

Celebrity Fashions Limited



31st
ANNUAL REPORT 2019-2020

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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. Manoj Mohanka	Independent Director
Mr. K. Sridhar	Independent Director

Chief Financial Officer

Mr. S. Venkataraghavan

Company Secretary & Compliance Officer

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,
Raj Paris Trimeni Towers, 147, First Floor,
G N Chetty Rd, T. Nagar, Chennai - 600 017.

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.

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

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

NOTICE is hereby given that the 31st Annual General Meeting of Celebrity Fashions Limited will be held on Monday, 21st September, 2020 at 2.30 P.M. IST through Video Conferencing/ Other Audio Visual Means to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2020 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 and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

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

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in partial modification of the resolution passed by the shareholders at the annual general meeting held on 25th September, 2018 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 payable to Mr Vidyuth Rajagopal, (DIN 07578471) Managing Director of the Company, effective 1st April 2019 upto the remaining period of his tenure, 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 meeting held on 25th September 2018 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."

4. Appointment of Mr. Manoj Mohanka as an Independent Director of the Company.

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152, read with Schedule IV of the Companies Act, 2013 (the "Act"), the rules made thereunder and Regulation 17 and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Manoj Mohanka, (DIN: 00128593) who was appointed as an Additional Director of the Company with effect from 11th November, 2019 who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 05 (five) consecutive years with effect from 11th November, 2019 and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company and Mr. A. Rishi Kumar, Company Secretary be and are hereby severally authorized to do all such acts, deeds, things as may be necessary to give effect to the above resolution."

Place: Chennai
Date: 21st August, 2020

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. Explanatory Statements setting out the material facts concerning each item of Special Business to be transacted at the Annual General Meeting pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of the Notice. Information on all the Directors proposed to be appointed/re-appointed at the Meeting as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 are provided in this Notice.
2. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 05, 2020 read with circulars dated April 08, 2020 and April 13, 2020 ("MCA Circulars") and Securities and Exchange Board of India (SEBI) vide its circular dated May 12, 2020 ("SEBI Circular"), permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is given below in the e-voting instructions.
3. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-2020 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories.
4. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast

1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contract or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection.
8. 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.
9. The Register of Members and Share Transfer Books will remain closed from Tuesday, September 15, 2020 to Monday, September 21, 2020 (both days inclusive) for the purpose of the AGM.
10. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
11. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
13. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.celebritygroup.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in securities market. Members holding shares in dematerialised form are therefore requested to submit their PAN to the Depository Participant(s) with whom they are maintaining their dematerialised accounts. Members holding shares in physical form can write to the Registrar and Share Transfer Agent with their PAN details.
15. 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.

16. Instructions for E-voting and using VC/OAVM

(a) The instructions for shareholders voting electronically (remote e-voting) are as under:

- (i) The voting period begins on Friday, 18th September, 2020 at 9.00 A.M. and ends on Sunday, 20th September, 2020 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 2020, 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.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.

- (iv) Click on "Shareholders" module.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com 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:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details	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.
OR	
Date of Birth (DOB)	<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).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN of Celebrity Fashions Limited.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print out of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) 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.

(xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". 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.

(b) Process for those shareholders whose email address are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to mt.helpdesk@linkintime.co.in.
2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to RTA at evoting.investors@linkintime.co.in.

(c) Instructions for shareholders attending the AGM through vc are as under:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **6 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investorservices@celebritygroup.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investorservices@celebritygroup.com. These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

(d) Instructions for shareholders for e-voting during the AGM are as under:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(e) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at chandramouli@bpcorpadvisors.com and to the Company at the email address investorservices@celebritygroup.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

For queries, if any or issues regarding attending AGM & e-Voting from the e-Voting System, 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 or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

17. 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, 14th September 2020, being the cut-off date. Members are eligible to cast vote only if they are holding shares as on that date.
18. The Company has appointed M/s. BP & Associates, Practising Company Secretaries as Scrutinizer to scrutinize the voting (at AGM) and remote e-voting process in a fair and transparent manner.
19. The Scrutinizer shall immediately after the conclusion of voting at the AGM, first scrutinise the votes cast at the AGM, thereafter unlock the votes cast through remote e-voting and shall make not later than 48 hours of conclusion of the Meeting, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
20. The Results alongwith the Scrutinizer's Report shall be placed on the Company's website www.celebritygroup.com and on the website of CDSL within 48 hours of conclusion of the 31st AGM of the Company and communicated to BSE Limited and National Stock Exchange of India Limited.
21. The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. on Monday, September 21, 2020, subject to receipt of the requisite number of votes in favour of the Resolutions.
22. 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.
23. 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.

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

Item No. 3

At the board meeting held on 08th August, 2018, Mr Vidyuth Rajagopal, was reappointed as Managing Director of the Company for a period of three years from 08th August, 2018 on such remuneration within the limit prescribed under applicable provisions of the Companies Act, 2013. The terms of appointment and remuneration payable to him was also approved by the shareholders at the 29th AGM held on 25th September, 2018.

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 he can be compensated by way of enhanced remuneration. Therefore, the board, at its meeting held on 11th November 2019, proposed the following revision in the terms of remuneration payable to him effective 1st April 2019, as recommended by the NRC, subject to the approval of the shareholders in the ensuing AGM.

i) Salary

Basic salary of Rs.4,00,000/- 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) Residential Accommodation

The Company shall provide rent free furnished accommodation.

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 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 MD as specified above are now being placed before the members for their approval by way of an ordinary 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 MD. 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 is concerned or interested, financially or otherwise, in the resolution as set out in item no.3 of this Notice. The board, therefore, recommends the ordinary resolution, as set out in item no.3, for approval by the shareholders of the Company.

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 of commencement of commercial production	Company is in operation since 1988
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 profit of Rs.2.31 crs for the financial year ended 31st March, 2019 and a net profit of Rs. 15.93 crs for the financial year 31st March 2020.
5	Foreign Investments or collaborations, if any	Not Applicable

II. Information about the appointee

1	Background details	Mr. Vidyuth Rajagopal is serving as the Managing Director of the Company effective 08th August, 2018. He has had significant experience over the years working across all areas of the organization. He holds a bachelor's degree in Economics from Loyola College, Chennai and Masters of Business Administration from ISB, Hyderabad.
2	Past remuneration (In lakhs)	30.00
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 stated in explanatory statement
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. 4

Mr. Manoj Mohanka, (DIN: 00128593) was appointed as an Additional Director (Independent Director) of the Company by the Board of Directors on and with effect from 11th November, 2019 pursuant to the provisions of Section 149, 161, Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Schedule IV of Companies Act, 2013 and other application provisions (including any modification or re-enactment thereof), if any, read with Reg.16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, who holds office upto the date of this Annual General Meeting.

The Company has received from Mr. Manoj Mohanka (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Manoj Mohanka fulfills the conditions specified in the Act and the Listing Regulations for such appointment and he is independent of the Management. He does not hold any shares in the Company in his individual capacity or on a beneficial basis for any other person.

The resolution seeks the approval of the shareholders for the appointment of Mr. Manoj Mohanka as an Independent Director of the Company to hold office for a period of 05 (five) years with effective from 11th November, 2019 and shall not be liable to retire by rotation.

Except Mr. Manoj Mohanka, being the appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

The Board recommends passing of the Resolution at Item No. 4 of the Notice as an Ordinary Resolution.

Details of the Director seeking appointment / re-appointment at the 31st 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)	Mr. Manoj Mohanka (DIN: 00128593)
Age	65 Years	56 Years
Nationality	Indian	Indian
Qualification	Post Graduate in economics from University of Bangalore	He holds a Master Degree in Strategic Marketing from National University of Ireland, Chevening Scholar from London School of Economics.
Nature of Expertise/ Experience	General Management & Administration	Strategic Marketing, Business Management, Business Strategy and Corporate Planning.
Date of first appointment to the Board	04 th January, 1994	11 th November, 2019
Terms and Conditions of Appointment/ Re-appointment	Non-executive Director liable to retire by rotation.	Appointment as Independent Director for a period of 5 (five) years w.e.f. 11 th November, 2019

Remuneration last drawn in the FY 2019-20	Nil	Sitting Fees of Rs.9,000/-
Remuneration proposed to be paid.	Nil	Sitting Fees to be paid for attending meetings of the Board and Committees.
Number of Equity shares held in the company	89,85,962	Nil
Inter-se relationship with other Directors/KMP	Related to Mr. Venkatesh Rajagopal (Chairman) and Mr. Vidyuth Rajagopal (Managing Director)	Not related to any Director / Key Managerial Personnel
No of Board Meetings attended and held during the year	5/6	2/3
Name(s) of other entities in which holding of directorship	a) Indian Terrain Fashions Limited	a) India Carbon Limited. b) Titagarh Wagons Limited. c) Charismatic Media Investment Private Limited. d) Artevea Digital India Private Limited. e) Indian Terrain Fashions Limited.
Chairpersonship/ Membership in committees of other Entities	Indian Terrain Fashions Limited • Chairperson - CSR Committee	India Carbon Limited • Member of Audit Committee & Nomination Remuneration Committee. Titagarh Wagons Limited • Chairman of Stakeholders relationship Committee. • Member of Audit Committee & Nomination Remuneration Committee. Indian Terrain Fashions Limited • Member of Audit Committee & Nomination Remuneration Committee.

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

Place: Chennai
Date: 21st August, 2020

A Rishi Kumar
Company Secretary

BOARD'S REPORT

Dear Members,

The Directors have pleasure in presenting the Board's Report along with the Audited Financial Statements of the Company for the financial year ended 31st March, 2020.

FINANCIAL SUMMARY

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

(Rs. In Crores)

Particulars	FY 2019-20	FY 2018-19
Revenue From operations	232.50	231.39
EBITDA	18.56	16.36
Interest Cost	8.06	7.27
Profit / (Loss) before depreciation and tax	10.50	9.09
Depreciation	9.30	5.85
Profit/ (Loss) before exceptional item and tax	1.20	3.24
Exceptional Item	15.64	-
Provision for Taxation	-	-
Profit / (Loss) after tax	16.84	3.24
Other Comprehensive Income	(0.91)	(0.93)
Total Comprehensive Income	15.93	2.31
Earnings per Share (In Rs.)	3.34	0.69

PERFORMANCE REVIEW

The Company has turned in a satisfactory performance in the year 2019-20 with net Revenue from operations at Rs.232.50 reflecting marginal increase ~ 0.50 percent rise vis-à-vis Rs.231.39 crs recorded in the previous year. The Operating EBITDA stood at Rs.18.56 crs against Rs.16.36 crs the previous year.

Cost of Materials & Changes in inventories

The cost of materials adjusted for changes in inventories of finished goods and work in progress is 51.98 % as against 52.63 % in the previous year.

Employee Costs

Though the manpower cost is up by 9.17% in absolute terms, it is 25.8% to revenues as against 23.7 % in the previous year.

Depreciation

Depreciation during the year reduced to Rs.5.85 crores as against Rs.6.89 crores in the previous year. The reason for higher depreciation during the year compared to previous year is, Company has adopted Ind AS-116 as stipulated by accounting standards

Finance Costs

The company has settled the Term loans availed from bank out of the proceeds of the sale of investment property during the year. Increase in finance costs compared to previous year is due accounting leases under IndAS-116 as stipulated accounting standards

Profit before tax and net profits

The profits before exceptional item is Rs.0.29 crores as against Rs.2.31 crores in the previous year.

The net profit after accounting for exceptional item is Rs.15.93 crores during the year as against Rs.2.31 crores in the previous year.

CHANGES TO SHARE CAPITAL

The paid-up Equity Share Capital as on March 31, 2020 was Rs. 47,76,80,050/- divided into 4,77,68,005 Equity Shares of Face Value of Rs.10/- (Rupee Ten Only) each. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights.

The paid-up preference Share Capital as on March 31, 2020 was Rs. 25,10,45,000/- divided into 2,51,04,500 1% Cumulative Redeemable Preference shares of Rs.10/- (Rupees Ten Only) each.

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, 2020.

TRANSFER TO RESERVES

The Company has not transferred any amount to general reserve for the financial year ended 31st March, 2020.

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.

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.

Effective 01st April 2019, the company has adopted Ind AS 116 "Leases" and applied the Standard to its leases retrospectively and has recognized the effect of the cumulative adjustment in the opening retained earnings, on the date of initial application (01 April 2019). Accordingly previous year results have not been restated. Company has chosen to create right to use asset at an amount equal to lease liability as on date of initial application. There has been no adjustment to opening retained earnings.

During the year the Company has sold its investment property and the proceeds of the sale has been utilized for settling the term loans availed from bank.

DEPOSITS

During FY 2019-20, the Company did not accept any deposit within the meaning of Sections 73 and 74 of the Act read together with the Companies (Acceptance of Deposits) Rules, 2014 and accordingly no amount on account of principal or interest on public deposits was outstanding as on 31st March, 2020.

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, 2020 forms part of this Annual Report.

COVID-19 IMPACT

The outbreak of COVID-19 across globe and India has resulted in pandemic. The central and state government has imposed lockdown from 24 March 2020 to prevent the spread. The Company has shut down factories / office and operational activities, impacting the business during the 4th quarter. However, this does not affect the going concern status of the Company.

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 2** 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. 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, 2020.

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 and can be accessed through the website 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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors:

Resignations

Mr. P.S. Raman, Independent Director, resigned from the Board of the Company effective 07th November, 2019 due to his professional engagement. He confirmed that there were no other material reasons for his resignation other than the one stated above.

Appointment/Re-appointment

During the year, the board, at its meeting held on 11th November, 2019, based on the recommendation of the Nomination & Remuneration Committee, appointed Mr. Manoj Mohanka as Additional Director (Independent Category) with effect from 11th November, 2019 to hold office for a term of 5 (five) years.

Mrs. Rama Rajagopal, Non-Executive Director, retires by rotation and, being eligible, has offered herself for re-appointment. Based on the recommendation of the Nomination and Remuneration Committee, the Board recommends the re-appointment of Mrs. Rama Rajagopal as director, liable to retire by rotation.

The Board recommends the aforementioned appointments for approval of the members at the ensuing AGM. Brief resume, expertise in specific functional areas, names of listed companies in which the above-named directors hold directorships, committee memberships/ chairmanships, disclosure of relationships between directors inter-se, shareholding etc., are furnished in notice of the ensuing AGM.

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, 2020 there were no pending options to be vested or exercised.

STATEMENT OF DECLARATION ON INDEPENDENCE GIVEN BY INDEPENDENT DIRECTORS

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under the Act and the Listing Regulations and they have registered their names in the Independent Directors' Databank.

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 3** 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 6 (six) times during the financial year 2019-20 i.e., 20th May 2019, 27th June, 2019, 13th August 2019, 11th November, 2019, 10th February 2020 and 17th February 2020. 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;

- e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- f) fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long term value creation for its stakeholders.

Particulars pertaining to 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

During the year under review, the Company has not made any investment. Further, the Company has not given any loans or corporate guarantee or provided any security during the year.

MATERIAL CHANGES & COMMITMENTS

There have been 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 46 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, Practicing Company Secretaries, as the Secretarial Auditors of the Company to undertake the Secretarial Audit for the financial year 2019-20.

The Secretarial Audit Report issued by M/s. BP & Associates, Secretarial Auditors for the Financial Year ended 31st March 2020 is annexed with the report as Annexure 4. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark

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 2019-20.

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.