company effective 07th August, 2018.

Key Managerial Personnel:

The following are the Key Managerial Personnel of the Company:

1. Mr. Vidyuth Rajagopal	-	Managing Director
2. Mr. S. Venkataraghavan	-	Chief Financial Officer
3. Mr. A. Rishi Kumar	-	Company Secretary

During the year, there has been no change in the Key Managerial Personnel.

EMPLOYEE STOCK OPTION PLAN (ESOP)

During the financial year ended 31st March, 2019 there were no pending options to be vested or exercised.

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, an extract of the Annual Return of the Company in the prescribed form MGT-9 is annexed as **Annexure - III** to this Annual Report. The Annual Return has been hosted on the website of the Company, viz. www.celebritygroup.com.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met 4 (four) times during the financial year 2018-19 i.e., 28th May 2018, 08th August 2018, 13th November, 2018 and 12th February 2019. 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.

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.

REMUNERATION 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:

- attract, recruit, and retain good and exceptional talent;
- list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- 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;
- motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- 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 constitution of the Nomination and remuneration Committee and its terms of reference has been detailed in the Corporate Governance Report which forms 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.

MATERIAL CHANGES & COMMITMENTS

There were 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

An annual performance evaluation of all Directors, the Committees of Directors and the Board as a whole for the year under review was carried out. For the purpose of carrying out performance evaluation, assessment questionnaires were circulated to all Directors and their feedback was obtained and recorded.

DISCLOSURE AS PER THE 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 Financial year: Not Applicable

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 41 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.

AUDITORS

Statutory Auditors

M/s SRSV & Associates, Chartered Accountants, Chennai were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting (AGM) of the Members held on 25th September, 2017 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on 25th September, 2017. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought.

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. SRSV & Associates, Chartered Accountants 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.

Secretarial Auditors

Pursuant to the provisions of Section 204 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, Practising Company Secretaries, as the Secretarial Auditors of the Company to undertake the Secretarial Audit for the financial year 2018-19. Secretarial Audit Report given by Secretarial Auditors is annexed with the report as Annexure IV.

Qualification in Secretarial Audit Report:

The website of the Company has not been updated with the details required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

Management's Reply: The Information required to be updated on the website as per the Listing Regulations were uploaded but due to revamping of website some information got deleted and was not available on website at the time of Secretarial Audit. However, the same has been resolved.

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 2018-19.

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.

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activity carried out by the Company.

LISTING

The equity shares of the Company are listed at the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The applicable annual listing fees have been paid to the Stock Exchanges before the due dates.

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.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the financial year 2018-19, no unpaid or unclaimed dividend was required to be transferred to IEPF.

INTERNAL COMPLAINTS COMMITTEE

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) was set up to redress the complaints received from women regarding sexual harassment and discrimination at workplace. The Constitution of the ICC is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the committee includes external members from NGOs.

During the year ended 31st March, 2019, the ICC did not receive any complaint pertaining to sexual harassment/discrimination at the work location.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 134(3)(c) and 134(5) of the Companies Act, 2013, the Directors, to the best of their knowledge and ability, confirm that:-

- In preparation of the annual accounts for the financial year ended 31st March 2019, the applicable accounting standards have been followed and there are no 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 of the company for that period.
- They have taken proper and sufficient care towards 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, which are adequate and are operating effectively.
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are 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 financial year 2018-19.

DISCLOSURE REGARDING FRAUDS

The Statutory Auditors of the Company has stated that there was no material fraud by the Company or on the Company by its officers or employees was noticed or reported during the course of our audit in their Independent Auditors Report which forms part of this Annual Report. Hence, there is no requirement to report the same to Audit Committee or Board of Directors of the Company

GREEN INITIATIVES

Electronic copies of the Annual Report 2018-19 and the Notice of the 30th Annual General Meeting are sent to all members whose email addresses are registered with the Company/Depository participant(s). For members who have not registered their email addresses, physical copies are sent in the permitted mode.

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) | : ₹193.47 Crs |
| b. Total Foreign exchange outgo | : ₹ 48.02 Crs |

SECRETARIAL STANDARDS

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS- 1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

ACKNOWLEDGEMENT

The Directors wish to place on record sincere appreciation for the support received from various Central and State Government Departments, organizations and agencies. The Directors also gratefully acknowledge all stakeholders of the Company, viz., Shareholders, customers, dealers, vendors, banks and other business partners for excellent support received from them during the Financial Year under review. The Directors also express their appreciation to all the employees of the Company for their commitment and continued contribution to the growth of the Company.

For and on behalf of the Board

Sd/-
Venkatesh Rajagopal
 Chairman
 (DIN: 00003625)

Place: Chennai
 Date: 20th May, 2019

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 2018-19 :

Name of Director(s)	Designation	Ratio
Venkatesh Rajagopal	Chairman	Nil
Rama Rajagopal	Director	Nil
Charath Ram Narsimhan [^]	Managing Director	Nil
Vidyuth Rajagopal*	Managing Director	20.6 : 1

[^] Resigned from the Board of the Company on close of business hours on 07th August 2018.

* Appointed as Managing Director with effect from 08th August 2018.

b) Percentage increase in the remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2018-19.

Name of Director(s)	Designation	% increase in remuneration in financial year
Venkatesh Rajagopal	Chairman	Nil
Rama Rajagopal	Director	Nil
Charath Ram Narsimhan [^]	Managing Director	NA
Vidyuth Rajagopal*	Managing Director	25.00 %
S. Venkataraghavan	Chief Financial Officer	15.60 %
A. Rishi Kumar	Company Secretary	9.00 %

[^] Resigned from the Board of the Company on close of business hours on 07th August 2018.

* Appointed as Managing Director with effect from 08th August 2018.

c) **Percentage increase in the median remuneration of all employees in the financial year 2018-19 : 6.92%**

d) **The number of permanent employees on the rolls of the company as on 31st March 2019 : 3270**

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 16.5 % for Managerial Personnel (KMP & Senior Management) & 8 % for employees other than Managerial Personnel.

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.

f) **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, 2019 : Not Applicable**

For and on behalf of the Board

Sd/-
Venkatesh Rajagopal
Chairman
(DIN: 00003625)

Place: Chennai
Date: 20th May, 2019

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 there to.

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

S 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.

S 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	Job work charges, Material Transfers, Washing charges, FOB Sales 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: 20th May, 2019